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“Full” Reserve Study



Spring Valley at Golf Estates Longmont, CO

Report #: 21446-0
For Period Beginning: January 1, 2016
Expires: December 31, 2016

Date Revised: June 2, 2016



Hello, and welcome to your Reserve Study!

We don't want you to be surprised. This Report is designed to help you anticipate, and prepare for, the major common area expenses your association will face. Inside you will find:

- 1) **The Reserve Component List** (the “Scope and Schedule” of your Reserve projects) – telling you what your association is Reserving for, what condition they are in now, and what they'll cost to replace.
- 2) **An Evaluation of your current Reserve Fund Size and Strength** (Percent Funded). This tells you your financial starting point, revealing your risk of deferred maintenance and special assessments.
- 3) **A Recommended Multi-Year Reserve Funding Plan**, answering the question... “What do we do now?”

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

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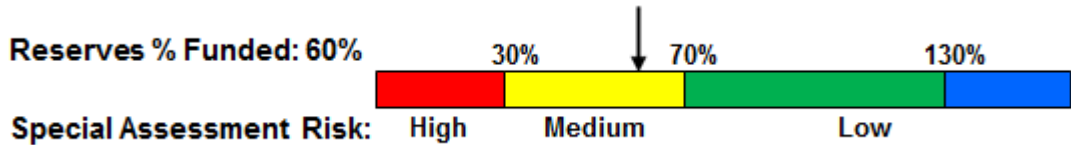
3- Minute Executive Summary

Association: Spring Valley at Golf Estates **#:** 21446-0
Location: Longmont, CO **# of Units:** 146
Report Period: January 1, 2016 through December 31, 2016

Findings/Recommendations as-of 1/1/2016:

Projected Starting Reserve Balance:	\$115,308
Current Fully Funded Reserve Balance:	\$191,271
Average Reserve Deficit Per Unit:	\$520
Recommended 2016 Monthly “Full Funding” Contributions:	\$2,154
Alternate Minimum Contributions to keep Reserves above \$0:	\$2,044
Recommended 2016 Special Assessment for Reserves:	\$0

Most Recent Budgeted Reserve Contribution Rate: \$0



Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate 3.00%

- This is a “Full” Reserve Study (original, created “from scratch”), and is based on our site inspection on April 12, 2016. It was prepared by a credentialed Reserve Specialist (RS #260).
- Your Reserve Fund is currently 60% Funded. This means the association’s special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point and your anticipated future expenses, our recommendation is to increase your Reserve contributions in order to be within the 70% to 100% level as noted above. 100% “Full” contribution rates are designed to achieve these funding objectives *by the end of* our 30-year report scope. No assets appropriate for Reserve designation were excluded. See photo appendix for component details; the basis of our assumptions.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
Sites & Grounds				
2115	Concrete Walkways - Repair - 5%	8	3	\$4,500
2151	Site Fencing: 3-Rail - Repair/Paint	5	0	\$28,450
2151	Site Fencing: Privacy - Paint/Stain	5	0	\$4,000
2155	Site Fencing: Privacy - Replace	25	9	\$21,700
2157	Site Fencing: 3-Rail - Replace	25	9	\$120,600
2167	Gazebo Roofs - Replace	30	14	\$4,400
2179	Mailboxes - Replace	30	14	\$15,850
2181	Sign/Monument - Refurbish/Replace	15	0	\$5,500
2183	Dog Stations - Replace - 33%	7	6	\$1,500
2191	Outdoor/Site Furniture - Replace	20	4	\$2,950
2195	Landscaping - Refurbish	10	9	\$10,000
Mechanical				
2575	Control Stations - Repair/Rebuild	10	4	\$11,600
2577	Pump - Replace (2014)	8	6	\$5,000
2577	Pumps - Replace	8	2	\$15,000
2579	Irr. Controllers - Replace - 50%	7	2	\$1,200
Amenities				
2601	Play Equipment - Replace	25	9	\$35,000
2603	Playground Cover - Refill/Replace	10	3	\$3,350
17	Total Funded Components			

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Note 2: Yellow highlighted line items are expected to require attention in the initial year, green highlighted items are expected to occur within the first five years.

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.

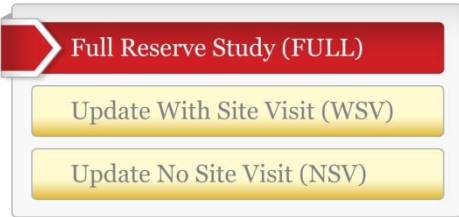


RESERVE STUDY RESULTS

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

LEVELS OF SERVICE



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 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.



RESERVE COMPONENT "FOUR-PART TEST"

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...

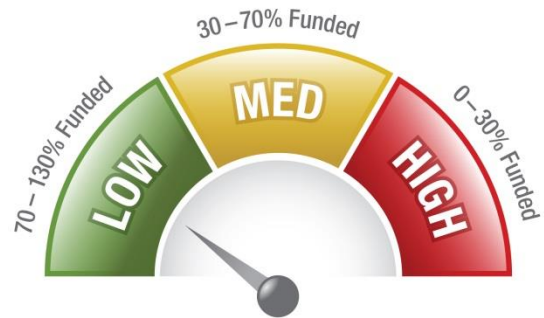
- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

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 April 12, 2016, we started the site inspection beginning with the common grounds areas. We 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. Your *first five years* of projected Reserve expenses total \$80,091. Adding the next five years, your *first ten years* of projected Reserve expenses are \$371,420. 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 at your association as defined by your Reserve Component List. A summary of these expenses are shown in Table 5, while details of the projects that make up these expenses are shown in Table 6.

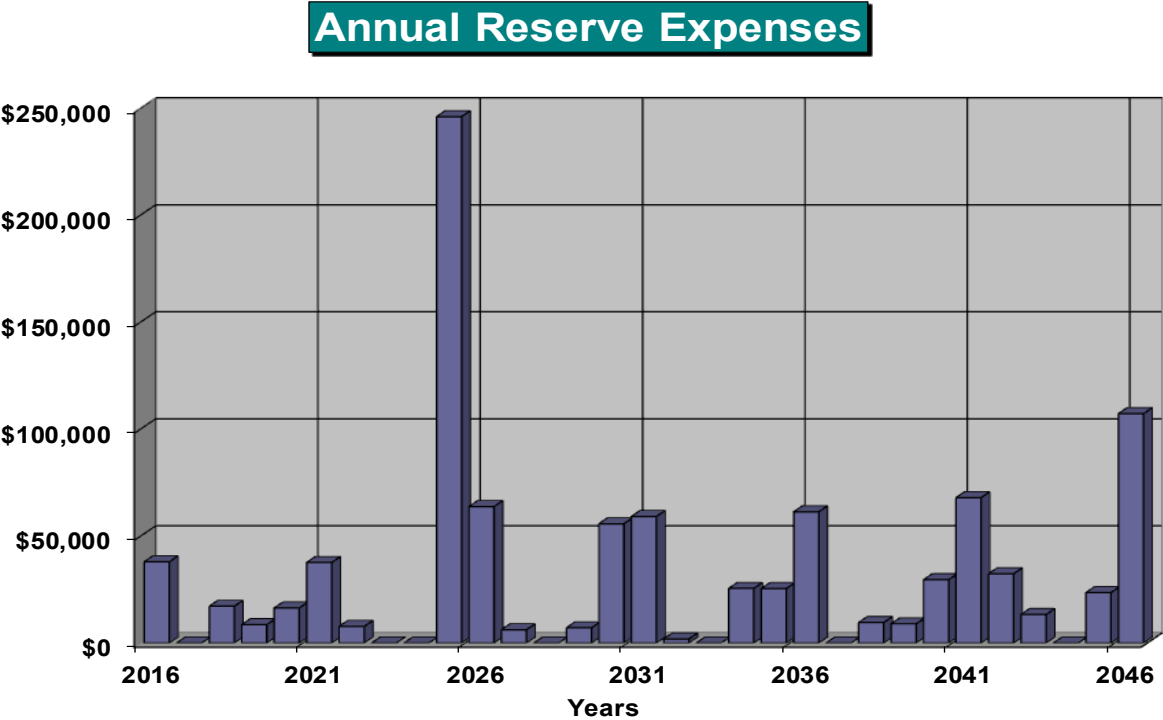


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$115,308 as-of the start of your Fiscal Year on January 1, 2016. As of January 1, 2016, your Fully Funded Balance is computed to be \$191,271 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 60% Funded. Across the country, approx 3% of associations in this range experience special assessments or deferred maintenance.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$2,154/month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both Table 5 and Table 6.

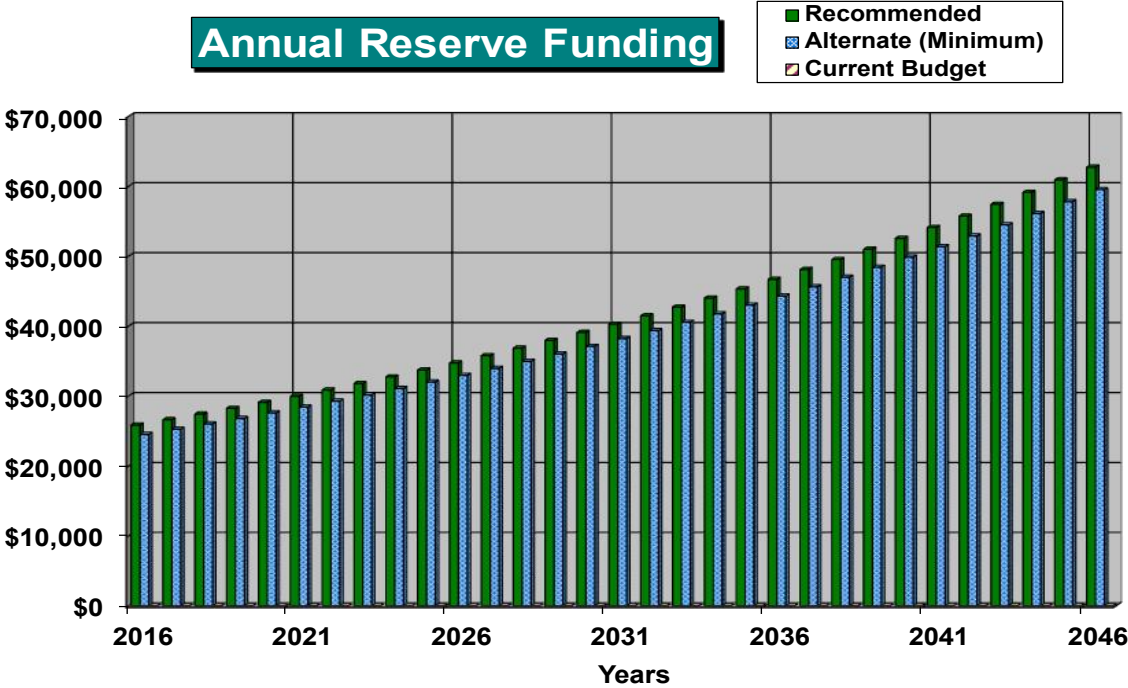


Figure 2

The following chart shows your 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.

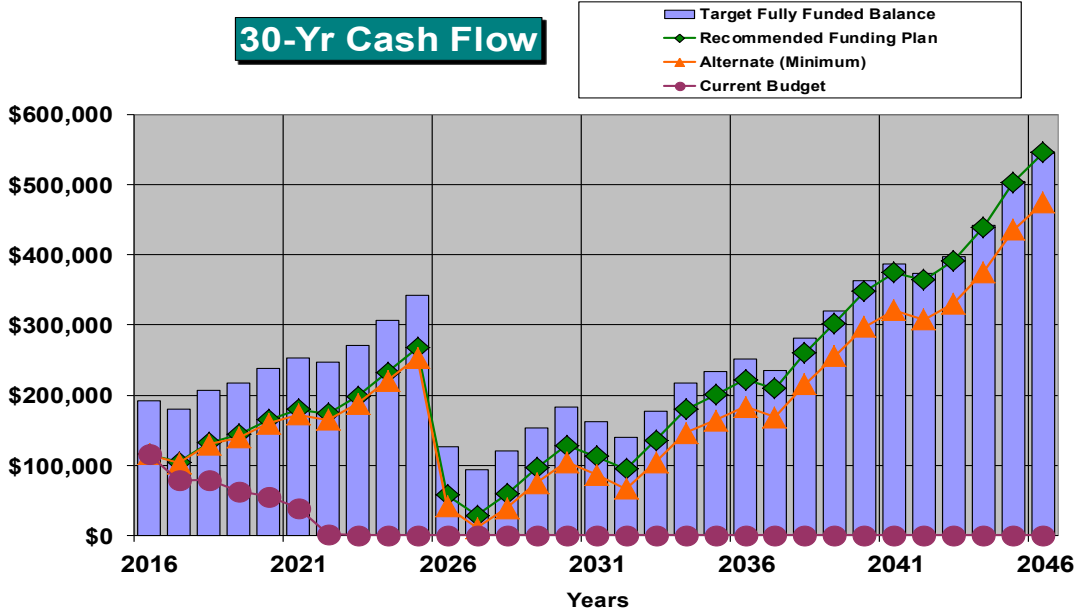


Figure 3

This figure shows this same information, plotted on a [Percent Funded](#) scale.

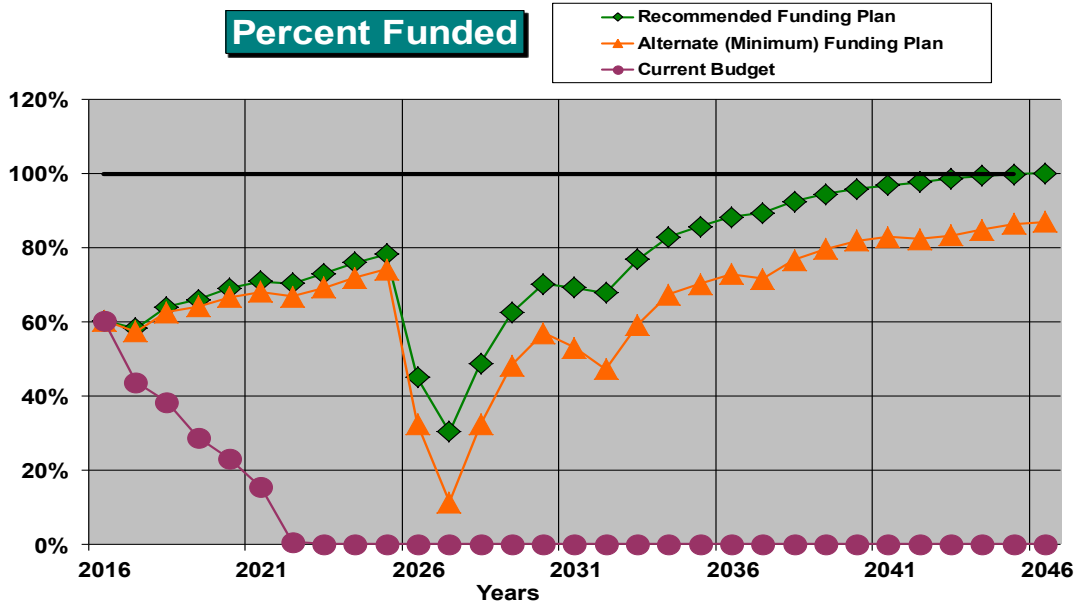


Figure 4

Table Descriptions

The tabular information in this Report is broken down into six tables.

Table 1 is a summary of your Reserve Components (your Reserve Component List), the information found in Table 2.

Table 2 is your Reserve Component List, which forms the foundation of this Reserve Study. This table represents the information from which all other tables are derived.

Table 3 shows the calculation of your Fully Funded Balance, the measure of your current Reserve component deterioration. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Table 4 shows the significance of each component to Reserve needs of the association, 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 Current Replacement Cost by Useful Life, then that component's percentage of the total is displayed.

Table 5: This table 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 for each year.

Table 6: This table shows the cash flow detail for the next 30 years. This table makes it possible to see which components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

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#	Component	Quantity	Useful Life	Rem. Useful Life	[--- Current Cost Estimate ---]	
					Best Case	Worst Case
Sites & Grounds						
2115	Concrete Walkways - Repair - 5%	5% of ~ 12,000 GSF	8	3	\$4,000	\$5,000
2151	Site Fencing: 3-Rail - Repair/Paint	~ 6,700 LF	5	0	\$26,800	\$30,100
2151	Site Fencing: Privacy - Paint/Stain	~ 620 LF	5	0	\$3,500	\$4,500
2155	Site Fencing: Privacy - Replace	~ 620 LF	25	9	\$18,600	\$24,800
2157	Site Fencing: 3-Rail - Replace	~ 6,700 LF	25	9	\$107,200	\$134,000
2167	Gazebo Roofs - Replace	(2) Gazebos, ~ 380 GSF	30	14	\$4,000	\$4,800
2179	Mailboxes - Replace	~ (11) CBU's	30	14	\$13,200	\$18,500
2181	Sign/Monument - Refurbish/Replace	(2) Stucco Monuments	15	0	\$5,000	\$6,000
2183	Dog Stations - Replace - 33%	33% of ~ (9) Stations	7	6	\$1,000	\$2,000
2191	Outdoor/Site Furniture - Replace	~ (4) Pieces	20	4	\$2,400	\$3,500
2195	Landscaping - Refurbish	Various areas	10	9	\$9,000	\$11,000
Mechanical						
2575	Control Stations - Repair/Rebuild	(2) Controllers	10	4	\$11,300	\$11,900
2577	Pump - Replace (2014)	(1) Pump	8	6	\$4,500	\$5,500
2577	Pumps - Replace	(3) Pumps	8	2	\$13,500	\$16,500
2579	Irr. Controllers - Replace - 50%	50% of ~ (4) Controllers	7	2	\$1,000	\$1,400
Amenities						
2601	Play Equipment - Replace	(2) Sets	25	9	\$30,000	\$40,000
2603	Playground Cover - Refill/Replace	~ 3,400 GSF	10	3	\$2,500	\$4,200
17	Total Funded Components					

Table 3: Fully Funded Balance

21446-0

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Sites & Grounds								
2115	Concrete Walkways - Repair - 5%	\$4,500	X	5	/	8	=	\$2,813
2151	Site Fencing: 3-Rail - Repair/Paint	\$28,450	X	5	/	5	=	\$28,450
2151	Site Fencing: Privacy - Paint/Stain	\$4,000	X	5	/	5	=	\$4,000
2155	Site Fencing: Privacy - Replace	\$21,700	X	16	/	25	=	\$13,888
2157	Site Fencing: 3-Rail - Replace	\$120,600	X	16	/	25	=	\$77,184
2167	Gazebo Roofs - Replace	\$4,400	X	16	/	30	=	\$2,347
2179	Mailboxes - Replace	\$15,850	X	16	/	30	=	\$8,453
2181	Sign/Monument - Refurbish/Replace	\$5,500	X	15	/	15	=	\$5,500
2183	Dog Stations - Replace - 33%	\$1,500	X	1	/	7	=	\$214
2191	Outdoor/Site Furniture - Replace	\$2,950	X	16	/	20	=	\$2,360
2195	Landscaping - Refurbish	\$10,000	X	1	/	10	=	\$1,000
Mechanical								
2575	Control Stations - Repair/Rebuild	\$11,600	X	6	/	10	=	\$6,960
2577	Pump - Replace (2014)	\$5,000	X	2	/	8	=	\$1,250
2577	Pumps - Replace	\$15,000	X	6	/	8	=	\$11,250
2579	Irr. Controllers - Replace - 50%	\$1,200	X	5	/	7	=	\$857
Amenities								
2601	Play Equipment - Replace	\$35,000	X	16	/	25	=	\$22,400
2603	Playground Cover - Refill/Replace	\$3,350	X	7	/	10	=	\$2,345
								\$191,271

Table 4: Component Significance

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#	Component	Useful Life	Current Cost Estimate	Deterioration Cost/yr	Deterioration Significance
Sites & Grounds					
2115	Concrete Walkways - Repair - 5%	8	\$4,500	\$563	2.7%
2151	Site Fencing: 3-Rail - Repair/Paint	5	\$28,450	\$5,690	27.5%
2151	Site Fencing: Privacy - Paint/Stain	5	\$4,000	\$800	3.9%
2155	Site Fencing: Privacy - Replace	25	\$21,700	\$868	4.2%
2157	Site Fencing: 3-Rail - Replace	25	\$120,600	\$4,824	23.3%
2167	Gazebo Roofs - Replace	30	\$4,400	\$147	0.7%
2179	Mailboxes - Replace	30	\$15,850	\$528	2.6%
2181	Sign/Monument - Refurbish/Replace	15	\$5,500	\$367	1.8%
2183	Dog Stations - Replace - 33%	7	\$1,500	\$214	1.0%
2191	Outdoor/Site Furniture - Replace	20	\$2,950	\$148	0.7%
2195	Landscaping - Refurbish	10	\$10,000	\$1,000	4.8%
Mechanical					
2575	Control Stations - Repair/Rebuild	10	\$11,600	\$1,160	5.6%
2577	Pump - Replace (2014)	8	\$5,000	\$625	3.0%
2577	Pumps - Replace	8	\$15,000	\$1,875	9.1%
2579	Irr. Controllers - Replace - 50%	7	\$1,200	\$171	0.8%
Amenities					
2601	Play Equipment - Replace	25	\$35,000	\$1,400	6.8%
2603	Playground Cover - Refill/Replace	10	\$3,350	\$335	1.6%
17	Total Funded Components			\$20,714	100.0%

Table 5: 30-Year Reserve Plan Summary

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Fiscal Year Start: 01/01/16

Interest: 1.0%

Inflation: 3.0%

**Reserve Fund Strength Calculations
(All values as of Fiscal Year Start Date)**

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2016	\$115,308	\$191,271	60.3%	Med	\$25,848	\$0	\$1,098	\$37,950
2017	\$104,303	\$179,256	58.2%	Med	\$26,623	\$0	\$1,182	\$0
2018	\$132,108	\$206,610	63.9%	Med	\$27,422	\$0	\$1,379	\$17,187
2019	\$143,722	\$217,741	66.0%	Med	\$28,245	\$0	\$1,543	\$8,578
2020	\$164,932	\$238,752	69.1%	Med	\$29,092	\$0	\$1,721	\$16,376
2021	\$179,369	\$253,061	70.9%	Low	\$29,965	\$0	\$1,763	\$37,618
2022	\$173,479	\$246,640	70.3%	Low	\$30,864	\$0	\$1,859	\$7,761
2023	\$198,440	\$271,521	73.1%	Low	\$31,790	\$0	\$2,153	\$0
2024	\$232,383	\$305,907	76.0%	Low	\$32,743	\$0	\$2,499	\$0
2025	\$267,625	\$342,112	78.2%	Low	\$33,726	\$0	\$1,623	\$245,950
2026	\$57,024	\$126,886	44.9%	Med	\$34,738	\$0	\$427	\$63,769
2027	\$28,420	\$93,684	30.3%	Med	\$35,780	\$0	\$434	\$6,229
2028	\$58,404	\$119,612	48.8%	Med	\$36,853	\$0	\$772	\$0
2029	\$96,029	\$153,620	62.5%	Med	\$37,959	\$0	\$1,120	\$7,122
2030	\$127,985	\$182,225	70.2%	Low	\$39,097	\$0	\$1,202	\$55,739
2031	\$112,546	\$162,553	69.2%	Med	\$40,270	\$0	\$1,036	\$59,125
2032	\$94,727	\$139,772	67.8%	Med	\$41,478	\$0	\$1,150	\$1,926
2033	\$135,430	\$176,219	76.9%	Low	\$42,723	\$0	\$1,575	\$0
2034	\$179,728	\$216,770	82.9%	Low	\$44,004	\$0	\$1,898	\$25,536
2035	\$200,094	\$233,294	85.8%	Low	\$45,325	\$0	\$2,110	\$25,426
2036	\$222,103	\$251,516	88.3%	Low	\$46,684	\$0	\$2,158	\$61,317
2037	\$209,628	\$234,440	89.4%	Low	\$48,085	\$0	\$2,347	\$0
2038	\$260,060	\$281,164	92.5%	Low	\$49,527	\$0	\$2,813	\$9,581
2039	\$302,820	\$320,612	94.5%	Low	\$51,013	\$0	\$3,253	\$8,980
2040	\$348,107	\$363,090	95.9%	Low	\$52,544	\$0	\$3,612	\$29,577
2041	\$374,686	\$386,889	96.8%	Low	\$54,120	\$0	\$3,695	\$67,943
2042	\$364,558	\$373,187	97.7%	Low	\$55,744	\$0	\$3,780	\$32,349
2043	\$391,732	\$397,076	98.7%	Low	\$57,416	\$0	\$4,157	\$13,328
2044	\$439,977	\$442,654	99.4%	Low	\$59,138	\$0	\$4,717	\$0
2045	\$503,832	\$504,748	99.8%	Low	\$60,913	\$0	\$5,249	\$23,566

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)

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Fiscal Year	2016	2017	2018	2019	2020
Starting Reserve Balance	\$115,308	\$104,303	\$132,108	\$143,722	\$164,932
Annual Reserve Contribution	\$25,848	\$26,623	\$27,422	\$28,245	\$29,092
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,098	\$1,182	\$1,379	\$1,543	\$1,721
Total Income	\$142,253	\$132,108	\$160,909	\$173,510	\$195,745
# Component					
Sites & Grounds					
2115 Concrete Walkways - Repair - 5%	\$0	\$0	\$0	\$4,917	\$0
2151 Site Fencing: 3-Rail - Repair/Paint	\$28,450	\$0	\$0	\$0	\$0
2151 Site Fencing: Privacy - Paint/Stain	\$4,000	\$0	\$0	\$0	\$0
2155 Site Fencing: Privacy - Replace	\$0	\$0	\$0	\$0	\$0
2157 Site Fencing: 3-Rail - Replace	\$0	\$0	\$0	\$0	\$0
2167 Gazebo Roofs - Replace	\$0	\$0	\$0	\$0	\$0
2179 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
2181 Sign/Monument - Refurbish/Replace	\$5,500	\$0	\$0	\$0	\$0
2183 Dog Stations - Replace - 33%	\$0	\$0	\$0	\$0	\$0
2191 Outdoor/Site Furniture - Replace	\$0	\$0	\$0	\$0	\$3,320
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
Mechanical					
2575 Control Stations - Repair/Rebuild	\$0	\$0	\$0	\$0	\$13,056
2577 Pump - Replace (2014)	\$0	\$0	\$0	\$0	\$0
2577 Pumps - Replace	\$0	\$0	\$15,914	\$0	\$0
2579 Irr. Controllers - Replace - 50%	\$0	\$0	\$1,273	\$0	\$0
Amenities					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Cover - Refill/Replace	\$0	\$0	\$0	\$3,661	\$0
Total Expenses	\$37,950	\$0	\$17,187	\$8,578	\$16,376
Ending Reserve Balance:	\$104,303	\$132,108	\$143,722	\$164,932	\$179,369

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)

21446-0

Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$179,369	\$173,479	\$198,440	\$232,383	\$267,625
Annual Reserve Contribution	\$29,965	\$30,864	\$31,790	\$32,743	\$33,726
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,763	\$1,859	\$2,153	\$2,499	\$1,623
Total Income	\$211,097	\$206,201	\$232,383	\$267,625	\$302,974
# Component					
Sites & Grounds					
2115 Concrete Walkways - Repair - 5%	\$0	\$0	\$0	\$0	\$0
2151 Site Fencing: 3-Rail - Repair/Paint	\$32,981	\$0	\$0	\$0	\$0
2151 Site Fencing: Privacy - Paint/Stain	\$4,637	\$0	\$0	\$0	\$0
2155 Site Fencing: Privacy - Replace	\$0	\$0	\$0	\$0	\$28,314
2157 Site Fencing: 3-Rail - Replace	\$0	\$0	\$0	\$0	\$157,356
2167 Gazebo Roofs - Replace	\$0	\$0	\$0	\$0	\$0
2179 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
2181 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2183 Dog Stations - Replace - 33%	\$0	\$1,791	\$0	\$0	\$0
2191 Outdoor/Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$13,048
Mechanical					
2575 Control Stations - Repair/Rebuild	\$0	\$0	\$0	\$0	\$0
2577 Pump - Replace (2014)	\$0	\$5,970	\$0	\$0	\$0
2577 Pumps - Replace	\$0	\$0	\$0	\$0	\$0
2579 Irr. Controllers - Replace - 50%	\$0	\$0	\$0	\$0	\$1,566
Amenities					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$45,667
2603 Playground Cover - Refill/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$37,618	\$7,761	\$0	\$0	\$245,950
Ending Reserve Balance:	\$173,479	\$198,440	\$232,383	\$267,625	\$57,024

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)

21446-0

Fiscal Year	2026	2027	2028	2029	2030
Starting Reserve Balance	\$57,024	\$28,420	\$58,404	\$96,029	\$127,985
Annual Reserve Contribution	\$34,738	\$35,780	\$36,853	\$37,959	\$39,097
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$427	\$434	\$772	\$1,120	\$1,202
Total Income	\$92,189	\$64,633	\$96,029	\$135,107	\$168,285
# Component					
Sites & Grounds					
2115 Concrete Walkways - Repair - 5%	\$0	\$6,229	\$0	\$0	\$0
2151 Site Fencing: 3-Rail - Repair/Paint	\$38,234	\$0	\$0	\$0	\$0
2151 Site Fencing: Privacy - Paint/Stain	\$5,376	\$0	\$0	\$0	\$0
2155 Site Fencing: Privacy - Replace	\$0	\$0	\$0	\$0	\$0
2157 Site Fencing: 3-Rail - Replace	\$0	\$0	\$0	\$0	\$0
2167 Gazebo Roofs - Replace	\$0	\$0	\$0	\$0	\$6,655
2179 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$23,975
2181 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2183 Dog Stations - Replace - 33%	\$0	\$0	\$0	\$2,203	\$0
2191 Outdoor/Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
Mechanical					
2575 Control Stations - Repair/Rebuild	\$0	\$0	\$0	\$0	\$17,546
2577 Pump - Replace (2014)	\$0	\$0	\$0	\$0	\$7,563
2577 Pumps - Replace	\$20,159	\$0	\$0	\$0	\$0
2579 Irr. Controllers - Replace - 50%	\$0	\$0	\$0	\$0	\$0
Amenities					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Cover - Refill/Replace	\$0	\$0	\$0	\$4,920	\$0
Total Expenses	\$63,769	\$6,229	\$0	\$7,122	\$55,739
Ending Reserve Balance:	\$28,420	\$58,404	\$96,029	\$127,985	\$112,546

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)

21446-0

Fiscal Year	2031	2032	2033	2034	2035
Starting Reserve Balance	\$112,546	\$94,727	\$135,430	\$179,728	\$200,094
Annual Reserve Contribution	\$40,270	\$41,478	\$42,723	\$44,004	\$45,325
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,036	\$1,150	\$1,575	\$1,898	\$2,110
Total Income	\$153,852	\$137,356	\$179,728	\$225,631	\$247,529
# Component					
Sites & Grounds					
2115 Concrete Walkways - Repair - 5%	\$0	\$0	\$0	\$0	\$7,891
2151 Site Fencing: 3-Rail - Repair/Paint	\$44,324	\$0	\$0	\$0	\$0
2151 Site Fencing: Privacy - Paint/Stain	\$6,232	\$0	\$0	\$0	\$0
2155 Site Fencing: Privacy - Replace	\$0	\$0	\$0	\$0	\$0
2157 Site Fencing: 3-Rail - Replace	\$0	\$0	\$0	\$0	\$0
2167 Gazebo Roofs - Replace	\$0	\$0	\$0	\$0	\$0
2179 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
2181 Sign/Monument - Refurbish/Replace	\$8,569	\$0	\$0	\$0	\$0
2183 Dog Stations - Replace - 33%	\$0	\$0	\$0	\$0	\$0
2191 Outdoor/Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$17,535
Mechanical					
2575 Control Stations - Repair/Rebuild	\$0	\$0	\$0	\$0	\$0
2577 Pump - Replace (2014)	\$0	\$0	\$0	\$0	\$0
2577 Pumps - Replace	\$0	\$0	\$0	\$25,536	\$0
2579 Irr. Controllers - Replace - 50%	\$0	\$1,926	\$0	\$0	\$0
Amenities					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Cover - Refill/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$59,125	\$1,926	\$0	\$25,536	\$25,426
Ending Reserve Balance:	\$94,727	\$135,430	\$179,728	\$200,094	\$222,103

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)

21446-0

Fiscal Year	2036	2037	2038	2039	2040
Starting Reserve Balance	\$222,103	\$209,628	\$260,060	\$302,820	\$348,107
Annual Reserve Contribution	\$46,684	\$48,085	\$49,527	\$51,013	\$52,544
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,158	\$2,347	\$2,813	\$3,253	\$3,612
Total Income	\$270,945	\$260,060	\$312,401	\$357,087	\$404,263
# Component					
Sites & Grounds					
2115 Concrete Walkways - Repair - 5%	\$0	\$0	\$0	\$0	\$0
2151 Site Fencing: 3-Rail - Repair/Paint	\$51,384	\$0	\$0	\$0	\$0
2151 Site Fencing: Privacy - Paint/Stain	\$7,224	\$0	\$0	\$0	\$0
2155 Site Fencing: Privacy - Replace	\$0	\$0	\$0	\$0	\$0
2157 Site Fencing: 3-Rail - Replace	\$0	\$0	\$0	\$0	\$0
2167 Gazebo Roofs - Replace	\$0	\$0	\$0	\$0	\$0
2179 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
2181 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2183 Dog Stations - Replace - 33%	\$2,709	\$0	\$0	\$0	\$0
2191 Outdoor/Site Furniture - Replace	\$0	\$0	\$0	\$0	\$5,997
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
Mechanical					
2575 Control Stations - Repair/Rebuild	\$0	\$0	\$0	\$0	\$23,580
2577 Pump - Replace (2014)	\$0	\$0	\$9,581	\$0	\$0
2577 Pumps - Replace	\$0	\$0	\$0	\$0	\$0
2579 Irr. Controllers - Replace - 50%	\$0	\$0	\$0	\$2,368	\$0
Amenities					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Cover - Refill/Replace	\$0	\$0	\$0	\$6,612	\$0
Total Expenses	\$61,317	\$0	\$9,581	\$8,980	\$29,577
Ending Reserve Balance:	\$209,628	\$260,060	\$302,820	\$348,107	\$374,686

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)

21446-0

Fiscal Year	2041	2042	2043	2044	2045
Starting Reserve Balance	\$374,686	\$364,558	\$391,732	\$439,977	\$503,832
Annual Reserve Contribution	\$54,120	\$55,744	\$57,416	\$59,138	\$60,913
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,695	\$3,780	\$4,157	\$4,717	\$5,249
Total Income	\$432,501	\$424,081	\$453,305	\$503,832	\$569,994
# Component					
Sites & Grounds					
2115 Concrete Walkways - Repair - 5%	\$0	\$0	\$9,996	\$0	\$0
2151 Site Fencing: 3-Rail - Repair/Paint	\$59,568	\$0	\$0	\$0	\$0
2151 Site Fencing: Privacy - Paint/Stain	\$8,375	\$0	\$0	\$0	\$0
2155 Site Fencing: Privacy - Replace	\$0	\$0	\$0	\$0	\$0
2157 Site Fencing: 3-Rail - Replace	\$0	\$0	\$0	\$0	\$0
2167 Gazebo Roofs - Replace	\$0	\$0	\$0	\$0	\$0
2179 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
2181 Sign/Monument - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2183 Dog Stations - Replace - 33%	\$0	\$0	\$3,332	\$0	\$0
2191 Outdoor/Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$23,566
Mechanical					
2575 Control Stations - Repair/Rebuild	\$0	\$0	\$0	\$0	\$0
2577 Pump - Replace (2014)	\$0	\$0	\$0	\$0	\$0
2577 Pumps - Replace	\$0	\$32,349	\$0	\$0	\$0
2579 Irr. Controllers - Replace - 50%	\$0	\$0	\$0	\$0	\$0
Amenities					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Cover - Refill/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$67,943	\$32,349	\$13,328	\$0	\$23,566
Ending Reserve Balance:	\$364,558	\$391,732	\$439,977	\$503,832	\$546,428

Accuracy, Limitations, and Disclosures

The reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair or replacement of a reserve component.

Because we have no control over future events, we do not expect that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect Reserve funds to continue to earn interest, so we believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. We can control measurements, which we attempt to establish within 5% accuracy through a combination of on-site measurements, drawings, and satellite imagery. The starting Reserve Balance and interest rate earned on deposited Reserve funds that you provided to us were considered reliable and were not confirmed independently. We have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable. Component Useful Life, Remaining Useful Life, and Current Cost estimates assume a stable economic environment and lack of natural disasters.

Because the physical condition of your components, the association's Reserve balance, the economic environment, and legislative environment change each year, this Reserve Study is by nature a "one-year" document. Because a long-term perspective improves the accuracy of near-term planning, this Report projects expenses for the next 30 years. It is our recommendation and that of the Financial Accounting Standards Board (FASB) that your Reserve Study be updated each year as part of the annual budget process.

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

Component quantities indicated in this Report were developed by Association Reserves unless otherwise noted. No destructive or intrusive testing was performed. This Report and this site inspection were accomplished only for Reserve budget purposes (to help identify and address the normal deterioration of properly built and installed components with predictable life expectancies). The Funding Plan in this Report was developed using the cash-flow methodology to achieve the specified Funding Objective.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

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.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

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 Table 6.

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 area maintenance repair & replacement responsibility
- 2) Components must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically 1/2 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 costs, 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.

Client: 21446 Spring Valley at Golf Estates

Sites & Grounds

Comp #: 2115 Concrete Walkways - Repair - 5% Quantity: 5% of ~ 12,000 GSF

Funded?: Yes.

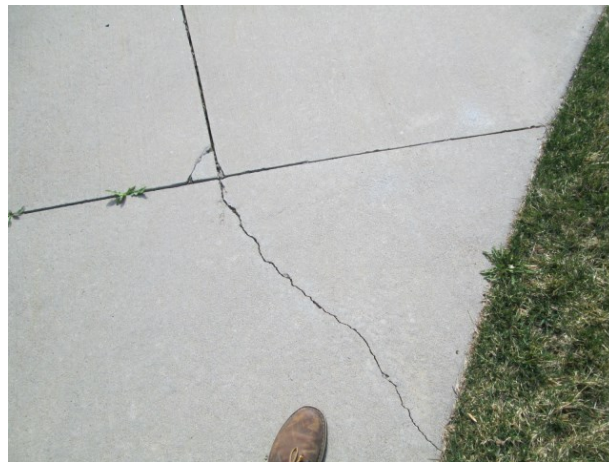
History:

Location: Common areas

Evaluation: No major problems noted during the inspection, with minimal spalling and slight cracking observed. Colorado is home to expansive soils. One of the causes of concrete damage is 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: 8 years

Remaining Life: 3 years



Best Case: \$4,000 Lower allowance

Worst Case: \$5,000 Higher allowance

Cost Source: Allowance

Client: 21446 Spring Valley at Golf Estates

Comp #: 2117 Site Drainage System - Clean/Repair

Quantity: System

Funded?: No.

History:

Location: Undergorund

Evaluation: Various drainage improvements at this site include: drains leading up to the pump stations, drain storage, and drains connected to municipal storm drainage. No current problems observed or reported. Storm drainage facilities are typically inspected periodically by governing authority; typically storm system maintenance guidelines can be found on their website. Annual work should be performed as part of general maintenance. No predictable large scale expenses suitable for reserve funding at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2129 Trails - Refurbish

Quantity: (4) Gravel Sections

Funded?: No.

History:

Location: Common areas

Evaluation: (4) small gravel sections. No issues were noted. Plan to refurbish and replenish as needed from the operating budget.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 21446 Spring Valley at Golf Estates

Comp #: 2151 Site Fencing: 3-Rail - Repair/Paint

Quantity: ~ 6,700 LF

Funded?: Yes.

History: Reported that HOA purchased stain ~ 3 years ago for ~ \$13K and distributed to homeowners to stain individual sections of fence.

Location:

Evaluation: Fence stain was noted to be in poor condition. If desired, the HOA may hire a vendor to perform this function rather than relying on owners, as this will create a more consistent and predictable outcome throughout the property. 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. Repair/paint should be coordinated with eventual fence replacement.

Useful Life:
5 years

Remaining Life:



Best Case: \$26,800

Worst Case: \$30,100

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2151 Site Fencing: Privacy - Paint/Stain

Quantity: ~ 620 LF

Funded?: Yes.

History:

Location: Adjacent to Pace St.

Evaluation: 6 foot high privacy fence. Heavy chipping, peeling and cracking were seen and fence should be repainted/stained soon. 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. Repair/paint should be coordinated with eventual fence replacement.

Useful Life:
5 years

Remaining Life:



Best Case: \$3,500

Worst Case: \$4,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2155 Site Fencing: Privacy - Replace

Quantity: ~ 620 LF

Funded?: Yes.

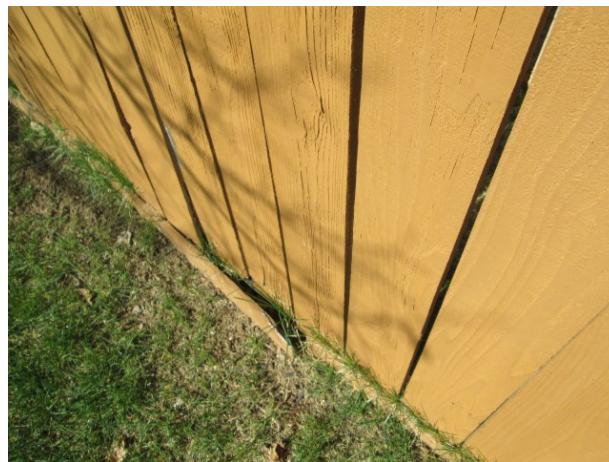
History: Reported that the Privacy fence was stained in 2014

Location: Adjacent to Pace St.

Evaluation: No major problems were noted with the 6 foot high privacy fence, however some sections will need repairs during the next staining cycle. Chipping, peeling and cracking were seen and fence should be repainted/sealed soon. 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. Plan to replace at roughly the time frame below with funding included here for similar wood replacement. At next replacement, association 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:
25 years

Remaining Life:
9 years



Best Case: \$18,600

Worst Case: \$24,800

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2157 Site Fencing: 3-Rail - Replace

Quantity: ~ 6,700 LF

Funded?: Yes.

History: Reported that HOA purchased stain ~ 3 years ago for ~ \$13K and distributed to homeowners to stain individual sections of fence.

Location:

Evaluation: No major issues were noted with the fence. Stain was noted to be failing. 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. Plan to replace at roughly the time frame below with funding included here for similar wood replacement. At next replacement, association 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:
25 years

Remaining Life:
9 years



Best Case: \$107,200
Lower allowance

Worst Case: \$134,000
Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2167 Gazebo Roofs - Replace

Quantity: (2) Gazebos, ~ 380 GSF

Funded?: Yes. Replacement of structure difficult to predict

History:

Location: Common areas

Evaluation: Good condition noted with no damage or significant deterioration observed at this time. Promptly replace any damaged/missing sections or conduct any other repair needed to ensure integrity of roof. We recommend having roof inspected in greater detail (including conditions of sub-surface materials) by an independent roofing consultant prior to replacement. There is a wealth of information available through organizations such as the Roof Consultant Institute <http://www.rci-online.org/> and the National Roofing Contractors Association (NRCA) <http://www.nrca.net/>. If the roof has a warranty, be sure to review terms and conduct proper inspections/repairs as needed to keep warranty in force.

Useful Life:
30 years

Remaining Life:
14 years



Best Case: \$4,000

Worst Case: \$4,800

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2179 Mailboxes - Replace

Quantity: ~ (11) CBU's

Funded?: Yes.

History:

Location: Common Areas

Evaluation: Noted to be in good condition with no major problems seen. No rust or major corrosion noted. 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:
14 years



Best Case: \$13,200
Lower allowance

Worst Case: \$18,500
Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2181 Sign/Monument - Refurbish/Replace

Quantity: (2) Stucco Monuments

Funded?: Yes.

History: Reported that the HOA intends to refurbish monuments.

Location: Entrances

Evaluation: The north side monument is experiencing heavy cracking and chipping. There are a total of (4) lights on the monuments. Funding allowance here can vary significantly depending on style/type desired. Inspect regularly, clean for appearance and repair as needed from general Operating funds. Best to plan for regular intervals of complete replacement at the time frame indicated below, to maintain functionality and a quality appearance as located in highly exposed areas. When replacement pieces are being evaluated, the association should place additional value on materials that require less maintenance, such as metal, stone, or a composite material.

Useful Life: 15 years

Remaining Life:



Best Case: \$5,000 Lower allowance

Worst Case: \$6,000 Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2183 Dog Stations - Replace - 33%

Quantity: 33% of ~ (9) Stations

Funded?: Yes.

History:

Location: Common areas

Evaluation: Dog stations and posts can be replaced at long intervals due to constant weathering and deterioration. As a routine Operating expense, signs should be inspected to make sure visibility is adequate, and available at convenient locations. Repair any damaged or leaning posts as needed. In our experience, associations should replace signage at the rough interval shown below in order to maintain good aesthetic standards in keeping with the local area.

Useful Life:
7 years

Remaining Life:
6 years



Best Case: \$1,000
Lower allowance

Worst Case: \$2,000
Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2191 Outdoor/Site Furniture - Replace

Quantity: ~ (4) Pieces

Funded?: Yes.

History:

Location: Common areas

Evaluation: (1) vinyl coated bench and (3) vinyl coated picnic tables are showing weathering and cracking. Best to plan for regular intervals of complete replacement at the time frame indicated below, to maintain functionality and a quality appearance. Consider composite, coated metal, concrete or similar as lowest maintenance, typically least annualized cost over time. Inspect regularly, clean for appearance and repair as needed from general operating funds.

Useful Life:
20 years

Remaining Life:
4 years



Best Case: \$2,400

Worst Case: \$3,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 2195 Landscaping - Refurbish

Quantity: Various areas

Funded?: Yes.

History:

Location: Common areas

Evaluation: Budgetary number added at the request of the client.

Useful Life:
10 years

Remaining Life:
9 years



Best Case: \$9,000

Worst Case: \$11,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

Client: 21446 Spring Valley at Golf Estates

Mechanical

Comp #: 2575 Control Stations - Repair/Rebuild **Quantity:** (2) Controllers
Funded?: Yes.
History:
Location: South and north stations
Evaluation: Analysis of electrical system(s) beyond visual inspection of readily-visible components is not within the scope of a Reserve Study. Reported by the servicing vendor that the the replacement life of these controllers is hard to determine. However, vendor recommended funding for the repairing and rebuilding of the controllers per the schedule below. 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. Treat minor repairs as ongoing maintenance expense.

Useful Life:
10 years

Remaining Life:
4 years



<p>Best Case: \$11,300 Lower allowance</p>	<p>Worst Case: \$11,900 Higher allowance</p>
<p>Cost Source: Research with Local Vendor/Contractor</p>	

Client: 21446 Spring Valley at Golf Estates

Comp #: 2577 Pump - Replace (2014)

Quantity: (1) Pump

Funded?: Yes.

History: Reported to have been replaced in 2014

Location: Underground

Evaluation: Pump cycles have been adjusted by the the servicing vendor, which may help extend the life of the system slightly. 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. 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:
8 years

Remaining Life:
6 years



Best Case: \$4,500

Worst Case: \$5,500

Lower allowance

Higher allowance

Cost Source: Research with Local Vendor/Contractor

Client: 21446 Spring Valley at Golf Estates

Comp #: 2577 Pumps - Replace

Quantity: (3) Pumps

Funded?: Yes.

History:

Location: Underground

Evaluation: Vendor reported that the (3) remaining pumps are in fair condition, but may need to be replaced in the near future. Cycles have been adjusted by the the servicing vendor, which may help extend the life of the system slightly. 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. 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:
8 years

Remaining Life:
2 years



Best Case: \$13,500
Lower allowance

Worst Case: \$16,500
Higher allownace

Cost Source: Research with Local Vendor/Contractor

Client: 21446 Spring Valley at Golf Estates

Comp #: 2579 Irr. Controllers - Replace - 50%

Quantity: 50% of ~ (4) Controllers

Funded?: Yes.

History:

Location: Common areas

Evaluation: Reported that (2) controllers may need replacement in the near future. Irrigation controllers should have a relatively long life expectancy under normal circumstances. Replacement is often required due to lack of available replacement parts as opposed to complete failure. Exposure to the elements can affect overall life expectancy, and controllers should be located in protected areas or within metal enclosures whenever possible. When evaluating replacement options, the association should consider replacement with weather-sensitive models to minimize unnecessary water usage. Payback period for efficient controllers that minimize water use is typically very short, easily justifying the additional costs of these options.

Useful Life:
7 years

Remaining Life:
2 years



Best Case: \$1,000
Lower allowance

Worst Case: \$1,400
Higher allowance

Cost Source: Research with Local Vendor/Contractor

Client: 21446 Spring Valley at Golf Estates

Amenities

Comp #: 2601 Play Equipment - Replace

Quantity: (2) Sets

Funded?: Yes.

History:

Location: Common areas

Evaluation: 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:
25 years

Remaining Life:
9 years



Best Case: \$30,000
Lower allowance

Worst Case: \$40,000
Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 21446 Spring Valley at Golf Estates

Comp #: 2603 Playground Cover - Refill/Replace **Quantity:** ~ 3,400 GSF
Funded?: Yes.
History:
Location: Common areas
Evaluation: Coverage was generally sufficient. Due to cost significance and predictable cycle every ten years, reserve funding is appropriate. As routine maintenance, monitor coverage regularly and fill as needed where depth at fall zones must be maintained per insurance standards.

Useful Life:
10 years

Remaining Life:
3 years



Best Case: \$2,500 **Worst Case:** \$4,200
Lower allowance Higher allowance
Cost Source: ARI Cost Database: Similar Project Cost History