

**WINDJAMMER HOMEOWNERS ASSOCIATION**  
**RESERVE STUDY POLICY**  
**September 30, 2021**

**Authority:** CRS 38-33.3-209.5, Responsible Governance Policies, Paragraph (1) (b) (IX)

**Purpose:** This Policy outlines the procedures for conducting a Reserve Study. A **Reserve Study** is a special review of the finances of the Windjammer Homeowners Association ("Association") when requested by any of the following entities: 1) Board of Directors, 2) a two-thirds majority of Owners, or 3) the Management Team or a Certified Public Accountant (CPA). For the purpose of this Policy, **Owners** refers to both resident and non-resident owners of any property subject to the Association's Covenants and Policies. The Reserve Study identifies potential financial obligations of the Association and assess whether current reserves are sufficient to meet these obligations.


**Procedure:** The Windjammer Homeowners Association has limited physical assets; as such, the Association will conduct Reserve Studies as prescribed by the following Procedure:

- a. **When to conduct Reserve Study.** Reserve Studies will be conducted upon recommendation by the Board of Directors, and/or two-thirds majority of Owners, or based upon recommendation from a Management Team or Certified Public Accountant (CPA).
- b. **Type of Reserve Study.** The Board of Directors will conduct an assessment to determine the specific type that best fits the needs of the Association. An external study is conducted by an outside agency, such as a CPA or another qualified organization. An internal study is conducted by the Board.
- c. **Reserve Study considerations.** An internal Reserve Study will be conducted as follows. Additional procedures may be followed during an external Reserve Study.
  1. List all the components which the Association is obligated to maintain, repair, or replace.
  2. Examine past financial records of Association expenses on these components (excluding routine maintenance).
  3. Contact vendors for estimates on the cost and estimated timeline to needed repairs or replacements.
  4. Consider periodic maintenance actions (NOT paid from Reserve Funds) that would extend the remaining life of the components.
  5. Build a spreadsheet of anticipated contributions and expenses to/from the Reserve Fund, extending 20-30 years forward.
  6. Estimate the necessary Reserve Fund contributions to maintain a "satisfactory" level of Reserve Funding over a 20-30 years' span.
  7. Develop funding and maintenance plans based on the report.
- d. **Dissemination of results.** At the discretion of the Board, the results of the Reserve

Study may be provided to the Owners. Additionally, an Owner may request the results of a Reserve Study after its completion.

IN WITNESS WHEREOF, the undersigned certifies that this Policy and Procedures was adopted by resolution of the Board of Directors of the Association on this 30th day of September 2021

Windjammer Homeowners Association is a Colorado Non-profit Corporation

  
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Daniel Bailey, President