

Reserve Study and Funding Policy

- 1. Policy Accountable Owner: Finance Committee FIN**
- 2. Policy Name: Reserve Study and Funding Policy**
- 3. Purpose for policy:** To specify the policy regarding HOA reserves if any are held by the HOA.
- 4. Policy details:**
 - a.** The HOA shall have prepared a reserve study for the portions of the Riva Chase HOA maintained, repaired, replaced and improved by the HOA at such time as the Board shall, in its sole business judgment, determine that this is necessary. Partial updates and changes may be made at the discretion of the Board. This study may be made by members of the HOA or professionals in the discretion of the Board. As the common areas are controlled by a sister organization known as the Forest Hills Metropolitan District, the HOA may have no need for a reserve fund with the limited financial responsibility held by the HOA.
 - b.** The HOA can provide a funding plan for work recommended by any reserve study and the sources of funds to perform any work may include, among other things, current assessments, regular assessments, additional assessments, special assessments, a reserve fund into which deposits have been made, operating surpluses from previous years, borrowing or any other source of funding. Funding may be made through a pre-funded reserve fund or at the time of the necessary work. Funding sources may be changed at the discretion of the Board. Different work may be funded in different manners or in several different manners.
 - c.** Any reserve study will be based upon both a physical and financial analysis.
 - d.** As of the date of this approval of this policy the HOA board has not deemed it necessary to require a reserve study based on the needs of the community under the authority of the HOA.*

Approved by: Riva Chase HOA

Approved date: June 1, 2020

Reviewed every three years.

** Please note that the Foothills Metropolitan District and its Board (FHMD) is responsible for all common areas, to include but not limited to roads, water and sewer expenditures and capital improvements.*