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**Pinnacle at Ute Creek Homeowners Associa
Longmont, CO**



Report #: 40616-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

November 15, 2021

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**
Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**
A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**
A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.



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Pinnacle at Ute Creek Homeowners Associa -
Longmont, CO
Level of Service: "Full"

Report #: 40616-0
of Units: 27

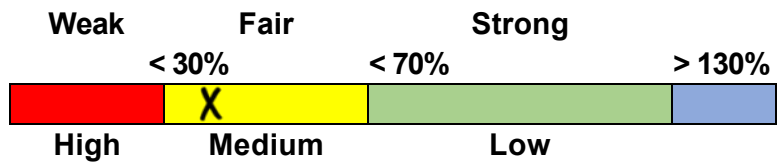
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Starting Reserve Balance	\$61,000
Fully Funded Reserve Balance	\$154,025
Percent Funded	39.6 %
Recommended 2022 Monthly "Fully Funding" Contributions	\$2,875
Alternate/Baseline Monthly Minimum Contributions to Keep Reserves Above \$0	\$1,862
Recommended 2022 Special Assessments for Reserves	\$0
Most Recent Monthly Reserve Contribution Rate	\$0

Reserve Fund Strength: 39.6%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	1.00 %
Annual Inflation Rate	3.00 %

- This "Full", (original, created "from scratch"), is based on our site inspection on 7/27/2021.
- The Reserve Study was reviewed by a credentialed Reserve Specialist (RS).
- Your Reserve Fund is currently 39.6 % Funded. This means the client's special assessment & deferred maintenance risk is currently Medium.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget the Monthly Reserve contributions at \$2,875 with 3% annual increases in order to be within the 70% to 130% level as noted above. 100% "Full" contribution rates are designed to achieve these funding objectives by the end of our 30-year report scope.
- The goal of the Reserve Study is to help the client offset inevitable annual deterioration of the common area components. The Reserve Study will guide the client to establish an appropriate Reserve Contribution rate that offsets the annual deterioration of the components and 'keep pace' with the rate of ongoing deterioration. No assets appropriate for Reserve designation were excluded. See photo appendix for component details; the basis of our assumptions.
- We recommend that this Reserve Study be updated annually, with a With-Site-Visit Reserve Study every three years. Research has found that clients who update their Reserve Study annually with a No-Site-Visit Reserve Study reduce their risk of special assessment by ~ 35%.
- Please watch this 5-minute video to understand the key results of a Reserve Study - <https://youtu.be/u83t4BRRIRE>

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Sites and Grounds			
21050 Driveway Concrete - Repair - 5%	5	3	\$7,150
21090 Conc. Walkways/Patios - Repair - 5%	5	3	\$2,250
21320 Site Fencing: Wood - Repair/Paint	5	0	\$1,035
21340 Site Fencing: Split Rail - Replace	30	13	\$6,100
21600 Mailbox Kiosks - Replace	30	13	\$2,200
21610 Sign/Monument - Refurbish/Replace	30	13	\$1,150
Building Exteriors			
23020 Ext. Lights (Decorative) - Replace	25	8	\$13,900
23180 Composite Decks - Replace	25	8	\$20,100
23230 Deck Rails - Replace	30	13	\$18,950
23260 Walkway Railing - Replace	30	13	\$6,150
23380 Exterior Cladding - Paint/Caulk	1	0	\$5,000
23390 Fiber Cement Siding - Replace	50	33	\$232,400
23570 Roof: Composition Shingle - Replace	25	23	\$261,450
23650 Gutters/Downspouts - Replace	3	1	\$2,400
14 Total Funded Components			

Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 7/27/2021 we visually inspected the common area assets and were able to see a majority of the common areas.

Please see photo appendix for component details; the basis of our assumptions.



Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses as defined by your Reserve Component List. A summary of these expenses are shown in the 30-Year Reserve Plan Summary Table, while details of the projects that make up these expenses are shown in the 30-Year Income/Expense Detail.

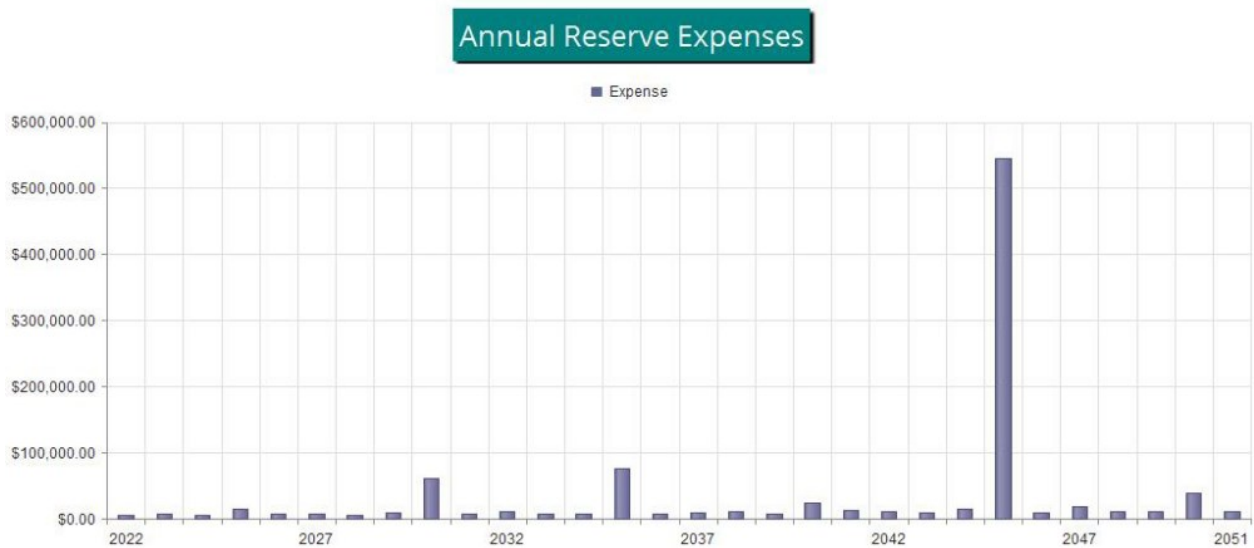


Figure 1

Reserve Fund Status

As of 1/1/2022 your Reserve Fund balance is projected to be \$61,000 and your Fully Funded Balance is computed to be \$154,025 (see the Fully Funded Balance Table). The Fully Funded Balance represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 39.6 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending Monthly budgeted contributions of \$2,875. The overall 30-Year Plan, in perspective, is shown below in the Annual Reserve Funding (Fig. 2). This same information is shown numerically in both the 30-Year Reserve Plan Summary Table and the 30-Year Income/Expense Detail.

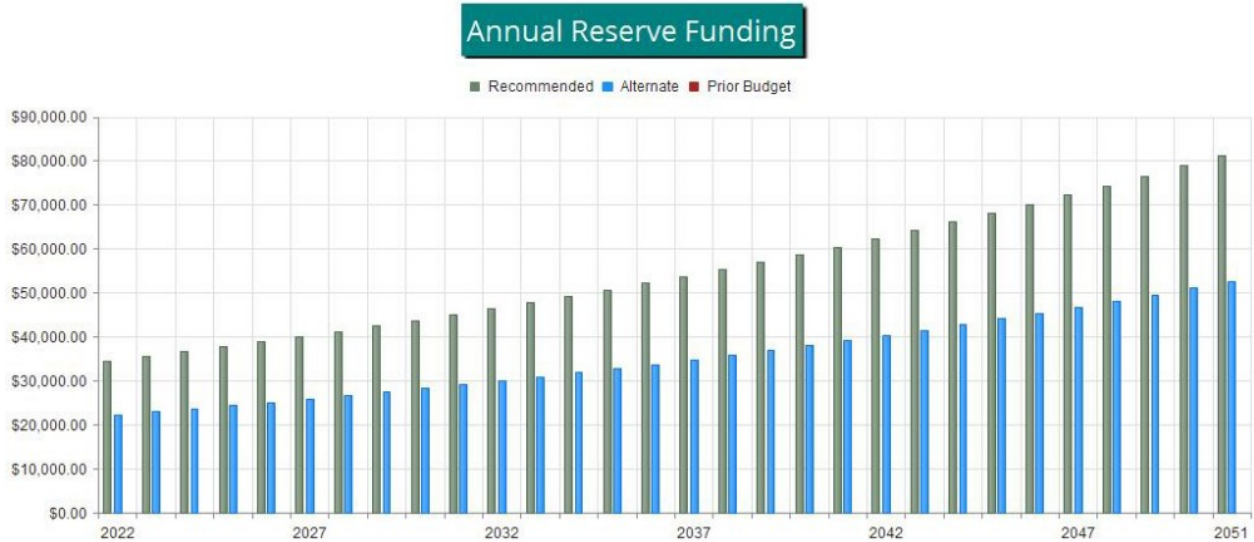


Figure 2

The reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate, compared to your always—changing Fully Funded Balance target is shown in the 30-Yr Cash Flow (Fig. 3).

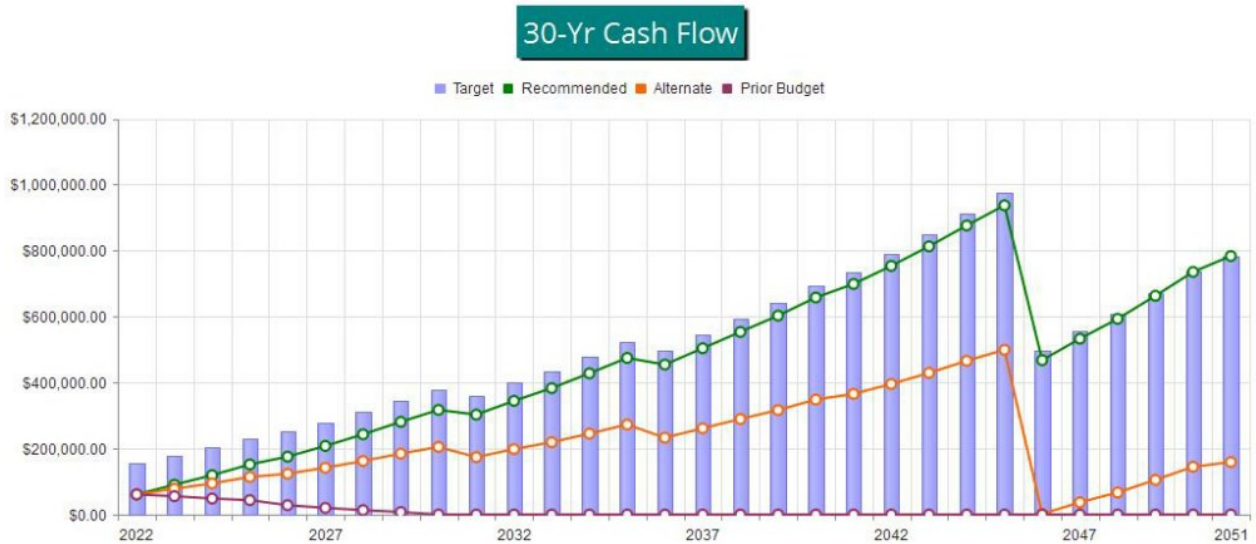


Figure 3

The information from Figure 3 is plotted on a Percent Funded scale in Figure 4. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan. A client that has a percent funded level of <30% may experience an ~ 20%-60% chance risk of special assessment. A client that is between 30% and 70% may experience an ~ 20%-5% chance risk of special assessment. A client that has a percent funded of >70% may experience an ~ <1% chance risk of special assessment.

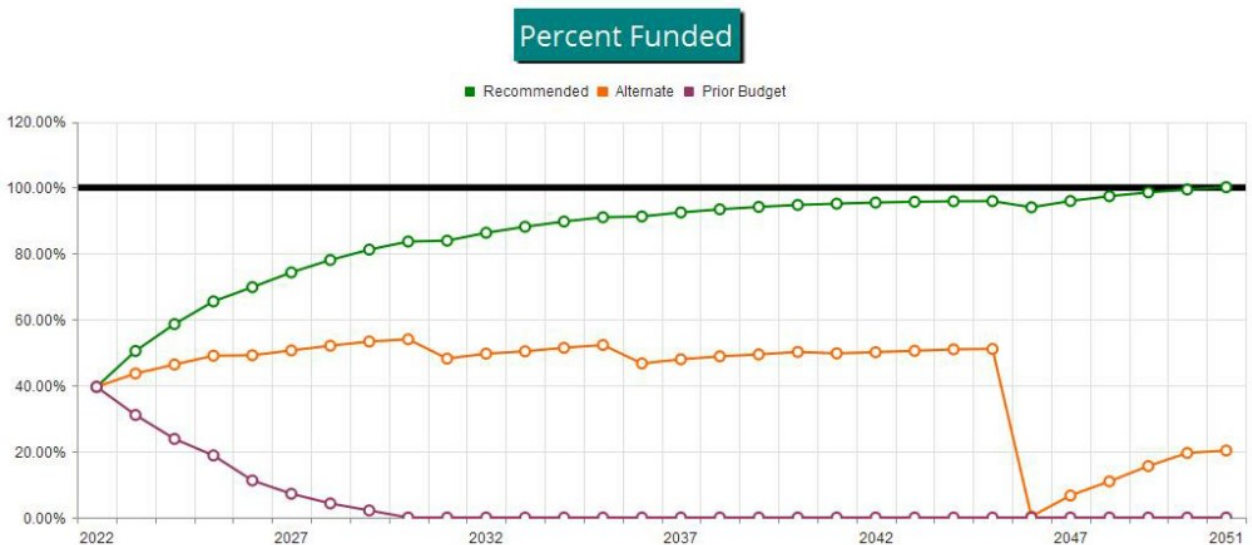


Figure 4



Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
					Best Case	Worst Case
Sites and Grounds						
21050	Driveway Concrete - Repair - 5%	5% of ~ 11500 GSF	5	3	\$5,700	\$8,600
21090	Conc. Walkways/Patios - Repair - 5%	5% of ~ 3600 GSF	5	3	\$1,800	\$2,700
21320	Site Fencing: Wood - Repair/Paint	38% of ~ 450 LF	5	0	\$870	\$1,200
21340	Site Fencing: Split Rail - Replace	38% of ~ 450 LF	30	13	\$5,200	\$7,000
21600	Mailbox Kiosks - Replace	38% of ~ (4) CBUs	30	13	\$2,000	\$2,400
21610	Sign/Monument - Refurbish/Replace	~ (1) Monument	30	13	\$1,000	\$1,300
Building Exteriors						
23020	Ext. Lights (Decorative) - Replace	~ (110) Lights	25	8	\$11,100	\$16,700
23180	Composite Decks - Replace	~ 1600 GSF	25	8	\$18,100	\$22,100
23230	Deck Rails - Replace	~ 450 LF	30	13	\$15,600	\$22,300
23260	Walkway Railing - Replace	~ 88 LF	30	13	\$5,700	\$6,600
23380	Exterior Cladding - Paint/Caulk	(1) Building/Year	1	0	\$4,000	\$6,000
23390	Fiber Cement Siding - Replace	~ 23200 GSF	50	33	\$185,900	\$278,900
23570	Roof: Composition Shingle - Replace	~ 51000 GSF	25	23	\$211,400	\$311,500
23650	Gutters/Downspouts - Replace	~ 3200 LF	3	1	\$1,900	\$2,900

14 Total Funded Components

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Sites and Grounds								
21050	Driveway Concrete - Repair - 5%	\$7,150	X	2	/	5	=	\$2,860
21090	Conc. Walkways/Patios - Repair - 5%	\$2,250	X	2	/	5	=	\$900
21320	Site Fencing: Wood - Repair/Paint	\$1,035	X	5	/	5	=	\$1,035
21340	Site Fencing: Split Rail - Replace	\$6,100	X	17	/	30	=	\$3,457
21600	Mailbox Kiosks - Replace	\$2,200	X	17	/	30	=	\$1,247
21610	Sign/Monument - Refurbish/Replace	\$1,150	X	17	/	30	=	\$652
Building Exteriors								
23020	Ext. Lights (Decorative) - Replace	\$13,900	X	17	/	25	=	\$9,452
23180	Composite Decks - Replace	\$20,100	X	17	/	25	=	\$13,668
23230	Deck Rails - Replace	\$18,950	X	17	/	30	=	\$10,738
23260	Walkway Railing - Replace	\$6,150	X	17	/	30	=	\$3,485
23380	Exterior Cladding - Paint/Caulk	\$5,000	X	1	/	1	=	\$5,000
23390	Fiber Cement Siding - Replace	\$232,400	X	17	/	50	=	\$79,016
23570	Roof: Composition Shingle - Replace	\$261,450	X	2	/	25	=	\$20,916
23650	Gutters/Downspouts - Replace	\$2,400	X	2	/	3	=	\$1,600
								\$154,025

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Sites and Grounds				
21050 Driveway Concrete - Repair - 5%	5	\$7,150	\$1,430	5.61 %
21090 Conc. Walkways/Patios - Repair - 5%	5	\$2,250	\$450	1.76 %
21320 Site Fencing: Wood - Repair/Paint	5	\$1,035	\$207	0.81 %
21340 Site Fencing: Split Rail - Replace	30	\$6,100	\$203	0.80 %
21600 Mailbox Kiosks - Replace	30	\$2,200	\$73	0.29 %
21610 Sign/Monument - Refurbish/Replace	30	\$1,150	\$38	0.15 %
Building Exteriors				
23020 Ext. Lights (Decorative) - Replace	25	\$13,900	\$556	2.18 %
23180 Composite Decks - Replace	25	\$20,100	\$804	3.15 %
23230 Deck Rails - Replace	30	\$18,950	\$632	2.48 %
23260 Walkway Railing - Replace	30	\$6,150	\$205	0.80 %
23380 Exterior Cladding - Paint/Caulk	1	\$5,000	\$5,000	19.60 %
23390 Fiber Cement Siding - Replace	50	\$232,400	\$4,648	18.22 %
23570 Roof: Composition Shingle - Replace	25	\$261,450	\$10,458	41.00 %
23650 Gutters/Downspouts - Replace	3	\$2,400	\$800	3.14 %
14 Total Funded Components			\$25,505	100.00 %

Fiscal Year Start: 2022

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$61,000	\$154,025	39.6 %	Medium	0.00 %	\$34,500	\$0	\$756	\$6,035
2023	\$90,221	\$178,700	50.5 %	Medium	3.00 %	\$35,535	\$0	\$1,047	\$7,622
2024	\$119,180	\$203,268	58.6 %	Medium	3.00 %	\$36,601	\$0	\$1,354	\$5,305
2025	\$151,831	\$231,772	65.5 %	Medium	3.00 %	\$37,699	\$0	\$1,636	\$15,735
2026	\$175,431	\$251,224	69.8 %	Medium	3.00 %	\$38,830	\$0	\$1,916	\$8,329
2027	\$207,848	\$279,749	74.3 %	Low	3.00 %	\$39,995	\$0	\$2,254	\$6,996
2028	\$243,100	\$311,389	78.1 %	Low	3.00 %	\$41,195	\$0	\$2,619	\$5,970
2029	\$280,944	\$345,949	81.2 %	Low	3.00 %	\$42,431	\$0	\$2,990	\$9,101
2030	\$317,263	\$379,262	83.7 %	Low	3.00 %	\$43,704	\$0	\$3,099	\$61,312
2031	\$302,754	\$360,766	83.9 %	Low	3.00 %	\$45,015	\$0	\$3,235	\$6,524
2032	\$344,479	\$399,146	86.3 %	Low	3.00 %	\$46,365	\$0	\$3,637	\$11,336
2033	\$383,145	\$434,749	88.1 %	Low	3.00 %	\$47,756	\$0	\$4,054	\$6,921
2034	\$428,034	\$477,026	89.7 %	Low	3.00 %	\$49,189	\$0	\$4,511	\$7,129
2035	\$474,606	\$521,448	91.0 %	Low	3.00 %	\$50,664	\$0	\$4,644	\$75,409
2036	\$454,504	\$497,998	91.3 %	Low	3.00 %	\$52,184	\$0	\$4,790	\$7,563
2037	\$503,916	\$544,884	92.5 %	Low	3.00 %	\$53,750	\$0	\$5,285	\$9,402
2038	\$553,548	\$592,474	93.4 %	Low	3.00 %	\$55,362	\$0	\$5,779	\$11,875
2039	\$602,815	\$640,172	94.2 %	Low	3.00 %	\$57,023	\$0	\$6,301	\$8,264
2040	\$657,875	\$694,285	94.8 %	Low	3.00 %	\$58,734	\$0	\$6,781	\$24,515
2041	\$698,875	\$734,586	95.1 %	Low	3.00 %	\$60,496	\$0	\$7,260	\$12,976
2042	\$753,654	\$789,322	95.5 %	Low	3.00 %	\$62,311	\$0	\$7,829	\$10,900
2043	\$812,895	\$849,221	95.7 %	Low	3.00 %	\$64,180	\$0	\$8,442	\$9,301
2044	\$876,215	\$913,987	95.9 %	Low	3.00 %	\$66,106	\$0	\$9,063	\$14,179
2045	\$937,205	\$977,138	95.9 %	Low	3.00 %	\$68,089	\$0	\$7,023	\$544,414
2046	\$467,903	\$497,551	94.0 %	Low	3.00 %	\$70,131	\$0	\$5,002	\$10,164
2047	\$532,872	\$555,410	95.9 %	Low	3.00 %	\$72,235	\$0	\$5,627	\$17,661
2048	\$593,073	\$608,885	97.4 %	Low	3.00 %	\$74,402	\$0	\$6,278	\$10,783
2049	\$662,970	\$672,698	98.6 %	Low	3.00 %	\$76,634	\$0	\$6,989	\$11,106
2050	\$735,488	\$739,792	99.4 %	Low	3.00 %	\$78,934	\$0	\$7,592	\$38,437
2051	\$783,576	\$782,499	100.1 %	Low	3.00 %	\$81,302	\$0	\$8,221	\$11,783

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$61,000	\$90,221	\$119,180	\$151,831	\$175,431
Annual Reserve Contribution	\$34,500	\$35,535	\$36,601	\$37,699	\$38,830
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$756	\$1,047	\$1,354	\$1,636	\$1,916
Total Income	\$96,256	\$126,802	\$157,136	\$191,166	\$216,176
# Component					
Sites and Grounds					
21050 Driveway Concrete - Repair - 5%	\$0	\$0	\$0	\$7,813	\$0
21090 Conc. Walkways/Patios - Repair - 5%	\$0	\$0	\$0	\$2,459	\$0
21320 Site Fencing: Wood - Repair/Paint	\$1,035	\$0	\$0	\$0	\$0
21340 Site Fencing: Split Rail - Replace	\$0	\$0	\$0	\$0	\$0
21600 Mailbox Kiosks - Replace	\$0	\$0	\$0	\$0	\$0
21610 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
23020 Ext. Lights (Decorative) - Replace	\$0	\$0	\$0	\$0	\$0
23180 Composite Decks - Replace	\$0	\$0	\$0	\$0	\$0
23230 Deck Rails - Replace	\$0	\$0	\$0	\$0	\$0
23260 Walkway Railing - Replace	\$0	\$0	\$0	\$0	\$0
23380 Exterior Cladding - Paint/Caulk	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
23390 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
23570 Roof: Composition Shingle - Replace	\$0	\$0	\$0	\$0	\$0
23650 Gutters/Downspouts - Replace	\$0	\$2,472	\$0	\$0	\$2,701
Total Expenses	\$6,035	\$7,622	\$5,305	\$15,735	\$8,329
Ending Reserve Balance	\$90,221	\$119,180	\$151,831	\$175,431	\$207,848

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$207,848	\$243,100	\$280,944	\$317,263	\$302,754
Annual Reserve Contribution	\$39,995	\$41,195	\$42,431	\$43,704	\$45,015
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,254	\$2,619	\$2,990	\$3,099	\$3,235
Total Income	\$250,096	\$286,914	\$326,364	\$364,066	\$351,003
# Component					
Sites and Grounds					
21050 Driveway Concrete - Repair - 5%	\$0	\$0	\$0	\$9,057	\$0
21090 Conc. Walkways/Patios - Repair - 5%	\$0	\$0	\$0	\$2,850	\$0
21320 Site Fencing: Wood - Repair/Paint	\$1,200	\$0	\$0	\$0	\$0
21340 Site Fencing: Split Rail - Replace	\$0	\$0	\$0	\$0	\$0
21600 Mailbox Kiosks - Replace	\$0	\$0	\$0	\$0	\$0
21610 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
23020 Ext. Lights (Decorative) - Replace	\$0	\$0	\$0	\$17,608	\$0
23180 Composite Decks - Replace	\$0	\$0	\$0	\$25,462	\$0
23230 Deck Rails - Replace	\$0	\$0	\$0	\$0	\$0
23260 Walkway Railing - Replace	\$0	\$0	\$0	\$0	\$0
23380 Exterior Cladding - Paint/Caulk	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
23390 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
23570 Roof: Composition Shingle - Replace	\$0	\$0	\$0	\$0	\$0
23650 Gutters/Downspouts - Replace	\$0	\$0	\$2,952	\$0	\$0
Total Expenses	\$6,996	\$5,970	\$9,101	\$61,312	\$6,524
Ending Reserve Balance	\$243,100	\$280,944	\$317,263	\$302,754	\$344,479

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$344,479	\$383,145	\$428,034	\$474,606	\$454,504
Annual Reserve Contribution	\$46,365	\$47,756	\$49,189	\$50,664	\$52,184
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,637	\$4,054	\$4,511	\$4,644	\$4,790
Total Income	\$394,481	\$434,955	\$481,734	\$529,914	\$511,479
# Component					
Sites and Grounds					
21050 Driveway Concrete - Repair - 5%	\$0	\$0	\$0	\$10,500	\$0
21090 Conc. Walkways/Patios - Repair - 5%	\$0	\$0	\$0	\$3,304	\$0
21320 Site Fencing: Wood - Repair/Paint	\$1,391	\$0	\$0	\$0	\$0
21340 Site Fencing: Split Rail - Replace	\$0	\$0	\$0	\$8,958	\$0
21600 Mailbox Kiosks - Replace	\$0	\$0	\$0	\$3,231	\$0
21610 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$1,689	\$0
Building Exteriors					
23020 Ext. Lights (Decorative) - Replace	\$0	\$0	\$0	\$0	\$0
23180 Composite Decks - Replace	\$0	\$0	\$0	\$0	\$0
23230 Deck Rails - Replace	\$0	\$0	\$0	\$27,829	\$0
23260 Walkway Railing - Replace	\$0	\$0	\$0	\$9,031	\$0
23380 Exterior Cladding - Paint/Caulk	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563
23390 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
23570 Roof: Composition Shingle - Replace	\$0	\$0	\$0	\$0	\$0
23650 Gutters/Downspouts - Replace	\$3,225	\$0	\$0	\$3,524	\$0
Total Expenses	\$11,336	\$6,921	\$7,129	\$75,409	\$7,563
Ending Reserve Balance	\$383,145	\$428,034	\$474,606	\$454,504	\$503,916

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$503,916	\$553,548	\$602,815	\$657,875	\$698,875
Annual Reserve Contribution	\$53,750	\$55,362	\$57,023	\$58,734	\$60,496
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,285	\$5,779	\$6,301	\$6,781	\$7,260
Total Income	\$562,951	\$614,690	\$666,139	\$723,390	\$766,630
# Component					
Sites and Grounds					
21050 Driveway Concrete - Repair - 5%	\$0	\$0	\$0	\$12,172	\$0
21090 Conc. Walkways/Patios - Repair - 5%	\$0	\$0	\$0	\$3,830	\$0
21320 Site Fencing: Wood - Repair/Paint	\$1,612	\$0	\$0	\$0	\$0
21340 Site Fencing: Split Rail - Replace	\$0	\$0	\$0	\$0	\$0
21600 Mailbox Kiosks - Replace	\$0	\$0	\$0	\$0	\$0
21610 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
23020 Ext. Lights (Decorative) - Replace	\$0	\$0	\$0	\$0	\$0
23180 Composite Decks - Replace	\$0	\$0	\$0	\$0	\$0
23230 Deck Rails - Replace	\$0	\$0	\$0	\$0	\$0
23260 Walkway Railing - Replace	\$0	\$0	\$0	\$0	\$0
23380 Exterior Cladding - Paint/Caulk	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768
23390 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
23570 Roof: Composition Shingle - Replace	\$0	\$0	\$0	\$0	\$0
23650 Gutters/Downspouts - Replace	\$0	\$3,851	\$0	\$0	\$4,208
Total Expenses	\$9,402	\$11,875	\$8,264	\$24,515	\$12,976
Ending Reserve Balance	\$553,548	\$602,815	\$657,875	\$698,875	\$753,654

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$753,654	\$812,895	\$876,215	\$937,205	\$467,903
Annual Reserve Contribution	\$62,311	\$64,180	\$66,106	\$68,089	\$70,131
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,829	\$8,442	\$9,063	\$7,023	\$5,002
Total Income	\$823,795	\$885,517	\$951,384	\$1,012,316	\$543,036
# Component					
Sites and Grounds					
21050 Driveway Concrete - Repair - 5%	\$0	\$0	\$0	\$14,111	\$0
21090 Conc. Walkways/Patios - Repair - 5%	\$0	\$0	\$0	\$4,441	\$0
21320 Site Fencing: Wood - Repair/Paint	\$1,869	\$0	\$0	\$0	\$0
21340 Site Fencing: Split Rail - Replace	\$0	\$0	\$0	\$0	\$0
21600 Mailbox Kiosks - Replace	\$0	\$0	\$0	\$0	\$0
21610 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
23020 Ext. Lights (Decorative) - Replace	\$0	\$0	\$0	\$0	\$0
23180 Composite Decks - Replace	\$0	\$0	\$0	\$0	\$0
23230 Deck Rails - Replace	\$0	\$0	\$0	\$0	\$0
23260 Walkway Railing - Replace	\$0	\$0	\$0	\$0	\$0
23380 Exterior Cladding - Paint/Caulk	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164
23390 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
23570 Roof: Composition Shingle - Replace	\$0	\$0	\$0	\$515,994	\$0
23650 Gutters/Downspouts - Replace	\$0	\$0	\$4,599	\$0	\$0
Total Expenses	\$10,900	\$9,301	\$14,179	\$544,414	\$10,164
Ending Reserve Balance	\$812,895	\$876,215	\$937,205	\$467,903	\$532,872

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$532,872	\$593,073	\$662,970	\$735,488	\$783,576
Annual Reserve Contribution	\$72,235	\$74,402	\$76,634	\$78,934	\$81,302
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,627	\$6,278	\$6,989	\$7,592	\$8,221
Total Income	\$610,734	\$673,753	\$746,594	\$822,013	\$873,099
# Component					
Sites and Grounds					
21050 Driveway Concrete - Repair - 5%	\$0	\$0	\$0	\$16,359	\$0
21090 Conc. Walkways/Patios - Repair - 5%	\$0	\$0	\$0	\$5,148	\$0
21320 Site Fencing: Wood - Repair/Paint	\$2,167	\$0	\$0	\$0	\$0
21340 Site Fencing: Split Rail - Replace	\$0	\$0	\$0	\$0	\$0
21600 Mailbox Kiosks - Replace	\$0	\$0	\$0	\$0	\$0
21610 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
23020 Ext. Lights (Decorative) - Replace	\$0	\$0	\$0	\$0	\$0
23180 Composite Decks - Replace	\$0	\$0	\$0	\$0	\$0
23230 Deck Rails - Replace	\$0	\$0	\$0	\$0	\$0
23260 Walkway Railing - Replace	\$0	\$0	\$0	\$0	\$0
23380 Exterior Cladding - Paint/Caulk	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783
23390 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
23570 Roof: Composition Shingle - Replace	\$0	\$0	\$0	\$0	\$0
23650 Gutters/Downspouts - Replace	\$5,025	\$0	\$0	\$5,491	\$0
Total Expenses	\$17,661	\$10,783	\$11,106	\$38,437	\$11,783
Ending Reserve Balance	\$593,073	\$662,970	\$735,488	\$783,576	\$861,316



Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Bryan Farley, R.S., president of the Colorado LLC, is a credentialed Reserve Specialist (#260). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.



Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.



Component Details

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

- 1) Common are maintenance, repair & replacement reasonability
- 2) Components must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of annual operating expenses).

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed “Best Cost” and “Worst Cost” below the photo. There are many factors that can result in a wide variety of potential cost; we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

Sites and Grounds

Comp #: 21050 Driveway Concrete - Repair - 5%

Quantity: 5% of ~ 11500 GSF

Location: Common Areas

Funded?: Yes.

History:

Comments: Concrete driveways determined to be in fair condition typically may exhibit small changes in slope and narrow "hair-line" wide cracks. Overall no unusual or extreme signs of age noted. Driveways are reported to be the maintenance and repair responsibility of the client. Although complete replacement of all areas together should not be required conditions observed merit inclusion of an allowance for ongoing repairs and partial replacements. Exposure to sunlight weather and frequent vehicle traffic can lead to larger more frequent repairs especially for older properties. Inspect all areas periodically to identify trip hazards or other safety issues. Timeline and cost ranges shown here should be re-evaluated during future Reserve Study updates.

Useful Life:

5 years

Remaining Life:

3 years



Best Case: \$ 5,700

Worst Case: \$ 8,600

Cost Source: Allowance

Comp #: 21090 Conc. Walkways/Patios - Repair - 5%

Quantity: 5% of ~ 3600 GSF

Location: Common Areas

Funded?: Yes.

History:

Comments: Concrete determined to be in fair condition typically exhibit minor changes in slope and a moderate percentage of cracking and surface wear. Trip hazards may be increasing in frequency and severity and should be closely monitored to prevent further risks. The Rocky Mountain Region is home to expansive soils. One of the causes of concrete damage in this type of soil moisture. Expansive soils tend to swell in size when wet and contract as they dry out. As the soil expands and contracts it can create enough force to cause major damage to sidewalks. Repair any trip and fall hazards immediately to ensure safety. As routine maintenance inspect regularly pressure wash for appearance and repair promptly as needed to prevent water penetrating into the base and causing further damage. In our experience larger repair/replacement expenses emerge as the community ages. Although difficult to predict timing cost and scope we suggest a rotating funding allowance to supplement the operating/maintenance budget for periodic larger repairs. Adjust as conditions actual expense patterns dictate within future reserve study updates.

Useful Life:
5 years

Remaining Life:
3 years



Best Case: \$ 1,800

Worst Case: \$ 2,700

Cost Source: Allowance

Comp #: 21320 Site Fencing: Wood - Repair/Paint

Quantity: 38% of ~ 450 LF

Location: Common Areas

Funded?: Yes.

History:

Comments: Client reported that the association is responsible for only 38% of this component.

Wood fencing determined to be in poor condition typically exhibits more advanced deterioration of coating with notable wear possibly resulting in rotting of wood structure in places. Poor inconsistent curb appeal. Regular uniform professional paint or sealer applications are recommended for appearance protection of wood and maximum design life. Repair as needed and clean prior to application. Plan for regular applications as shown below. Timing of repair/paint cycles may need to be coordinated with eventual fence replacement.

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 870

Worst Case: \$ 1,200

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 21340 Site Fencing: Split Rail - Replace

Quantity: 38% of ~ 450 LF

Location: Common Areas

Funded?: Yes.

History:

Comments: Client reported that the association is responsible for only 38% of this component.

Wood fencing determined to be in fair condition typically exhibits some minor to moderate amounts of surface wear and other signs of age which may include a small percentage of warped split and/or rotted sections. In general appearance is consistent but declining. As routine maintenance inspect regularly for any damage repair as needed and avoid contact with ground and surrounding vegetation wherever possible. Regular cycles of uniform professional sealing/painting will help to maintain appearance and maximize life. In our experience wood fencing will typically eventually break down due to a combination of sun and weather exposure which is sometimes exacerbated by other factors such as irrigation overspray abuse and lack of preventive maintenance. Recommendation and costs shown here are based on replacement with similar style and material. However the client might want to consider replacing with more sturdy lower-maintenance products like composite vinyl etc. Although installation costs are higher total life cycle cost is lower due to less maintenance and longer design life expectancy.

Useful Life:
30 years

Remaining Life:
13 years



Best Case: \$ 5,200

Worst Case: \$ 7,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 21600 Mailbox Kiosks - Replace

Quantity: 38% of ~ (4) CBUs

Location: Common Areas

Funded?: Yes.

History:

Comments: Client reported that the association is responsible for only 38% of this component.

Mailbox kiosks determined to be in fair condition typically exhibit minor to moderate surface wear at this stage. All components and hardware appear to function properly but appearance is diminishing. Inspect regularly and clean by wiping down exterior surfaces. If necessary change lock cylinders lubricate hinges and repair as an Operating expense. Best to plan for total replacement at roughly the time frame below due to constant exposure usage and wear over time. Note USPS has a limited budget for replacement and should not be relied upon for purposes of long term planning.

Useful Life:
30 years

Remaining Life:
13 years



Best Case: \$ 2,000

Worst Case: \$ 2,400

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 21610 Sign/Monument - Refurbish/Replace

Quantity: ~ (1) Monument

Location: Common Areas

Funded?: Yes.

History:

Comments: Monument signage determined to be in fair condition typically exhibits acceptable appearance and aesthetics in keeping with local area but with more weathering and wear showing on surfaces. If present landscaping and lighting are still in serviceable condition. At this stage signage may be becoming more dated and diminishing in appeal. As routine maintenance inspect regularly clean/touch-up and repair as an Operating expense. Plan to refurbish or replace at the interval below. Timing and scope of refurbishing or replacement projects is subjective but should always be scheduled in order to maintain good curb appeal. In our experience most clients choose to refurbish or replace signage periodically in order to maintain good appearance and aesthetics in keeping with local area often before signage is in poor physical condition. If present concrete walls are expected to be painted and repaired as part of refurbishing but not fully replaced unless otherwise noted. Costs can vary significantly depending on style/type desired and may include additional costs for design work landscaping lighting water features etc. Reserve Study updates should incorporate any estimates or information collected regarding potential projects.

Useful Life:
30 years

Remaining Life:
13 years



Best Case: \$ 1,000

Worst Case: \$ 1,300

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 21620 Pet Waste Stations - Replace

Quantity: ~ (2) Poles

Location: Common Areas

Funded?: No.

History:

Comments: Stations should be inspected regularly to make sure visibility is adequate including at night. Repair any damaged or leaning posts as needed. At this time costs related to this component are expected to be included in the client's Operating budget. No recommendation for Reserve funding at this time. However any repair and maintenance or other related expenditures should be tracked and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding component can be included in the funding plan at that time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 21720 Landscaping - Refurbish

Quantity: Common Areas

Location: Common Areas

Funded?: No.

History:

Comments: In general costs related to this component are expected to be included in the client's Operating budget. No recommendation for Reserve funding at this time. However any repair and maintenance or other related expenditures should be tracked and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding component can be included in the funding plan at that time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 25570 Irrigation Clocks - Replace

Quantity: 38% of ~ (2) Controllers

Location: Common Areas

Funded?: No.

History:

Comments: Client reported that the association is responsible for only 38% of the costs for this component. As such, costs fall below threshold for reserve funding. Plan to fund replacement as an Operating expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 26000 Storm Drainage Channels - Repair

Quantity: Common Areas

Location:

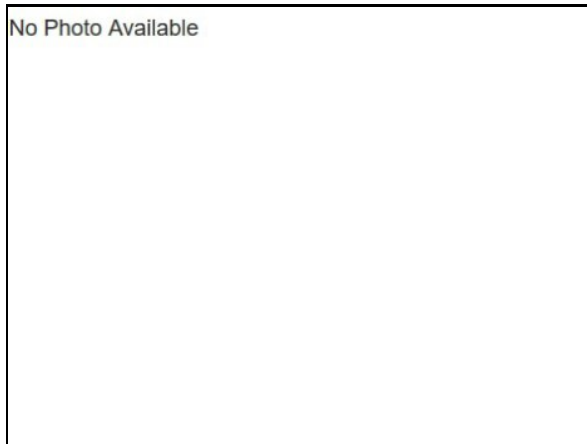
Funded?: No.

History:

Comments: No photos available. The "Storm Channel Maintenance Agreement" states that the client is partially responsible for the maintenance and repair of the storm drainage systems. However, due to the complex nature of repairs, there is no recommendation for reserve funding at this time. Costs and schedule of repair should be tracked and, if appropriate, added to future reserve studies.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Building Exteriors

Comp #: 21490 Garage Doors - Replace

Quantity: ~ (31) Doors

Location: Common Areas

Funded?: No.

History:

Comments: Upon review of the client's governing documents, individual owners (not the client) appear to be responsible for garage door replacement. The Association is responsible for repair/maintenance of exterior surfaces of doors and windows, but "specifically excluding glass surfaces and skylights and the related glazing;". Client's attorney has affirmed that this is the case. As such, no reserve funding is required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 23020 Ext. Lights (Decorative) - Replace

Quantity: ~ (110) Lights

Location: Building Exteriors

Funded?: Yes.

History:

Comments: Exterior lights determined to be in fair condition typically exhibit more moderate signs of wear and age but are generally believed to be aging normally with no unusual conditions noted. Observed during daylight hours but assumed to be in functional operating condition. As routine maintenance clean by wiping down with an appropriate cleaner change bulbs and repair as needed. Best practice is to plan for replacement of all lighting together at roughly the time frame below for cost efficiency and consistent quality/appearance throughout development. Should be coordinated with exterior painting projects whenever possible. Individual replacements should be considered an Operating expense. If available an extra supply of replacement fixtures should be kept on-site to allow for prompt replacement.

Useful Life:
25 years

Remaining Life:
8 years



Best Case: \$ 11,100

Worst Case: \$ 16,700

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 23180 Composite Decks - Replace

Quantity: ~ 1600 GSF

Location: Building Exteriors

Funded?: Yes.

History:

Comments: Fair conditions were observed at the time of the inspection. No extensive cracking or weathering noted however the surfaces appeared to be slightly faded. Surface appearance was of that of a composite/plastic/PVC material. Typical warranty period based on a Trex type material is 25 years. However that warranty period is based on proper installation and maintenance. We recommend ongoing evaluations of all elevated decks by a qualified decking or waterproofing contractor to assess overall condition and performance of system components. As part of ongoing maintenance program inspect regularly for any damage/deterioration. Ensure that any rail assemblies are secure. Note project costs can vary significantly professional specifications soliciting several estimates and professional project oversight are recommended. Track actual expenses for inclusion within future Reserve Study updates. If properly installed composite decking systems should experience an extended useful life. Decks should be thoroughly evaluated by a decking or waterproofing contractor prior to re-coating in order to determine scope of any required repairs. If the deck system has a warranty the client should make sure to follow any requirements necessary to maintain said warranty such as re-coating at required intervals and conducting professional inspections. As a general rule potted plants and other items that may trap water should be elevated off the deck or used with a waterproof liner in order to prevent prolonged exposure.

Useful Life:
25 years

Remaining Life:
8 years



Best Case: \$ 18,100

Worst Case: \$ 22,100

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 23230 Deck Rails - Replace

Quantity: ~ 450 LF

Location: Building Exteriors

Funded?: Yes.

History:

Comments: Deck railings determined to be in fair condition typically exhibit some wear and age but are not showing any advanced structural concerns loose attachments rust etc. Appearance may be declining or outdated at this stage but railings are still performing their intended function. Post attachments and hardware should be inspected periodically for corrosion/rust and any waterproofing issues. As routine maintenance inspect regularly to ensure safety and stability repair promptly as needed using general operating/maintenance funds. We suggest Reserve funding for regular intervals of total replacement as indicated below. Unless otherwise noted costs shown are based on replacement with a similar style of railing. However if the client chooses to upgrade or replace with a different style costs may be substantially different. Any new information about changes in style should be incorporated into future Reserve Study updates.

Useful Life:
30 years

Remaining Life:
13 years



Best Case: \$ 15,600

Worst Case: \$ 22,300

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 23260 Walkway Railing - Replace

Quantity: ~ 88 LF

Location: Building Exteriors

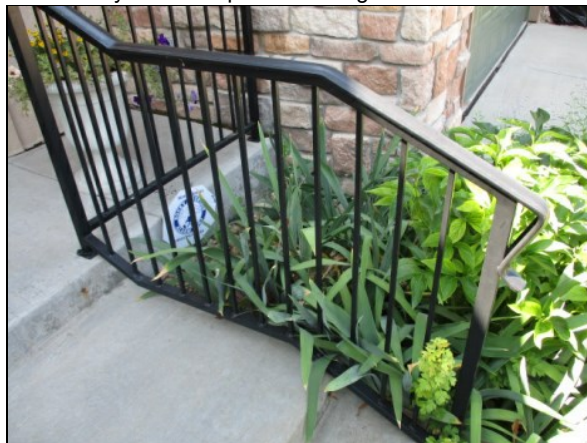
Funded?: Yes.

History:

Comments: Metal railing determined to be in fair condition typically exhibits some minor to moderate amounts of surface wear and other signs of age, which may include corrosion, loose or unstable pieces/sections or hardware, and/or overgrowth by surrounding vegetation. Overall, appears to be in serviceable but declining condition. In our experience, metal fencing will typically eventually break down due to a combination of sun and weather exposure, which is sometimes exacerbated by other factors such as irrigation overspray, abuse and lack of preventive maintenance. For some types of fencing, complete replacement is advisable over recoating or refinishing due to relatively short lifespan of coatings and consideration of total life-cycle cost.

Useful Life:
30 years

Remaining Life:
13 years



Best Case: \$ 5,700

Worst Case: \$ 6,600

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 23330 Stucco/EIFS - Coat/Paint

Quantity: ~ 9700 GSF

Location: Building Exteriors

Funded?: No.

History:

Comments: Funding included with component #23380.

There are two important reasons for painting and waterproofing a building to protect the structure from damage caused by exposure to the elements, and to restore or maintain good aesthetic standards for curb appeal. As routine maintenance, we recommend that regular inspections, spot repairs and touch-up painting be included in the operating budget. Typical paint cycles can vary greatly depending upon many factors including type of material painted, surface preparations, quality of material, application methods, weather conditions during application, moisture beneath paint, and exposure to weather conditions. Proper sealant/caulking at window and door perimeters and other gaps" in the building structure are critical to preventing water intrusion and resulting damage. The general rule of thumb is that sealant/caulking should be in place wherever two dissimilar building surfaces meet

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 23370 Stone Veneer - Maintain/Repair

Quantity: ~ 0 GSF

Location: Building Exteriors

Funded?: No.

History:

Comments: Brick or other masonry siding is typically a low maintenance surface that requires minimal infrequent repair. However in some cases (usually after several decades or more) the original mortar between bricks may require repointing to restore appearance and adequately protect against water intrusion. Repointing involves raking out a portion of the existing mortar and installing new mortar and continuing on until all affected sections have been replaced. In our experience there is not a well-defined predictable timeline for repointing work usually making this project inappropriate for Reserve funding. If re-pointing is a concern we strongly recommend further inspection by a qualified engineer and/or masonry specialist to diagnose existing conditions and recommend a scope of work. If warranted the Reserve Study can be adjusted to include funding recommendations going forward.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 23380 Exterior Cladding - Paint/Caulk

Quantity: (1) Building/Year

Location: Building Exteriors

Funded?: Yes.

History:

Comments: Vendor reported that the association paints ~(1) building per year at the cost average below. Funding includes stucco (~9700 GSF) and fiber cement (~2300 GSF) painting/caulking. Vendor recommends that the client continue to paint per the schedule below.

Fiber cement siding/trim sections determined to be in fair condition typically exhibit some color fading and inconsistency with minor isolated locations showing more advanced surface wear cracking splintering etc. Association Reserves does not specifically endorse any products manufacturers or vendors but James Hardie Building Products Inc. is the leading manufacturer of fiber cement siding and their website (www.jameshardie.com) is an informative resource for proper care and maintenance of fiber cement siding. Their Best Practices guidelines recommend the use of primers and topcoats that are designed and recommended for cement-based building materials such as fiber cement, masonry brick or stucco. Two finish coats of high-quality exterior-grade acrylic paint are recommended. Their guidelines also recommend the use of elastomeric joint sealants complying with ASTM C920 Grade NS Class 25 or higher or latex joint sealants complying with ASTM C834. We recommend that the client consult with qualified exterior painting/waterproofing consultants and/or contractors to ensure that proper materials are used in painting and sealing the building siding. Plan for such projects at the interval shown here.

Useful Life:
1 years

Remaining Life:
0 years



Best Case: \$ 4,000

Worst Case: \$ 6,000

Cost Source: Allowance + Estimate Provided by Client

Comp #: 23390 Fiber Cement Siding - Replace

Quantity: ~ 23200 GSF

Location: Building Exteriors

Funded?: Yes.

History:

Comments: The surfaces appeared in fair condition. No broken or missing sections observed. Minimal evidence of cracking fading and peeling observed. Surface was painted. Actual material of siding was not confirmed since we conducted only a limited visual review. Siding is believed to be fiber cement. The largest manufacturer of fiber cement siding is James Hardie Building Products Inc. and www.jameshardie.com is a good source of information for best practices related to installation care and maintenance of the product. At this time there is no well-defined limit to the useful life of fiber cement siding. The client should review any available warranty documents to ensure proper steps are taken to maintain applicable warranties. As the product ages the client should conduct more detailed inspections beyond the scope of the visual inspection conducted during this engagement. Currently Hardie offers the choice of a 30-year non-prorated or 50-year pro-rated warranty. James Hardie recommended maintenance tips include: • Patching - Dents chips and cracks can be filled using a good quality cement patching compound (acrylic mortar patch) which can be found at your local Home Center or Hardware Store. • Mold/Mildew - Remove using a commercial mold/mildew remover. Consult your paint manufacturer's recommendations before applying any mold or mildew remover. • Loose Siding or Soffit- Re-nail using a properly-sized corrosion-resistant fastener. • Caulk Replacement - When sealant is in need of replacing carefully remove existing caulk and replace with a high quality paintable latex caulk. For best results use a latex caulk that complies with ASTM-C- 834 ASTM C920 or better. Caulking should be applied in accordance with the caulking manufacturer's written installation instructions. • Paint Maintenance - Remove any damaged chipped or cracked paint. Prior to repainting make sure that the surface area is properly cleaned and prepared. Repaint immediately using 100% acrylic paint. • Note: For best results please refer to your paint manufacturer's written specifications for application rates and required topcoats or refer to James Hardie's Technical Bulletin No. S-100. The underlying waterproofing will degrade over time and may require replacement. No view of underlying waterproofing was part of our limited visual review. The client should plan for eventual replacement at roughly the time-frame below. Inspect and repair as needed using operating and maintenance funds.

Useful Life:
50 years

Remaining Life:
33 years



Best Case: \$ 185,900

Worst Case: \$ 278,900

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 23470 Unit Doors - Replace

Quantity: ~ (54) Doors

Location: Building Exteriors

Funded?: No.

History:

Comments: Upon review of the client's governing documents, individual owners (not the client) appear to be responsible for garage door replacement. The Association is responsible for repair/maintenance of exterior surfaces of doors and windows, but "specifically excluding glass surfaces and skylights and the related glazing;". Client's attorney has affirmed that this is the case. As such, no reserve funding is required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 23570 Roof: Composition Shingle - Replace

Quantity: ~ 51000 GSF

Location: Building Exteriors

Funded?: Yes.

History:

Comments: Closed valleys were observed. Ventilation (the lack of which can greatly reduce the roof's useful life) was observed at the eave. Eave venting consisted of soffit holes between the rafters. Diverter (kick-out) flashing was observed. Debris was not observed on the roof surface. Asphalt shingle roofs determined to be in good condition and typically exhibit few or no signs of curling/cupping of shingles and granule cover appears to be thick and consistent. Little to no organic growth or staining patterns evident and no unusual or significant leaks reported. Shingles and flashing appear to provide good coverage to all areas especially at intersection points and around any penetrations. A reserve study conducts only a limited visual review and many of the critical waterproofing and ventilation items of the roof are not readily viewable. For a full evaluation have a professional roof consultant/contractor perform a thorough up-close survey of your entire roof system including attic inspection (if any). Costs below factors replacement with an architectural grade laminated shingle. As routine maintenance many manufacturers recommend inspections at least twice annually (once in the fall before the snow season and again in the spring) and after large storm events. Promptly replace any damaged/missing sections or any other repair needed to ensure waterproof integrity of roof. Keep roof surface gutters and downspouts clear and free of debris. At the time of re-roofing we recommend that you hire a professional consultant to evaluate the existing roof and specify the new roof materials/design provide installation oversight. We recommend that all clients hire qualified consultants whenever they are considering having work performed on any building envelope (waterproofing) components including: roof walls windows decks exterior painting and caulking/sealant. There is a wealth of information available through Roofing Organizations such as: National Roofing Contractors client (NRCA) <http://www.nrca.net>. Asphalt Roofing Manufacturers client (ARMA) <http://www.asphaltroofing.org/> Roof Consultant Institute (RCI) <http://www.rci-online.org> : roof walls windows decks exterior painting and caulking/sealant. There is a wealth of information available through Roofing Organizations such as: National Roofing Contractors client (NRCA) <http://www.nrca.net>. Asphalt Roofing Manufacturers client (ARMA) <http://www.asphaltroofing.org/> Roof Consultant Institute (RCI) <http://www.rci-online.org>

Useful Life:
25 years

Remaining Life:
23 years



Best Case: \$ 211,400

Worst Case: \$ 311,500

Cost Source: Estimate Provided by Client

Comp #: 23650 Gutters/Downspouts - Replace

Quantity: ~ 3200 LF

Location: Building Exteriors

Funded?: Yes.

History:

Comments: Gutters and downspouts determined to be in fair condition typically exhibit some normal wear and tear but drainage away from the roof and building appears to be adequate. Generally believed to be aging normally. Gutters and downspouts are assumed to be functioning properly unless otherwise noted. As routine maintenance inspect regularly keep gutters and downspouts free of debris. If buildings are located near trees keep trees trimmed back to avoid accumulation of leaves on the roof surface which will accumulate in the gutters and increase maintenance requirements while reducing life expectancy. Repair or replace individual sections as needed as an Operating expense. We generally recommend that the gutters and downspouts be replaced when the roof is being resurfaced/replaced. National Roofing Contractor client (NRCA) roofing standard includes installing eave flashings at the gutters. We suggest to plan for total replacement of gutter and downspouts at the same intervals as roof replacement for cost efficiency. Unless otherwise noted costs shown here assume replacement with similar type as are currently in place.

Useful Life:
3 years

Remaining Life:
1 years



Best Case: \$ 1,900

Worst Case: \$ 2,900

Cost Source: Allowance

Comp #: 23700 Window Wells - Replace

Quantity: ~ (27) Wells

Location:

Funded?: No.

History:

Comments: Denver Egress Window confirmed that window wells should be inspected regularly, but no regular schedule of replacement is required. There are too many unpredictable factors (shifting soils, climate) that contribute to failure of these systems to reliably predict useful life. As such, this component fails National Reserve Study Standards' 4-part test. Inspection and maintenance should be funded for through an Operating budget.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source: