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Little Elk Creek Village
Snowmass, CO



Report #: 28062-2
Beginning: July 1, 2023
Expires: June 30, 2024

RESERVE STUDY
Update "With-Site-Visit"

July 10, 2023

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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Little Elk Creek Village
Snowmass, CO
Level of Service: Update "With-Site-Visit"

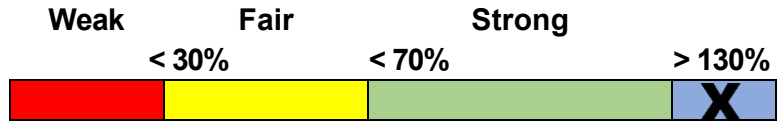
Report #: 28062-2
of Units: 76
July 1, 2023 through June 30, 2024

Findings & Recommendations

as of July 1, 2023

Starting Reserve Balance	\$609,797
Fully Funded Reserve Balance	\$412,445
Annual Rate (Cost) of Deterioration	\$90,863
Percent Funded	147.8 %
Recommended 2023 Annual "Fully Funding" Contributions	\$93,000
Alternate/Baseline Annual Minimum Contributions to Keep Reserves Above \$0	\$82,000
Recommended 2023 Special Assessments for Reserves	\$0
Most Recent Annual Reserve Contribution Rate	\$48,125

Reserve Fund Strength: 147.8%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

- This Update "With-Site-Visit", is based on a prior Reserve Study for your 2019 Fiscal Year. We performed the site inspection on 8/23/2022.
- The Reserve Study was reviewed by a credentialed Reserve Specialist (RS).
- Your Reserve Fund is currently 147.8 % Funded. This means the client's special assessment & deferred maintenance risk is currently Low.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget the Annual Reserve contributions at \$93,000 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. Clients that 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 & Grounds			
2111 Playground Equipment - Replace	15	1	\$31,500
2123 Roads - Chip Seal	7	2	\$312,000
2139 Fencing: Wood - Replace	30	23	\$74,000
2163 Ponds - Dredge/Maintain	10	0	\$20,000
2167 Sign/Monument - Refurbish	30	29	\$20,000
2189 Pump House - Refurbish	20	15	\$22,000
Mechanical			
2515 Water Line - Repair	1	0	\$29,000
2517 Wells - Treat/Maintain	4	3	\$3,750
2533 Water Storage Tank - Exterior Paint	15	3	\$12,000
2535 Water Storage Tank - Interior Paint	15	1	\$50,000
2537 Water Storage Tank - Inspect/Clean	5	0	\$3,500
2563 Filtration System Tanks - Replace	20	15	\$15,000
2567 Booster Pump/Motor (1) - Replace	20	1	\$5,750
2567 Booster Pump/Motor (2) - Replace	20	0	\$5,750
2567 Booster Pump/Motor (3) - Replace	20	9	\$5,750
2569 Well Pump/Motor (1) - Replace	10	0	\$5,250
2569 Well Pump/Motor (2) - Replace	10	5	\$5,250
2569 Well Pump/Motor (3) - Replace	10	8	\$5,250
18 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 [Update With-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

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



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 8/23/2022 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.

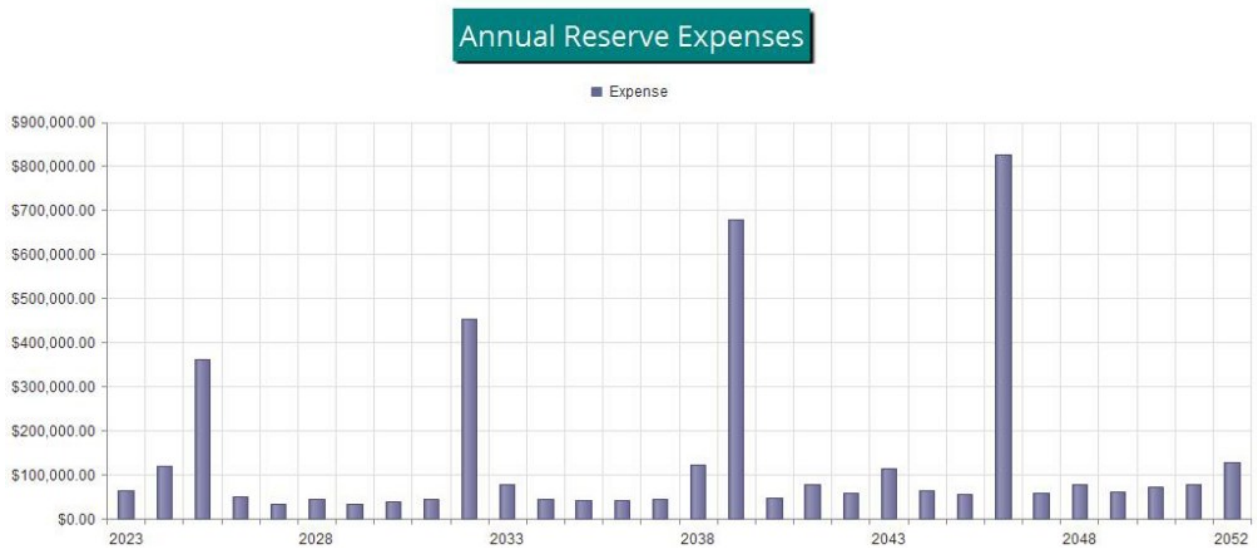


Figure 1

Reserve Fund Status

As of 7/1/2023 your Reserve Fund balance is projected to be \$609,797 and your Fully Funded Balance is computed to be \$412,445 (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 147.8 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending Annual budgeted contributions of \$93,000. 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.

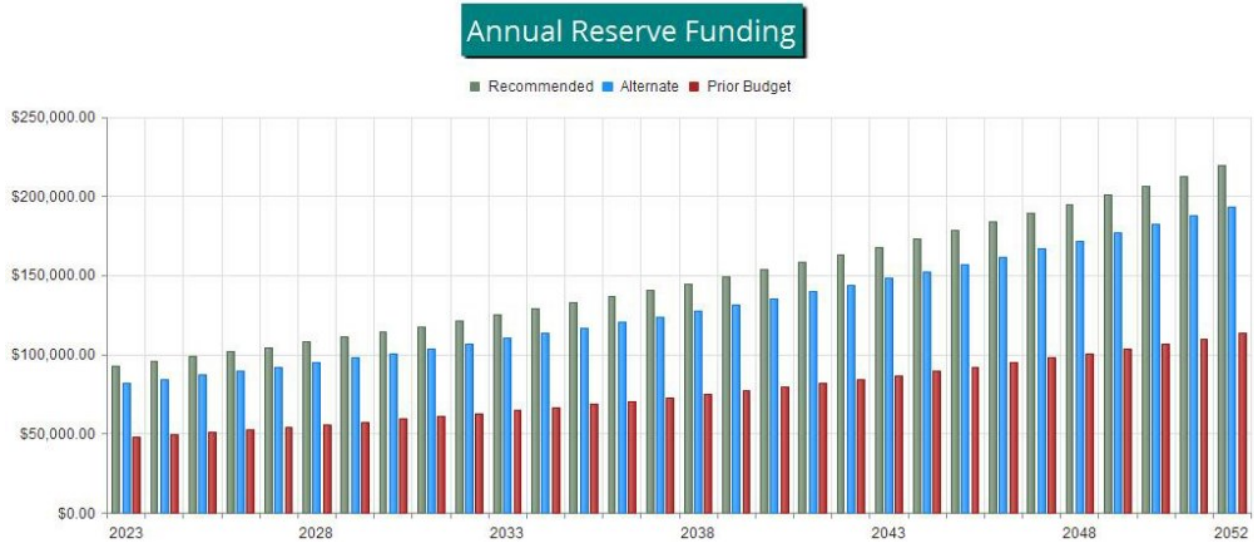


Figure 2

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).

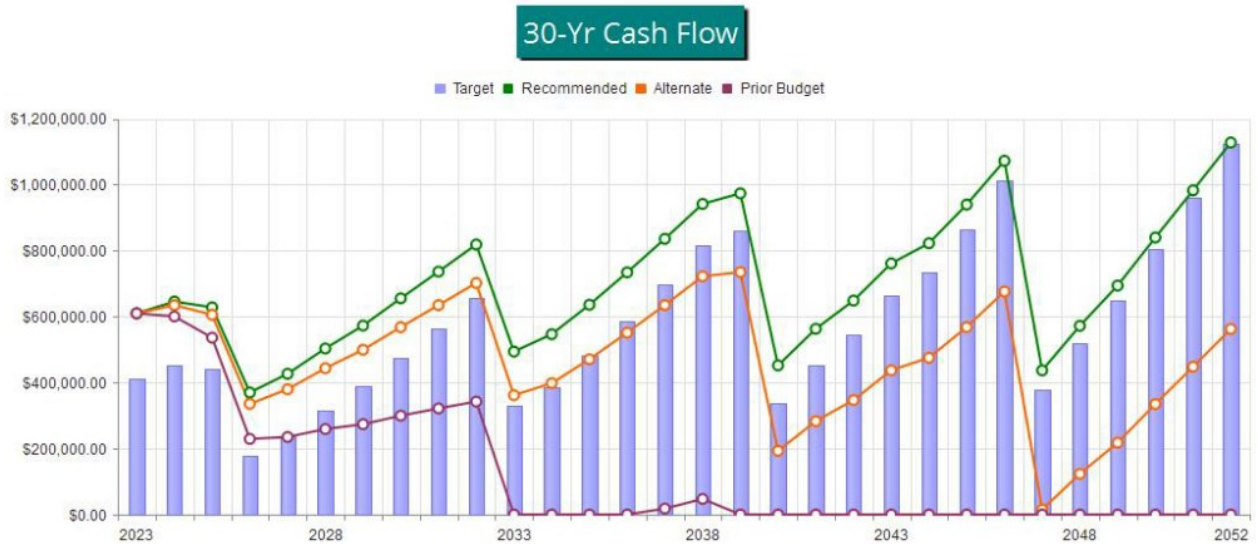


Figure 3

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.

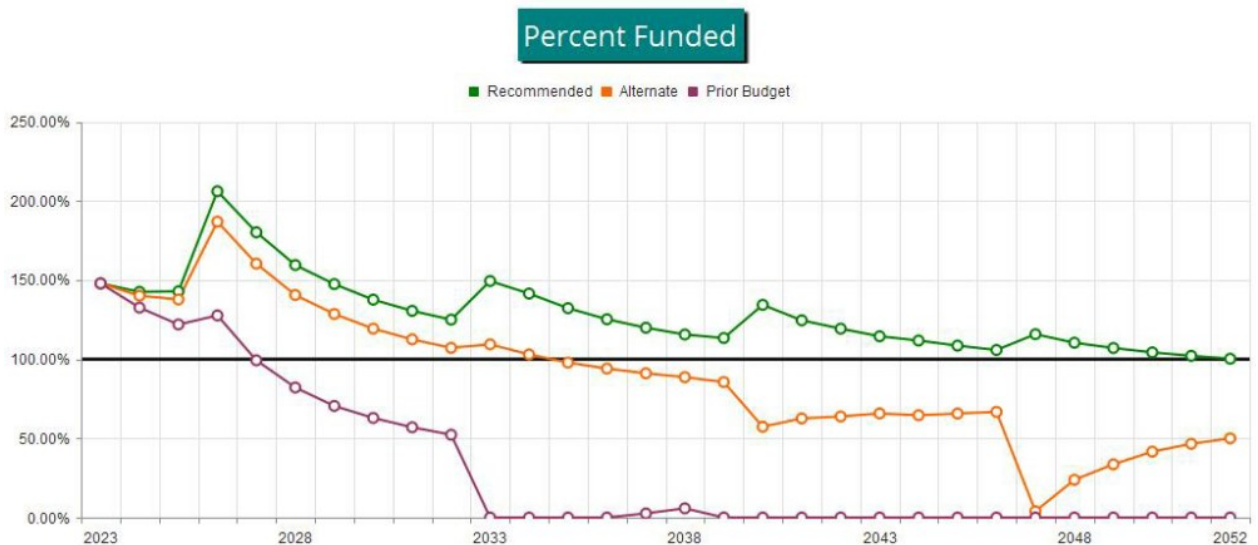


Figure 4



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 & Grounds						
2111	Playground Equipment - Replace	(1) Playground	15	1	\$25,000	\$38,000
2123	Roads - Chip Seal	~ 251,000 GSF	7	2	\$294,000	\$330,000
2139	Fencing: Wood - Replace	~ 1,700 LF	30	23	\$68,000	\$80,000
2163	Ponds - Dredge/Maintain	(3) Ponds, (1) Silt Pond	10	0	\$15,000	\$25,000
2167	Sign/Monument - Refurbish	(1) Wood	30	29	\$15,000	\$25,000
2189	Pump House - Refurbish	(1) 15x30 Building	20	15	\$21,000	\$23,000
Mechanical						
2515	Water Line - Repair	Numerous LF	1	0	\$25,000	\$33,000
2517	Wells - Treat/Maintain	(3) Wells	4	3	\$2,500	\$5,000
2533	Water Storage Tank - Exterior Paint	~ 2,200 GSF	15	3	\$10,000	\$14,000
2535	Water Storage Tank - Interior Paint	~ 2,200 GSF	15	1	\$45,000	\$55,000
2537	Water Storage Tank - Inspect/Clean	~ 105k Gallons	5	0	\$3,000	\$4,000
2563	Filtration System Tanks - Replace	(4) Tanks	20	15	\$14,000	\$16,000
2567	Booster Pump/Motor (1) - Replace	(1) 5 HP Pump/Motor	20	1	\$5,000	\$6,500
2567	Booster Pump/Motor (2) - Replace	(1) 5 HP Pump/Motor	20	0	\$5,000	\$6,500
2567	Booster Pump/Motor (3) - Replace	(1) 5 HP Pump/Motor	20	9	\$5,000	\$6,500
2569	Well Pump/Motor (1) - Replace	(1) Motor/Pump	10	0	\$4,000	\$6,500
2569	Well Pump/Motor (2) - Replace	(1) Motor/Pump	10	5	\$4,000	\$6,500
2569	Well Pump/Motor (3) - Replace	(1) Motor/Pump	10	8	\$4,000	\$6,500
18 Total Funded Components						

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Sites & Grounds								
2111	Playground Equipment - Replace	\$31,500	X	14	/	15	=	\$29,400
2123	Roads - Chip Seal	\$312,000	X	5	/	7	=	\$222,857
2139	Fencing: Wood - Replace	\$74,000	X	7	/	30	=	\$17,267
2163	Ponds - Dredge/Maintain	\$20,000	X	10	/	10	=	\$20,000
2167	Sign/Monument - Refurbish	\$20,000	X	1	/	30	=	\$667
2189	Pump House - Refurbish	\$22,000	X	5	/	20	=	\$5,500
Mechanical								
2515	Water Line - Repair	\$29,000	X	1	/	1	=	\$29,000
2517	Wells - Treat/Maintain	\$3,750	X	1	/	4	=	\$938
2533	Water Storage Tank - Exterior Paint	\$12,000	X	12	/	15	=	\$9,600
2535	Water Storage Tank - Interior Paint	\$50,000	X	14	/	15	=	\$46,667
2537	Water Storage Tank - Inspect/Clean	\$3,500	X	5	/	5	=	\$3,500
2563	Filtration System Tanks - Replace	\$15,000	X	5	/	20	=	\$3,750
2567	Booster Pump/Motor (1) - Replace	\$5,750	X	19	/	20	=	\$5,463
2567	Booster Pump/Motor (2) - Replace	\$5,750	X	20	/	20	=	\$5,750
2567	Booster Pump/Motor (3) - Replace	\$5,750	X	11	/	20	=	\$3,163
2569	Well Pump/Motor (1) - Replace	\$5,250	X	10	/	10	=	\$5,250
2569	Well Pump/Motor (2) - Replace	\$5,250	X	5	/	10	=	\$2,625
2569	Well Pump/Motor (3) - Replace	\$5,250	X	2	/	10	=	\$1,050
								\$412,445

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Sites & Grounds					
2111	Playground Equipment - Replace	15	\$31,500	\$2,100	2.31 %
2123	Roads - Chip Seal	7	\$312,000	\$44,571	49.05 %
2139	Fencing: Wood - Replace	30	\$74,000	\$2,467	2.71 %
2163	Ponds - Dredge/Maintain	10	\$20,000	\$2,000	2.20 %
2167	Sign/Monument - Refurbish	30	\$20,000	\$667	0.73 %
2189	Pump House - Refurbish	20	\$22,000	\$1,100	1.21 %
Mechanical					
2515	Water Line - Repair	1	\$29,000	\$29,000	31.92 %
2517	Wells - Treat/Maintain	4	\$3,750	\$938	1.03 %
2533	Water Storage Tank - Exterior Paint	15	\$12,000	\$800	0.88 %
2535	Water Storage Tank - Interior Paint	15	\$50,000	\$3,333	3.67 %
2537	Water Storage Tank - Inspect/Clean	5	\$3,500	\$700	0.77 %
2563	Filtration System Tanks - Replace	20	\$15,000	\$750	0.83 %
2567	Booster Pump/Motor (1) - Replace	20	\$5,750	\$288	0.32 %
2567	Booster Pump/Motor (2) - Replace	20	\$5,750	\$288	0.32 %
2567	Booster Pump/Motor (3) - Replace	20	\$5,750	\$288	0.32 %
2569	Well Pump/Motor (1) - Replace	10	\$5,250	\$525	0.58 %
2569	Well Pump/Motor (2) - Replace	10	\$5,250	\$525	0.58 %
2569	Well Pump/Motor (3) - Replace	10	\$5,250	\$525	0.58 %
18	Total Funded Components			\$90,863	100.00 %

30-Year Reserve Plan Summary

Report # 28062-2
With-Site-Visit

Fiscal Year Start: 2023

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual	Reserve					
2023	\$609,797	\$412,445	147.8 %	Low	93.25 %	\$93,000	\$0	\$6,274	\$63,500		
2024	\$645,571	\$453,002	142.5 %	Low	3.00 %	\$95,790	\$0	\$6,365	\$119,738		
2025	\$627,989	\$439,659	142.8 %	Low	3.00 %	\$98,664	\$0	\$4,987	\$361,767		
2026	\$369,873	\$179,517	206.0 %	Low	3.00 %	\$101,624	\$0	\$3,981	\$48,900		
2027	\$426,577	\$236,804	180.1 %	Low	3.00 %	\$104,672	\$0	\$4,647	\$32,640		
2028	\$503,257	\$315,624	159.4 %	Low	3.00 %	\$107,812	\$0	\$5,377	\$43,763		
2029	\$572,684	\$388,513	147.4 %	Low	3.00 %	\$111,047	\$0	\$6,137	\$34,628		
2030	\$655,241	\$476,252	137.6 %	Low	3.00 %	\$114,378	\$0	\$6,955	\$40,278		
2031	\$736,295	\$564,155	130.5 %	Low	3.00 %	\$117,810	\$0	\$7,771	\$43,387		
2032	\$818,489	\$654,947	125.0 %	Low	3.00 %	\$121,344	\$0	\$6,559	\$452,430		
2033	\$493,962	\$330,705	149.4 %	Low	3.00 %	\$124,984	\$0	\$5,200	\$77,611		
2034	\$546,535	\$386,462	141.4 %	Low	3.00 %	\$128,734	\$0	\$5,909	\$45,334		
2035	\$635,845	\$480,912	132.2 %	Low	3.00 %	\$132,596	\$0	\$6,846	\$41,347		
2036	\$733,940	\$586,187	125.2 %	Low	3.00 %	\$136,574	\$0	\$7,845	\$42,587		
2037	\$835,771	\$697,346	119.9 %	Low	3.00 %	\$140,671	\$0	\$8,882	\$43,865		
2038	\$941,459	\$814,647	115.6 %	Low	3.00 %	\$144,891	\$0	\$9,571	\$122,300		
2039	\$973,621	\$858,926	113.4 %	Low	3.00 %	\$149,238	\$0	\$7,125	\$677,988		
2040	\$451,995	\$336,548	134.3 %	Low	3.00 %	\$153,715	\$0	\$5,072	\$47,933		
2041	\$562,850	\$451,963	124.5 %	Low	3.00 %	\$158,326	\$0	\$6,054	\$78,738		
2042	\$648,492	\$543,751	119.3 %	Low	3.00 %	\$163,076	\$0	\$7,045	\$57,427		
2043	\$761,187	\$665,022	114.5 %	Low	3.00 %	\$167,968	\$0	\$7,914	\$114,688		
2044	\$822,381	\$735,876	111.8 %	Low	3.00 %	\$173,007	\$0	\$8,806	\$64,645		
2045	\$939,549	\$865,471	108.6 %	Low	3.00 %	\$178,198	\$0	\$10,055	\$55,567		
2046	\$1,072,235	\$1,013,527	105.8 %	Low	3.00 %	\$183,544	\$0	\$7,542	\$826,439		
2047	\$436,881	\$377,406	115.8 %	Low	3.00 %	\$189,050	\$0	\$5,042	\$58,951		
2048	\$572,022	\$518,256	110.4 %	Low	3.00 %	\$194,721	\$0	\$6,328	\$79,040		
2049	\$694,031	\$648,347	107.0 %	Low	3.00 %	\$200,563	\$0	\$7,665	\$62,541		
2050	\$839,719	\$805,213	104.3 %	Low	3.00 %	\$206,580	\$0	\$9,108	\$72,747		
2051	\$982,659	\$962,328	102.1 %	Low	3.00 %	\$212,777	\$0	\$10,547	\$78,362		
2052	\$1,127,622	\$1,124,611	100.3 %	Low	3.00 %	\$219,161	\$0	\$11,781	\$129,022		

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$609,797	\$645,571	\$627,989	\$369,873	\$426,577
Annual Reserve Funding	\$93,000	\$95,790	\$98,664	\$101,624	\$104,672
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,274	\$6,365	\$4,987	\$3,981	\$4,647
Total Income	\$709,071	\$747,726	\$731,640	\$475,477	\$535,897
# Component					
Sites & Grounds					
2111 Playground Equipment - Replace	\$0	\$32,445	\$0	\$0	\$0
2123 Roads - Chip Seal	\$0	\$0	\$331,001	\$0	\$0
2139 Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2163 Ponds - Dredge/Maintain	\$20,000	\$0	\$0	\$0	\$0
2167 Sign/Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
2189 Pump House - Refurbish	\$0	\$0	\$0	\$0	\$0
Mechanical					
2515 Water Line - Repair	\$29,000	\$29,870	\$30,766	\$31,689	\$32,640
2517 Wells - Treat/Maintain	\$0	\$0	\$0	\$4,098	\$0
2533 Water Storage Tank - Exterior Paint	\$0	\$0	\$0	\$13,113	\$0
2535 Water Storage Tank - Interior Paint	\$0	\$51,500	\$0	\$0	\$0
2537 Water Storage Tank - Inspect/Clean	\$3,500	\$0	\$0	\$0	\$0
2563 Filtration System Tanks - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (1) - Replace	\$0	\$5,923	\$0	\$0	\$0
2567 Booster Pump/Motor (2) - Replace	\$5,750	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (1) - Replace	\$5,250	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (2) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$63,500	\$119,738	\$361,767	\$48,900	\$32,640
Ending Reserve Balance	\$645,571	\$627,989	\$369,873	\$426,577	\$503,257

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$503,257	\$572,684	\$655,241	\$736,295	\$818,489
Annual Reserve Funding	\$107,812	\$111,047	\$114,378	\$117,810	\$121,344
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,377	\$6,137	\$6,955	\$7,771	\$6,559
Total Income	\$616,447	\$689,868	\$776,574	\$861,876	\$946,392
# Component					
Sites & Grounds					
2111 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2123 Roads - Chip Seal	\$0	\$0	\$0	\$0	\$407,089
2139 Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2163 Ponds - Dredge/Maintain	\$0	\$0	\$0	\$0	\$0
2167 Sign/Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
2189 Pump House - Refurbish	\$0	\$0	\$0	\$0	\$0
Mechanical					
2515 Water Line - Repair	\$33,619	\$34,628	\$35,666	\$36,736	\$37,838
2517 Wells - Treat/Maintain	\$0	\$0	\$4,612	\$0	\$0
2533 Water Storage Tank - Exterior Paint	\$0	\$0	\$0	\$0	\$0
2535 Water Storage Tank - Interior Paint	\$0	\$0	\$0	\$0	\$0
2537 Water Storage Tank - Inspect/Clean	\$4,057	\$0	\$0	\$0	\$0
2563 Filtration System Tanks - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (1) - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (2) - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$7,502
2569 Well Pump/Motor (1) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (2) - Replace	\$6,086	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (3) - Replace	\$0	\$0	\$0	\$6,651	\$0
Total Expenses	\$43,763	\$34,628	\$40,278	\$43,387	\$452,430
Ending Reserve Balance	\$572,684	\$655,241	\$736,295	\$818,489	\$493,962

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$493,962	\$546,535	\$635,845	\$733,940	\$835,771
Annual Reserve Funding	\$124,984	\$128,734	\$132,596	\$136,574	\$140,671
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,200	\$5,909	\$6,846	\$7,845	\$8,882
Total Income	\$624,147	\$681,179	\$775,287	\$878,358	\$985,324
# Component					
Sites & Grounds					
2111 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2123 Roads - Chip Seal	\$0	\$0	\$0	\$0	\$0
2139 Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2163 Ponds - Dredge/Maintain	\$26,878	\$0	\$0	\$0	\$0
2167 Sign/Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
2189 Pump House - Refurbish	\$0	\$0	\$0	\$0	\$0
Mechanical					
2515 Water Line - Repair	\$38,974	\$40,143	\$41,347	\$42,587	\$43,865
2517 Wells - Treat/Maintain	\$0	\$5,191	\$0	\$0	\$0
2533 Water Storage Tank - Exterior Paint	\$0	\$0	\$0	\$0	\$0
2535 Water Storage Tank - Interior Paint	\$0	\$0	\$0	\$0	\$0
2537 Water Storage Tank - Inspect/Clean	\$4,704	\$0	\$0	\$0	\$0
2563 Filtration System Tanks - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (1) - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (2) - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (1) - Replace	\$7,056	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (2) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$77,611	\$45,334	\$41,347	\$42,587	\$43,865
Ending Reserve Balance	\$546,535	\$635,845	\$733,940	\$835,771	\$941,459

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$941,459	\$973,621	\$451,995	\$562,850	\$648,492
Annual Reserve Funding	\$144,891	\$149,238	\$153,715	\$158,326	\$163,076
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$9,571	\$7,125	\$5,072	\$6,054	\$7,045
Total Income	\$1,095,921	\$1,129,984	\$610,782	\$727,230	\$818,614
# Component					
Sites & Grounds					
2111 Playground Equipment - Replace	\$0	\$50,548	\$0	\$0	\$0
2123 Roads - Chip Seal	\$0	\$500,668	\$0	\$0	\$0
2139 Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2163 Ponds - Dredge/Maintain	\$0	\$0	\$0	\$0	\$0
2167 Sign/Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
2189 Pump House - Refurbish	\$34,275	\$0	\$0	\$0	\$0
Mechanical					
2515 Water Line - Repair	\$45,181	\$46,536	\$47,933	\$49,371	\$50,852
2517 Wells - Treat/Maintain	\$5,842	\$0	\$0	\$0	\$6,576
2533 Water Storage Tank - Exterior Paint	\$0	\$0	\$0	\$20,429	\$0
2535 Water Storage Tank - Interior Paint	\$0	\$80,235	\$0	\$0	\$0
2537 Water Storage Tank - Inspect/Clean	\$5,453	\$0	\$0	\$0	\$0
2563 Filtration System Tanks - Replace	\$23,370	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (1) - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (2) - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (1) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (2) - Replace	\$8,179	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (3) - Replace	\$0	\$0	\$0	\$8,938	\$0
Total Expenses	\$122,300	\$677,988	\$47,933	\$78,738	\$57,427
Ending Reserve Balance	\$973,621	\$451,995	\$562,850	\$648,492	\$761,187

Fiscal Year	2043	2044	2045	2046	2047
Starting Reserve Balance	\$761,187	\$822,381	\$939,549	\$1,072,235	\$436,881
Annual Reserve Funding	\$167,968	\$173,007	\$178,198	\$183,544	\$189,050
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,914	\$8,806	\$10,055	\$7,542	\$5,042
Total Income	\$937,069	\$1,004,195	\$1,127,802	\$1,263,321	\$630,973
# Component					
Sites & Grounds					
2111 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2123 Roads - Chip Seal	\$0	\$0	\$0	\$615,759	\$0
2139 Fencing: Wood - Replace	\$0	\$0	\$0	\$146,045	\$0
2163 Ponds - Dredge/Maintain	\$36,122	\$0	\$0	\$0	\$0
2167 Sign/Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
2189 Pump House - Refurbish	\$0	\$0	\$0	\$0	\$0
Mechanical					
2515 Water Line - Repair	\$52,377	\$53,949	\$55,567	\$57,234	\$58,951
2517 Wells - Treat/Maintain	\$0	\$0	\$0	\$7,401	\$0
2533 Water Storage Tank - Exterior Paint	\$0	\$0	\$0	\$0	\$0
2535 Water Storage Tank - Interior Paint	\$0	\$0	\$0	\$0	\$0
2537 Water Storage Tank - Inspect/Clean	\$6,321	\$0	\$0	\$0	\$0
2563 Filtration System Tanks - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (1) - Replace	\$0	\$10,697	\$0	\$0	\$0
2567 Booster Pump/Motor (2) - Replace	\$10,385	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (1) - Replace	\$9,482	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (2) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$114,688	\$64,645	\$55,567	\$826,439	\$58,951
Ending Reserve Balance	\$822,381	\$939,549	\$1,072,235	\$436,881	\$572,022

Fiscal Year	2048	2049	2050	2051	2052
Starting Reserve Balance	\$572,022	\$694,031	\$839,719	\$982,659	\$1,127,622
Annual Reserve Funding	\$194,721	\$200,563	\$206,580	\$212,777	\$219,161
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,328	\$7,665	\$9,108	\$10,547	\$11,781
Total Income	\$773,071	\$902,260	\$1,055,407	\$1,205,983	\$1,358,563
# Component					
Sites & Grounds					
2111 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2123 Roads - Chip Seal	\$0	\$0	\$0	\$0	\$0
2139 Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2163 Ponds - Dredge/Maintain	\$0	\$0	\$0	\$0	\$0
2167 Sign/Monument - Refurbish	\$0	\$0	\$0	\$0	\$47,131
2189 Pump House - Refurbish	\$0	\$0	\$0	\$0	\$0
Mechanical					
2515 Water Line - Repair	\$60,720	\$62,541	\$64,417	\$66,350	\$68,340
2517 Wells - Treat/Maintain	\$0	\$0	\$8,330	\$0	\$0
2533 Water Storage Tank - Exterior Paint	\$0	\$0	\$0	\$0	\$0
2535 Water Storage Tank - Interior Paint	\$0	\$0	\$0	\$0	\$0
2537 Water Storage Tank - Inspect/Clean	\$7,328	\$0	\$0	\$0	\$0
2563 Filtration System Tanks - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (1) - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (2) - Replace	\$0	\$0	\$0	\$0	\$0
2567 Booster Pump/Motor (3) - Replace	\$0	\$0	\$0	\$0	\$13,550
2569 Well Pump/Motor (1) - Replace	\$0	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (2) - Replace	\$10,992	\$0	\$0	\$0	\$0
2569 Well Pump/Motor (3) - Replace	\$0	\$0	\$0	\$12,012	\$0
Total Expenses	\$79,040	\$62,541	\$72,747	\$78,362	\$129,022
Ending Reserve Balance	\$694,031	\$839,719	\$982,659	\$1,127,622	\$1,229,541



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 & Grounds

Comp #: 2111 Playground Equipment - Replace

Quantity: (1) Playground

Location: Scattered common area locations

Funded?: Yes.

History:

Comments: Reported that the play set has been repaired as needed to extend the life of the unit. No major issues were noted with the equipment at the time of our inspection. Our inspection is not intended to identify any structural or latent defects, safety hazards, or other liability concerns. Funding recommendation shown here is strictly for budget purposes. As a routine maintenance expense, inspect for stability, damage and excessive wear and utilize maintenance funds for any repairs needed between replacement cycles. Life expectancy can vary depending on the amount of use/abuse. Unless otherwise noted, cost estimates assume replacement would be with comparable size and style of equipment as noted during inspection.

Useful Life:

15 years

Remaining Life:

1 years



Best Case: \$ 25,000

Worst Case: \$ 38,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 2113 Site Drainage - Inpsect

Quantity: Common Areas

Location: Common area open space tracts throughout community

Funded?: No.

History:

Comments: Various drainage improvements at this site include drainage culverts with no current problems observed or reported. Annual preventive maintenance work is typically performed as part of an association's general maintenance/operating fund. No reserve funding allocated at this time, however, if a pattern of larger expenses develops, we may recommend including a rotating funding allowance for larger expenses during future Reserve Study updates. Maintain records of any substantial projects so that future funding recommendations can be accurately based on recent project history.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2123 Roads - Chip Seal

Quantity: ~ 251,000 GSF

Location: Roadways of association

Funded?: Yes.

History: Sealed in 2015

Comments: The seal appeared to be dry and weathered. The association is planning to chip seal ~166,428 GSF of asphalt in the spring/summer of 2015. The vendor will be GMCO LLC. Plan to seal within 6-12 months after new asphalt is laid. Chip seal, is a common method used to preserve and protect asphalt pavement. Proper care and maintenance of chip seal can help extend its lifespan and keep it in good condition. Inspect the chip seal regularly for any signs of damage or distress, such as cracks or potholes. Promptly address any issues to prevent them from worsening. Contact the appropriate agency or contractor responsible for chip seal maintenance to arrange for repairs. Consider applying a rejuvenating seal coat or additional chip seal layers at the appropriate intervals as recommended by the pavement management program or agency. This can help extend the service life of the chip seal and protect the underlying pavement. Use snowplows with rubber or polyurethane blades to remove snow from chip seal surfaces. Avoid using metal blades, as they can damage the surface. Use sand or other suitable materials for traction instead of salt or deicing chemicals, as these can accelerate the aging of the chip seal. Chip seal surfaces require ongoing maintenance and periodic rehabilitation to ensure their effectiveness. Consulting with local transportation or public works agencies can provide valuable information specific to your area and the recommended maintenance practices for chip seal.

Useful Life:
7 years

Remaining Life:
2 years



Best Case: \$ 294,000

Worst Case: \$ 330,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

Comp #: 2139 Fencing: Wood - Replace

Quantity: ~ 1,700 LF

Location: Perimeter of Capitol Creek Rd. and Tot Lot

Funded?: Yes.

History: Replaced in 2016

Comments: The fence along the perimeter of Capitol Creek was ~1,600 LF, the tot lot fence was ~100 LF. Fair condition noted with no obvious damage or deterioration observed. No structural issues were reported to us by the client at the time of the inspection. With ordinary care and maintenance there is no predictable expectation for total replacement. However, in our experience as the community continues to age, some periodic larger repair needs will likely emerge. We recommended setting aside reserve funds to supplement the operating budget for local repairs in future years. As routine maintenance, inspect regularly and perform any needed local repairs promptly as general maintenance expense. Ensure that tread connections are tight, secure and slip resistant.

Useful Life:
30 years

Remaining Life:
23 years



Best Case: \$ 68,000

Worst Case: \$ 80,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 2163 Ponds - Dredge/Maintain

Quantity: (3) Ponds, (1) Silt Pond

Location: Common areas

Funded?: Yes. Funding included at the request of the client

History: 2013-2014

Comments: Previously ponds dredged in 2013/2014. No issues were reported at the time of the inspection. Under normal circumstances, well-maintained retention ponds should not require major repair/refurbishing projects. In some cases, large projects such as erosion control, weed abatement or dredging may be required. As a precaution, the association may want to budget an allowance or repairs to the ponds. The association should consult with pond service vendor on a regular basis to identify any necessary projects, which may be included within future Reserve Study updates as needed.

Useful Life:
10 years

Remaining Life:
0 years



Best Case: \$ 15,000

Worst Case: \$ 25,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

Comp #: 2167 Sign/Monument - Refurbish

Quantity: (1) Wood

Location: Entry location

Funded?: Yes.

History: Spring 2024

Comments: Reportedly the client is planning to update sign and area around the entrance in 2022. Fair conditions were currently noted. The sign was older and simple. Clear, legible condition with no significant damage/deterioration noted. Funding provided to replace with a similar sign. Plan to replace at the interval below based on typical deterioration caused by constant exposure. Funding allowance here can vary significantly depending on style/type desired. As routine maintenance, inspect regularly, clean/touch up for appearance and repair from operating budget.

Useful Life:
30 years

Remaining Life:
29 years



Best Case: \$ 15,000

Worst Case: \$ 25,000

Lower allowance to replace

Higher allowance; more elaborate, better quality

Cost Source: Estimate Provided by Client

Comp #: 2189 Pump House - Refurbish

Quantity: (1) 15x30 Building

Location: Adjacent to pond

Funded?: Yes.

History: Rebuilt in 2018

Comments: The building consisted of ~980 GSF of siding. The roof had a pitch of 4/12 and was ~500 GSF. No problems were noted with the building at the time of the inspection. This component represents an allowance for repairs/remodeling of the pump house. The pump house should be inspected, cleaned and small maintenance projects made as an Operating expense. Typical Reserve-funded projects may include exterior painting and roof repairs, interior remodeling, etc. No expectation to completely replace the structure under normal circumstances. Useful life and cost estimates shown here may be updated and adjusted during future Reserve Study updates based on actual project history or new estimates obtained by the association.

Useful Life:
20 years

Remaining Life:
15 years



Best Case: \$ 21,000

Worst Case: \$ 23,000

Lower allowance

Higher allowance

Cost Source: Client Cost History + Inflation

Comp #: 21110 Sluice Gates - Inspect

Quantity: ~ (9) Gates

Location: Common Areas

Funded?: No. Too indeterminate for Reserve designation - handle as an Operational Expense.

History:

Comments: Some municipalities require permitted stormwater drainage systems to be inspected on a regular basis with preventive maintenance and repair work completed as needed. Our inspection is not intended to comply with this requirement, but some Clients choose to list the expense of the process as a Reserve component. Funding recommendation shown here is included at the request of the client.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Mechanical

Comp #: 2515 Water Line - Repair

Quantity: Numerous LF

Location: Common area

Funded?: Yes. Component included at the request of the client

History:

Comments: Current repair allowance based on client estimates from the previous Reserve Study.

As routine maintenance, inspect regularly, test system and repair as needed from Operating budget. Consult with vendor to determine what types of repairs and replacements are included in the contract. If properly installed without defect, the elements within this system are generally low-cost and have a failure rate that is difficult to predict, making it best-suited to be handled through the Operating budget. At the request of the association, an allowance for ongoing replacements has been added.

Useful Life:

1 years

Remaining Life:

0 years



Best Case: \$ 25,000

Worst Case: \$ 33,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

Comp #: 2517 Wells - Treat/Maintain

Quantity: (3) Wells

Location: Underground

Funded?: Yes.

History: Planned Fall 2022

Comments: Reported that the wells should be cleaned or acidized every 3-5 years per Raun Samuelson. Funding provided below for the ongoing upkeep of the wells.

Useful Life:

4 years

Remaining Life:

3 years



Best Case: \$ 2,500

Worst Case: \$ 5,000

Lower average allowance to replace

Higher average allowance to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 2519 Wells - Drill

Quantity: (3) Wells

Location: Underground

Funded?: No.

History: Installed in 1986

Comments: No access to inspect the wells at the time of the inspection. Reportedly the association has a permit for one more well, there are no current plans to drill new wells. At this time, there is no predictable useful life for wells. This item is typically not included on a Reserve Study. No issues were reported at the time of the inspection. As routine maintenance, inspect regularly, test system and repair as needed from Operating budget.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2521 Agri Drain - Replace

Quantity: (1) Unit

Location: Adjacent to pond

Funded?: No. Unpredictable useful life

History: Installed in 2014

Comments: The majority of the unit is underground, with no access to inspect the size and distance of the piping. Installation of the unit can cost anywhere from \$1k-\$4k. However, there is no expectation to replace all of the piping at one time. The unit appeared to be a Water Gate. A Water Gate is a float-activated head pressure valve. The Water Gate is typically used in conjunction with a Water Level Control Structure, allowing drainage water to be utilized on ground. The main asset in this structure is a small valve with pvc piping underground. Plan to have the valves inspected to prevent clogging.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2523 Cisterns - Inspect

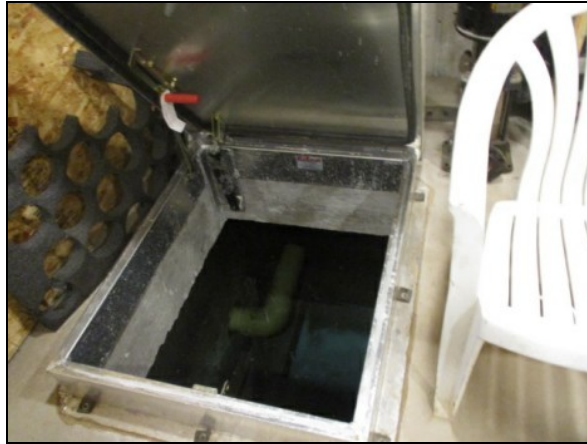
Quantity: (2) Tanks

Location: Underground, pump house
Funded?: No. Indeterminate useful life
History:

Comments: 5k gallon tank remains and a new 7k gallon tank added. Storage tanks should be inspected for leaks and other problems routinely by servicing vendor or maintenance staff. Small repairs and cleaning should be considered an Operating expense and conducted as needed. No funding provided at this time due to the unpredictable nature of this asset, however, keep track of all expenses and make adjustments as needed during future Reserve Study updates.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2533 Water Storage Tank - Exterior Paint

Quantity: ~ 2,200 GSF

Location: Sopris Creek Road
Funded?: Yes.
History: Painted in 2011

Comments: No issues or rust noted. Vandalism was observed on the back side of the tank. Tank should be inspected periodically to identify and weakened/weathered sections which may need to be repairs and painting. Expect to repair as needed and paint at roughly the interval shown here in order to maintain a good, consistent appearance.

Useful Life:
15 years

Remaining Life:
3 years



Best Case: \$ 10,000

Worst Case: \$ 14,000

Lower allowance

Higher allowance

Cost Source: Client Cost History + Inflation

Comp #: 2535 Water Storage Tank - Interior Paint

Quantity: ~ 2,200 GSF

Location: Sopris Creek Road

Funded?: Yes.

History: Reported by client that inspection in 2018 reported fair condition of surfaces

Comments: Reported by EPC that the water that serves Little Elk is highly corrosive and needs to be treated on a regular basis. No access to inspect the condition of the tank. The life of this item should be adjusted as new information becomes available (diver reports). Per Mike McGowan (970) 704-0400 of Mannix Painting (referred by Environmental Process Control), the interior of the tank needs to be painted every 10-20 years. Interior of the tank requires (3) coats of food grade paint, and the exterior requires (2) coats spot prime. Tank should be inspected periodically to identify and weakened/weathered sections which may need to be repairs and painting. Expect to repair as needed and paint at roughly the interval shown here in order to maintain a good, consistent appearance.

Useful Life:
15 years

Remaining Life:
1 years



Best Case: \$ 45,000

Worst Case: \$ 55,000

Lower allowance

Higher allowance

Cost Source: Research with Local Vendor/Contractor

Comp #: 2537 Water Storage Tank - Inspect/Clean

Quantity: ~ 105k Gallons

Location: Sopris Creek Road

Funded?: Yes.

History: Inspected in 2018

Comments: Inspected fully in 2018. Reported by EPC that the tank should be inspected every 5 years by a qualified expert. This component allows funding to be available for repairs needed at the time of the inspection.

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 3,000

Worst Case: \$ 4,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

Comp #: 2539 Water Storage Tank - Replace

Quantity: ~ 105k Gallons

Location: Sopris Creek Road

Funded?: No.

History:

Comments: Typically, if installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. However, it was reported by numerous vendors that if the tank is not maintained on a reoccurring schedule, then the tank may experience a shorter useful life. If leaks, defective material and/or issues become evident, have qualified vendor and/or engineer evaluate in

more detail and develop scope of any repair/replacement needed; funding for even one time projects can be incorporated within Reserve Study updates if warranted. If patterns of significant repair costs emerge, funding may be incorporated into future Reserve Study updates to supplement the Operating budget. No basis for Reserve funding at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2543 Chlorine Injection System - Replace

Quantity: (2) Pumps, (2) Tanks

Location: Pump house

Funded?: No. Too indeterminate

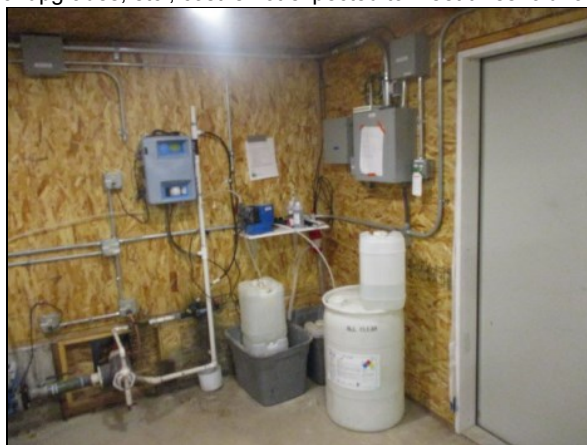
History:

Comments: Reportedly system may need to be replaced to meet state requirements, but it is currently unclear what the new requirements will be. Due to the fact that the requirements are currently unclear, no funding has been provided. Plan to update the Reserve Study when requirements become available and funding can be implemented.

The (2) tanks were plastic. The (2) pumps were electric Pulsatron motors/pumps. Plan to monitor the units on an ongoing basis. Inspect regularly and repair/replace as needed as an Operating expense. Although eventual replacement will be needed due to parts obsolescence, technological upgrades, etc., cost is not expected to meet threshold for Reserve funding.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2551 Surge Tracker - Replace

Quantity: (1) Unit

Location: Pump house

Funded?: No.

History:

Comments: Serial # -24434 3405 001. Model #-TK-LP120-1S240-FL. Analysis of electrical system(s) beyond visual inspection of readily-visible components is not within the scope of a Reserve Study. Some electrical system components used historically are known to be life limited, but predictability of failures is very difficult to determine. Manufacturing defects may become apparent from time to time and certain site conditions can contribute to premature deterioration of system components. Typically, if installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. In our experience working with similar associations, service life typically lasts well beyond rated life of components. Treat minor repairs as ongoing maintenance expense. Periodic inspections of distribution system by qualified electrician are wise to clean and tighten, exercise breakers, etc. Some associations employ infrared or other testing methodologies to identify trouble spots and potential hazards. Funding may be incorporated into future Reserve Study updates if conditions dictate. Keep track of any relevant expenses and include information during future Reserve Study updates as necessary. No basis for Reserve funding at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2561 Fire Hydrants - Replace

Quantity: (18) Hydrants

Location: Common areas

Funded?: No.

History:

Comments: Fire hydrants were not inspected or tested in the course of our site inspection. Units should experience an extended useful life beyond the scope of this report. Make sure that hydrants are continually inspected and verified by licensed service providers. No recommendation for Reserve funding at this time, but this component should be re-evaluated during future Reserve Study updates if large-scale replacement project is expected.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2563 Filtration System Tanks - Replace

Quantity: (4) Tanks

Location: Pump house

Funded?: Yes.

History: Replaced in 2018

Comments: Tanks were not inspected or tested in the course of our site inspection. The life of the tanks may last beyond the scope of this report. Most associations budget for ongoing replacement as an Operating expense. Make sure that tanks are continually inspected and verified by licensed service providers. No recommendation for Reserve funding at this time, but this component should be re-evaluated during future Reserve Study updates if large-scale replacement project is expected.

Useful Life:
20 years

Remaining Life:
15 years



Best Case: \$ 14,000

Worst Case: \$ 16,000

Cost Source: Client Cost History + Inflation

Comp #: 2567 Booster Pump/Motor (1) - Replace

Quantity: (1) 5 HP Pump/Motor

Location: Pump house

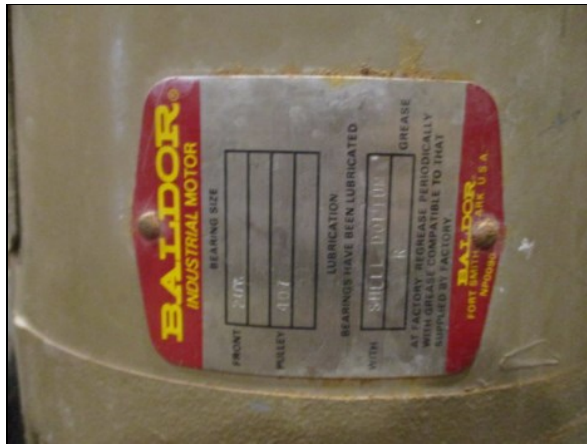
Funded?: Yes.

History: Replaced in 2003

Comments: Booster pump. (1) Baldor motor/pump. Serial F1086. Pump systems can have a highly variable life expectancy depending on level of use. Should be inspected regularly and repaired as-needed by serving vendor or maintenance staff to ensure proper function and optimal performance. Minor repairs such as pump motor replacements, electronic system parts, etc. should be considered an Operating expense. Plan to replace the entire system at the approximate interval shown below based on our experience and research with similar systems. Total life span can vary based on level of use, preventive maintenance, quality of materials and installation, etc.

Useful Life:
20 years

Remaining Life:
1 years



Best Case: \$ 5,000

Worst Case: \$ 6,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 2567 Booster Pump/Motor (2) - Replace

Quantity: (1) 5 HP Pump/Motor

Location: Pump house

Funded?: Yes.

History: Replaced in ~1999

Comments: Booster pump. (1) Baldor motor/pump. Serial F0210165386. Pump systems can have a highly variable life expectancy depending on level of use. Should be inspected regularly and repaired as-needed by serving vendor or maintenance staff to ensure proper function and optimal performance. Minor repairs such as pump motor replacements, electronic system parts, etc. should be considered an Operating expense. Plan to replace the entire system at the approximate interval shown below based on our experience and research with similar systems. Total life span can vary based on level of use, preventive maintenance, quality of materials and installation, etc.

Useful Life:
20 years

Remaining Life:
0 years



Best Case: \$ 5,000

Worst Case: \$ 6,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 2567 Booster Pump/Motor (3) - Replace

Quantity: (1) 5 HP Pump/Motor

Location: Pump house

Funded?: Yes.

History: Replaced in 2013/2014

Comments: Booster pump. (1) Baldor motor/pump. Serial # - F1307030065. Pump systems can have a highly variable life expectancy depending on level of use. Should be inspected regularly and repaired as-needed by serving vendor or maintenance staff to ensure proper function and optimal performance. Minor repairs such as pump motor replacements, electronic system parts, etc. should be considered an Operating expense. Plan to replace the entire system at the approximate interval shown below based on our experience and research with similar systems. Total life span can vary based on level of use, preventive maintenance, quality of materials and installation, etc.

Useful Life:
20 years

Remaining Life:
9 years



Best Case: \$ 5,000

Worst Case: \$ 6,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 2569 Well Pump/Motor (1) - Replace

Quantity: (1) Motor/Pump

Location: Pump house

Funded?: Yes.

History: Replaced in 2009

Comments: Pump was listed to be a 40510-3. Minor repair and maintenance projects should be included within the association's Operating budget. Have internal components inspected and evaluated regularly by servicing vendor or maintenance staff to optimize performance.

Useful Life:
10 years

Remaining Life:
0 years



Best Case: \$ 4,000

Worst Case: \$ 6,500

Lower allowance

Higher allowance

Cost Source: Research with Local Vendor/Contractor

Comp #: 2569 Well Pump/Motor (2) - Replace

Quantity: (1) Motor/Pump

Location: Pump house

Funded?: Yes.

History: Replaced in 2017

Comments: Pump model# -250515. Minor repair and maintenance projects should be included within the association's Operating budget. Have internal components inspected and evaluated regularly by servicing vendor or maintenance staff to optimize performance.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: \$ 4,000

Worst Case: \$ 6,500

Lower allowance

Higher allowance

Cost Source: Research with Local Vendor/Contractor

Comp #: 2569 Well Pump/Motor (3) - Replace

Quantity: (1) Motor/Pump

Location: Pump house

Funded?: Yes.

History: Rebuilt in 2021

Comments: The motor/pump was reportedly rebuilt in 2021. Pump model# -30 SOE07-90. Minor repair and maintenance projects should be included within the association's Operating budget. Have internal components inspected and evaluated regularly by servicing vendor or maintenance staff to optimize performance.

Useful Life:
10 years

Remaining Life:
8 years



Best Case: \$ 4,000

Worst Case: \$ 6,500

Lower allowance

Higher allowance

Cost Source: Research with Local Vendor/Contractor

Comp #: 2571 Irrigation Pump/Motor - Replace

Quantity: (1) 2HP-Motor/Pump

Location: Adjacent to pump house

Funded?: No. Operating

History: Replaced in 2002

Comments: Reported to be an operating expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2579 Sub Transducer - Replace (2003)

Quantity: (1) Unit

Location: Water tank/pump house

Funded?: No.

History: Replaced in ~2003

Comments: This unit will relay information from the tank regarding water levels. The transducer will connect to the Water Level Control box located in the pump house. Funding provided for the transducer only.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2579 Sub Transducer - Replace (2018)

Quantity: (1) Unit

Location: Water tank/pump house

Funded?: No.

History: Replaced in ~2010

Comments: This unit will relay information from the tank regarding water levels. The transducer will connect to the Water Level Control box located in the pump house. Funding provided for the transducer only.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2587 Irrigation Controller - Replace

Quantity: (1) Rainbird

Location: Pump house

Funded?: No.

History: 2005

Comments: No problems observed or reported of irrigation clocks throughout community. Inspect regularly and repair/replace as needed. Although eventual replacement will be needed due to parts obsolescence, technological upgrades, etc. best suited to be handled as needed within the operating budget and not anticipated as large scale reserve project.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source: