

Stapleton Filing 2 Townhome Association

**2810 – 2880 Syracuse Ct. & 7750 – 8490 E. 29th Avenue
Denver, CO 80238**



Level 2 Reserve Analysis

Report Period – 01/01/11 – 12/31/11

Client Reference Number - 8236

Property Type – Townhomes

Number of Units – 98

Fiscal Year End – December 31

**Final
Report**

Date of Property Observation - September 27, 2010

Project Manager - Steve Kelsen

Main Contact Person - Mr. Ricardo Lases, Community Manager

Report was prepared on - Friday, November 12, 2010

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Introduction to the Reserve Analysis –

The elected officials of this Association made a wise decision to invest in a Reserve Analysis to get a better understanding of the status of the Reserve funds. This Analysis will be a valuable tool to assist the Board of Directors in making the decision to which the dues are derived. Typically, the Reserve contribution makes up 15% - 40% of the Association's total budget. Therefore, Reserves is considered to be a significant part of the overall monthly Association payment.

Every Association conducts its business within a budget. There are typically two main parts to this budget, Operating and Reserves. The Operating budget includes all expenses that are fixed on an annual basis. These would include management fees, maintenance fees, utilities, etc. The Reserves is primarily made up of Capital Replacement items such as asphalt, roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

The Reserve Analysis is also broken down into two different parts, the Physical Analysis and the Financial Analysis. The Physical Analysis is information regarding the physical status and replacement cost of major common area components that the Association is responsible to maintain. It is important to understand that while the Component Inventory will remain relatively "stable" from year to year, the Condition Assessment and Life/Valuation Estimates will most likely vary from year to year. You can find this information in the **Asset Inventory Section** (Section 2) of this Reserve Analysis. The **Financial Analysis Section** is the evaluation of the Association's Reserve balance, income, and expenses. This is made up of a finding of the clients current Reserve Fund Status (measured as Percent Funded) and a recommendation for an appropriate Reserve Allocation rate (also known as the Funding Plan). You can find this information in Section 3 (pages 1 – 13) of this Reserve Analysis.

The purpose of this Reserve Analysis is to provide an educated estimate as to what the Reserve Allocation needs to be. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample timing to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. This will also ensure the physical well being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to Special Assessments.

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at time of the observation. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have not been investigated in the preparation of this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgment of Aspen Reserve Specialties and should not be construed as a guarantee or assurance of predicting future events.

General Information and Answers to Frequently Asked Questions –

Why is it important to perform a Reserve Study?

As previously mentioned, the Reserve allocation makes up a significant portion of the total monthly dues. This report provides the essential information that is needed to guide the Board of Directors in establishing the budget in order to run the daily operations of your Association. It is suggested that a third party professionally prepare a Reserve Study since there is no vested interest in the property. Also, a professional knows what to look for and how to properly develop an accurate and reliable component list.

Now that we have "it", what do we do with "it"?

Hopefully, you will not look at this report and think it is too cumbersome to understand. Our intention is to make this Reserve Analysis very easy to read and understand. Please take the time to review it carefully and make sure the "main ingredients" (asset information) are complete and accurate. If there are any inaccuracies, please inform us immediately so we may revise the report.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The Reserve allocation makes up a significant portion of the total monthly dues and this report should help you determine the correct amount of money to go into the Reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending normal maintenance and replacement projects. This will give you an opportunity to shop around for the best price available.

The Reserve Study should be readily available for Real Estate agents, brokerage firms, and lending institutions for potential future homeowners. As the importance of Reserves becomes more of a household term, people are requesting homeowners Associations to reveal the strength of the Reserve fund prior to purchasing a condominium or townhome.

How often do we update or review "it"?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Analysis should be reviewed *each year* before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Aging rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the content of the Reserve Analysis. Therefore, this analysis should be reviewed annually, and a property observation should be conducted at least once every three years.

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 states. The State of Colorado currently requires all Associations to adopt a Reserve policy, but does not currently enforce a Reserve Study is completed. Despite enacting this current law, the chances are also very good the documents of the Association require the Association to have a Reserve fund established. This may not mean a Reserve Analysis is required, but how are you going to know there are enough funds in the account if you don't have the proper information? Hypothetically, some Associations look at the Reserve fund and think \$50,000 is a lot of money and they are in good shape. What they don't know is the roof will need to be replaced within 5 years, and the cost of the roof is going to exceed \$75,000. So while \$50,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the Association is responsible to maintain.

What makes an asset a "Reserve" item versus an "Operating" item?

A "Reserve" asset is an item that is the responsibility of the Association to maintain, has a limited Useful Life, predictable Remaining Useful Life expectancies, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold cost. An "operating" expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an "operating" expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a Reserve expense.

The GREY area of "maintenance" items that are often seen in a Reserve Study –

One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, and then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a Reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a Reserve component.

The Property Observation –

The Property Observation was conducted following a review of the documents that were established by the developer identifying all common area assets. In some cases, the Board of Directors at some point may have revised the documents. In either case, the most current set of documents was reviewed prior to inspecting the property. In addition, common area assets may have been reported to Aspen Reserve Specialties by the client, or by other parties.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the observation. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the observation. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property.

The Reserve Fund Analysis –

We projected the starting balance from taking the most recent balance statement, adding expected Reserve contributions for the rest of the year, and subtracting any pending projects for the rest of the year. We compared this number to the ideal Reserve Balance and arrived at the Percent funded level. Measures of strength are as follows:

0% - 30% Funded – Is considered to be a "weak" financial position. Associations that fall into this category are subject to Special Assessments and deferred maintenance, which could lead to lower property values. If the Association is in this position, actions should be taken to improve the financial strength of the Reserve Fund.

31% - 69% Funded – The majority of Associations are considered to be in this "fair" financial position. While this doesn't represent financial strength and stability, the likelihood of Special Assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the Reserve fund.

70% - 99% Funded – This indicates financial strength of a Reserve fund and every attempt to maintain this level should be a goal of the Association.

100% Funded – This is the ideal amount of Reserve funding. This means that the Association has the exact amount of funds in the Reserve account that should be at any given time.

Summary of Stapleton Filing 2 Townhome Assoc. - Assoc. ID # - 08236

Projected Starting Balance as of January 1, 2011 -	\$225,261
Ideal Reserve Balance as of January 1, 2011 -	\$380,722
Percent Funded as of January 1, 2011 -	59%
Recommended Reserve Allocation (per month) -	\$8,300
Minimum Reserve Allocation (per month) -	\$7,675
Recommended Special Assessment -	\$0

This report is an update to an existing Reserve Study that was prepared for the Association by another company three (3) years ago for the 2008 fiscal period. An observation of the property's common area elements took place on September 27, 2010 to verify the information from this previous report. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representative. To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property contains 98 townhomes contained within 14 buildings that were constructed approximately 9 years ago in 2002. The Association's maintenance responsibilities include building exterior surfaces, unit and perimeter fencing, concrete sidewalks and driveways, an irrigation system and landscaping. Reserve projects completed since the last report includes painting some of the buildings and iron handrails and some concrete replacement. The only projects scheduled for 2011 is painting the second phase of buildings and wood trim and deck rail repair. Please refer to pages 11 and 12 of the Financial Analysis for a detailed listing of when projects are programmed to be addressed.

In comparing the projected balance of \$225,261 versus the ideal Reserve Balance of \$380,722, we find the Association Reserve fund to be in an average financial position (approximately 59% funded of ideal) at this time. However, based on the information contained within this report, we find the current budgeted Reserve allocation to be less than adequate in increasing the strength of the Reserve fund for future Reserve project consideration. Therefore, we recommend increasing the Reserve contribution to \$8,300 per month starting in 2011, followed by nominal annual increases of 4.50% thereafter to help offset the effects of inflation. By following the recommendation, the plan will maintain the Reserve account in a positive manner, while gradually increasing to a fully funded position within the thirty-year period.

In the percent Funded graph, you will see that we have also suggested a minimum Reserve contribution of \$7,675 per month. If the Reserve contribution falls below this rate, then the Reserve fund will fall into a situation where Special Assessments, deferred maintenance, and lower property values are possible at some point in the future.

The minimum Reserve allocation follows the "threshold" theory of Reserve funding where the "percent funded" status is not allowed to dip below 30% funded at any point during the thirty-year period. This was provided for one purpose only, to show the Association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money (approximately \$6.37 per unit per month in this case) to the Reserve fund to only stay above a certain threshold. As you can see, the difference between the two scenarios is considered to be minimal, and based on the risk involved; we strongly suggest the recommended Reserve Allocation is followed.

Comp #: 103 EPDM Flat Roof - Replace 1



Observations:

We were not able to access roof to inspect these roofs. It was previously reported that the roofs are in good to fair condition with good slopes for drainage. At this time, continue to expect a full useful life of this component. We would recommend inspections to occur every 1 - 2 years by a roofing contractor to ensure proper maintenance and whether or not deterioration is consistent with estimated remaining useful life.

Location: Brownstone, spanish & garages

Quantity: Approx 75,000 GSF

Life Expectancy: 15 **Remaining Life:** 10

Best Cost: \$225,000

\$6/GSF - Lower estimate to replace - 50%

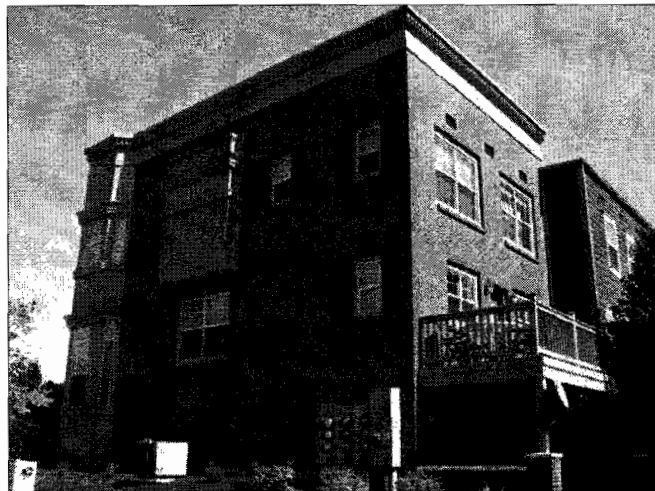
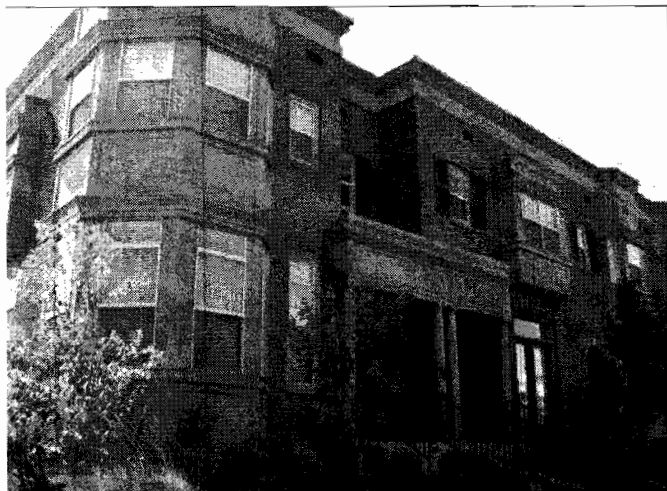
Worst Cost: \$300,000

\$8/GSF - Higher estimate to replace - 50%

Source of Information: Cost Database

General Notes:

Comp #: 103 EPDM Flat Roof - Replace 2



Observations:

We were not able to access roof to inspect these roofs. It was previously reported that the roofs are in good to fair condition with good slopes for drainage. At this time, continue to expect a full useful life of this component. We would recommend inspections to occur every 1 - 2 years by a roofing contractor to ensure proper maintenance and whether or not deterioration is consistent with estimated remaining useful life.

Location: Brownstone, spanish & garages

General Notes:

Quantity: Approx 75,000 GSF

Life Expectancy: 15 **Remaining Life:** 11

Best Cost: \$225,000

\$6/GSF - Lower estimate to replace - 50%

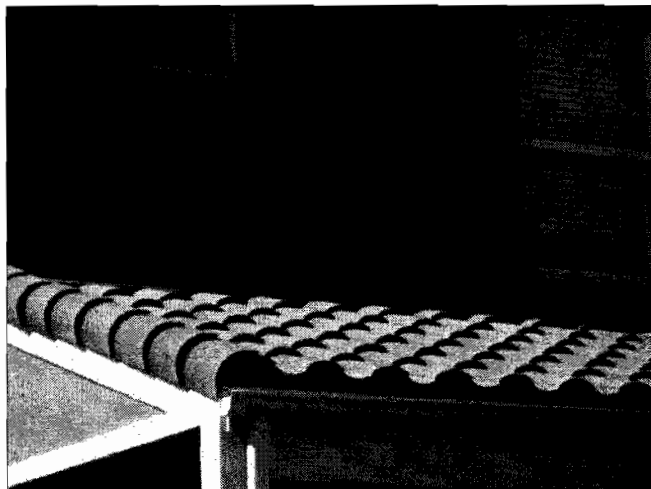
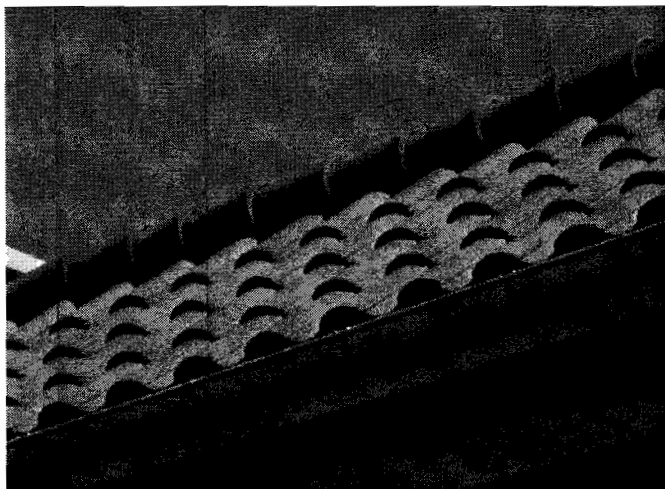
Worst Cost: \$300,000

\$8/GSF - Higher estimate to replace - 50%

Source of Information: Cost Database



Comp #: 106 Tile Roof - Replace



Observations:

The Spanish tile roofs appear to be in good condition with no broken or missing tile noted during the inspection. However, we were not able to closely inspect the roofs due to not wanting to cause any damage to the roof material. This material cracks very easily from the weight of a person walking around on the roof. While the tiles act as the primary water barrier from intrusion into the building, the underlayment (usually a 40 lb felt fabric) also is very important in protecting the building from water intrusion. This underlayment will typically require replacement every 20 - 30 years in this environment. Replacement of underlayment involves removal of roof tiles, replacing the underlayment and reapplying the tiles. Reserve to replace the underlayment and replace some tiles every 25 years.

Location: Spanish style units

General Notes:

Quantity: Approx. 21 squares

Life Expectancy: 30 **Remaining Life:** 21

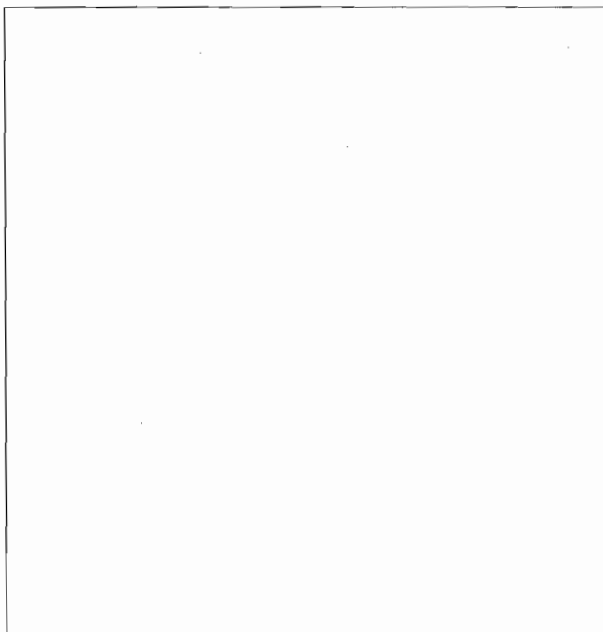
Best Cost: \$13,650

\$650/square; Estimate to remove and replace

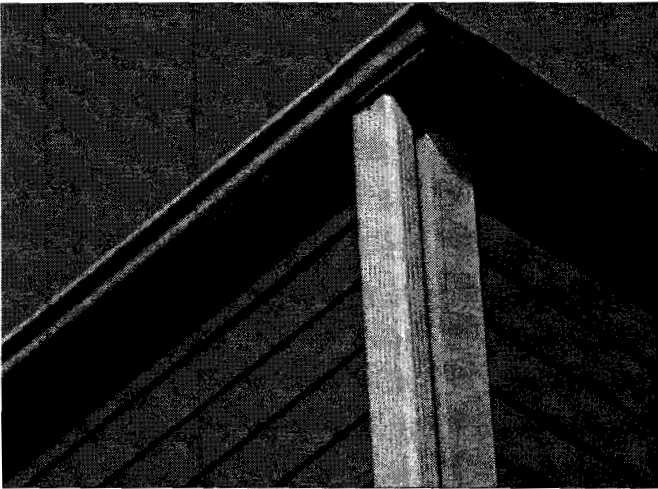
Worst Cost: \$16,800

Higher estimate for more tile replacement

Source of Information: Cost database



Comp #: 120 Gutters/Downspouts - Replace



Observations:

There were no unusual conditions with the installation of the lines or any evidence of damage. It is typical for debris, such as roof granules and dirt, to build up in the lines. When debris remains in the rain gutters, it will stay wet after rains and snow melt which will cause premature deterioration of the materials. Therefore, we recommend cleaning out the lines at least once a year as a maintenance expense to ensure full life expectancy. It is typical to replace rain gutters and downspouts at the same time as roof materials for best cost estimate. As long as the gutters are maintained, Reserve to replace these lines every other roofing cycle along with the tile roofs.

Location: Brownstones and spanish style

General Notes:

Quantity: Approx. 1,800 LF

Life Expectancy: 30 **Remaining Life:** 21

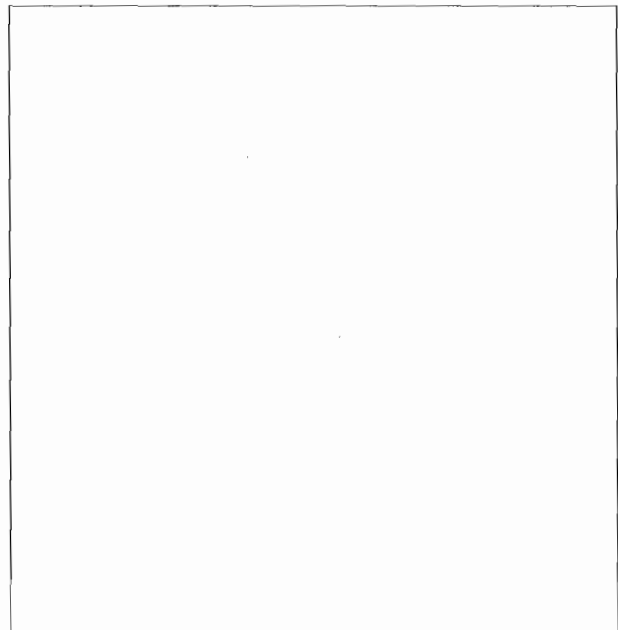
Best Cost: \$9,450

\$5.25/LF; Estimate to replace

Worst Cost: \$10,800

\$6.00/LF: Higher estimate for larger lines

Source of Information: Cost Database



Comp #: 202 Wood Trim - Repaint 3



Observations:

The wood siding, panels, cornice and wood railings on these buildings appear to be faded and will be in need of paint in by 2012. During the inspection, we also observed several isolated areas of caulking separation and peeling paint on the metal flashing. On the Spanish style buildings, the garage siding and stucco all appear to be in good to fair condition. It was previously reported that the exterior was painted in 2007, including the stucco on the Spanish style units. Maintaining exterior with a proper application of painting and caulking will ensure a full useful life. Because of orientation and exposure some areas may need periodic maintenance between painting cycles. Remaining life is based on the reported time until the next painting cycle for these buildings.

Location: Brownstone, Spanish, Detached Garages

General Notes:

Quantity: 46 Units

Life Expectancy: 5 **Remaining Life:** 1

Best Cost: \$62,550

Lower estimate to paint

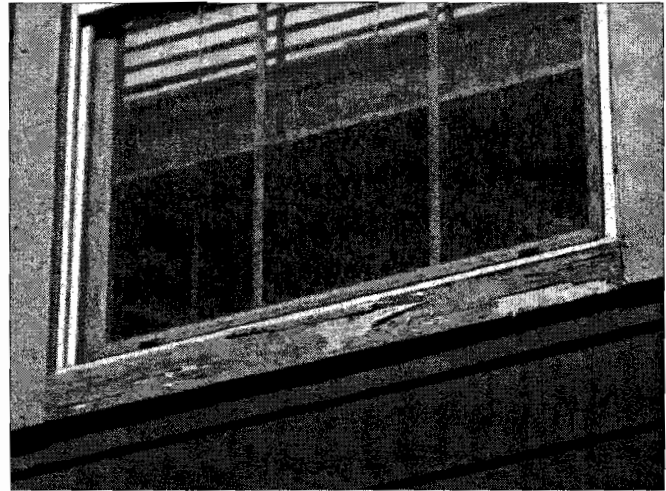
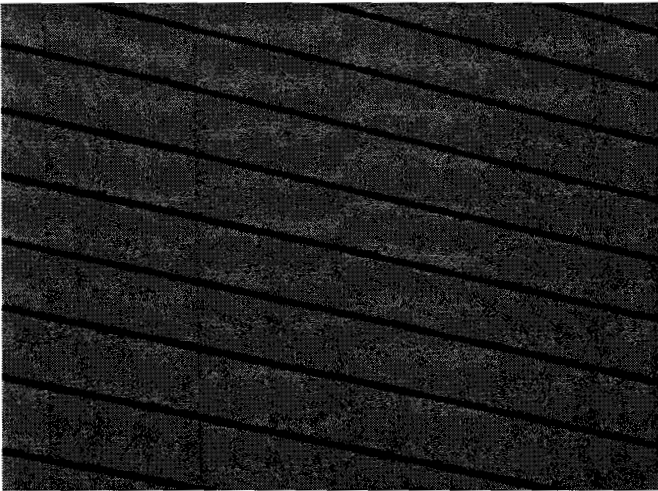
Worst Cost: \$64,550

Higher estimate to paint

Source of Information: Cost Database

Building 7: 8210 - 8290 E. 29th Ave. (\$11,600)
 Building 8: 8300 - 8340 E. 29th Ave. (\$7,250)
 Building 9: 8350 - 8390 E. 29th Ave. (\$7,250)
 Building 10: 8400 - 8440 E. 29th Ave. (\$7,250)
 Building 11: 8450 - 8490 E. 29th Ave. (\$7,250)
 Building 12: 2810 - 2880 Syracuse Ct. (\$22,950)

Comp #: 202 Wood Trim - Repaint 1



Observations:

The wood siding, panels, cornice and wood railings on these buildings appear to be faded and will be in need of paint in the next fiscal year (2011). During the inspection, we also observed several isolated areas of caulking separation, cracked or dry wood and peeling paint on the metal flashing. Maintaining exterior with a proper application of painting and caulking will ensure a full useful life. Because of orientation and exposure (especially on the south facing sides) some areas may need periodic maintenance between painting cycles. Remaining life is based on observed conditions and the reported time until the next painting cycle for these buildings.

Location: Brownstone, Spanish, Detached Garages

General Notes:

Quantity: 26 Units

Building 1: 7750 - 7790 E. 29th Ave. (\$13,050)
Building 2: 7800 - 7900 E. 29th Ave. (\$13,050)
Building 3: 7902 - 7970 E. 29th Ave. (\$11,600)

Life Expectancy: 5 **Remaining Life:** 0

Best Cost: \$36,400

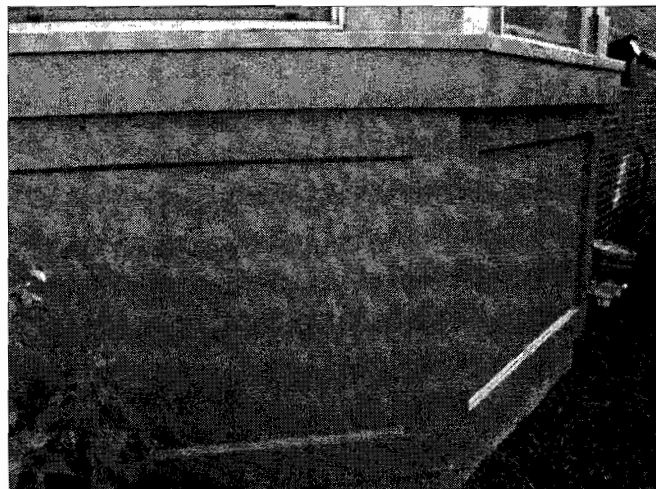
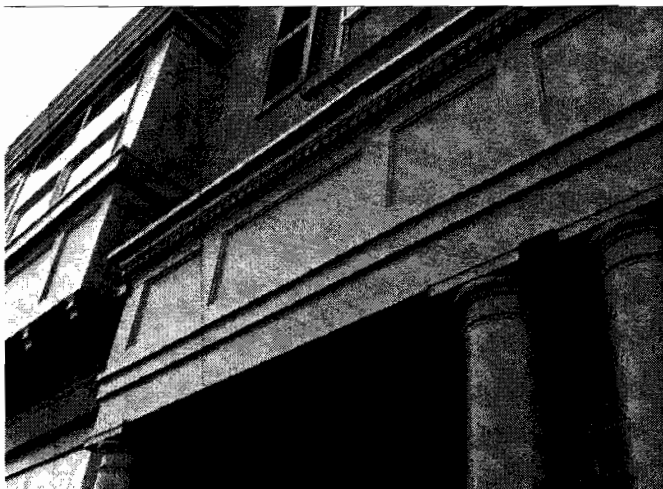
Estimate to paint

Worst Cost: \$39,000

Higher estimate for more prep work

Source of Information: Client provided cost information

Comp #: 202 Wood Trim - Repaint 2



Observations:

The wood siding, panels, cornice and wood railings on these buildings appear to be good condition since they were in process of being painted during the property inspection. Maintaining exterior with a proper application of painting and caulking will ensure a full useful life. Because of orientation and exposure (especially on the south facing sides) some areas may need periodic maintenance between painting cycles. Remaining life based on the time since the last painting cycle (2010).

Location: Brownstone, Spanish, Detached Garages

Quantity: 26 Units

Life Expectancy: 5 **Remaining Life:** 4

Best Cost: \$36,400

Estimate to paint

Worst Cost: \$39,000

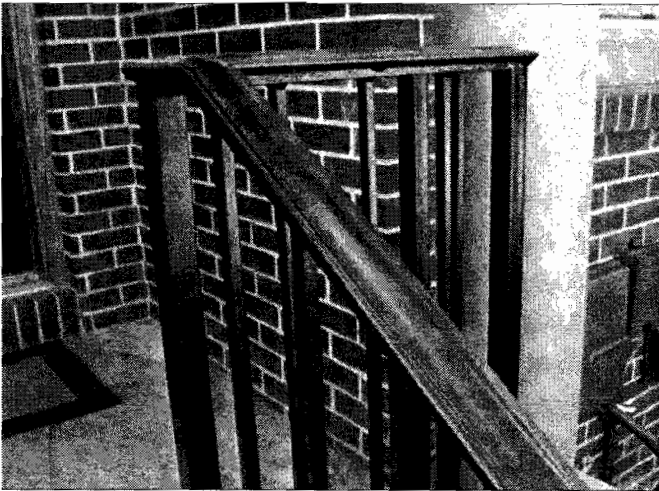
Higher estimate for more prep work

Source of Information: Cost Database

General Notes:

Building 4: 7980 - 8040 E. 29th Ave. (\$13,050)
Building 5: 8112 - 8150 E. 29th Ave. (\$11,600)
Building 6: 8152 - 8192 E. 29th Ave. (\$13,050)

Comp #: 207 Iron Fencing - Repaint



Observations:

Guard/Hand rails are in good condition and appear to have been recently painted. This type of rail should be repainted every 4 - 5 years to protect the metal from rusting and corrosion. In order to achieve a full life expectancy, proper prep work, such as scraping loose paint and removing any rust and corrosion, should be performed before each painting cycle. Remaining life is based on observed conditions.

Location: Brownsontes entry, decks and doors

General Notes:

Quantity: Approx 2,400 LF

Life Expectancy: 5 **Remaining Life:** 4

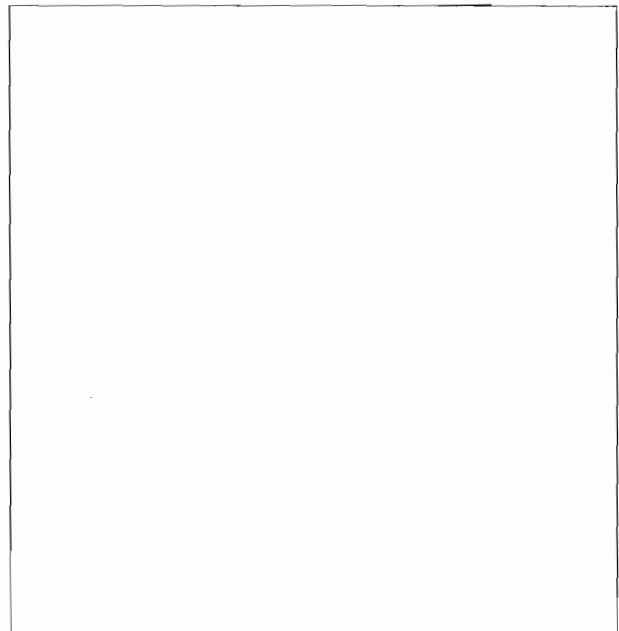
Best Cost: \$10,200

\$4.25/LF; Estimate to repaint rail

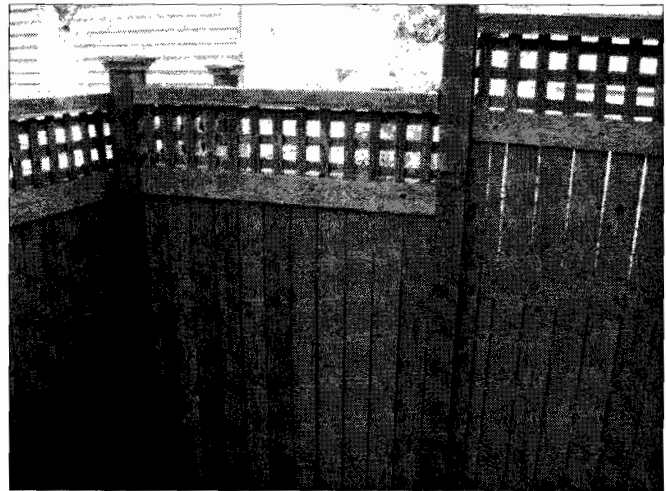
Worst Cost: \$12,000

\$5.00/LF - Higher estimate for more prep work

Source of Information: Cost Database



Comp #: 209 Wood Fencing - Restain



Observations:

It appears the fences were recently stained and are in good condition. In this climate, we recommend staining wood fences every 2 - 4 years to protect the materials against splintering and cracking. The remaining life is based on the observed condition.

Location: Patio/yard enclosures (spanish style)

General Notes:

Quantity: Approx. 2,400 GSF

Life Expectancy: 3 **Remaining Life:** 2

Best Cost: \$9,600

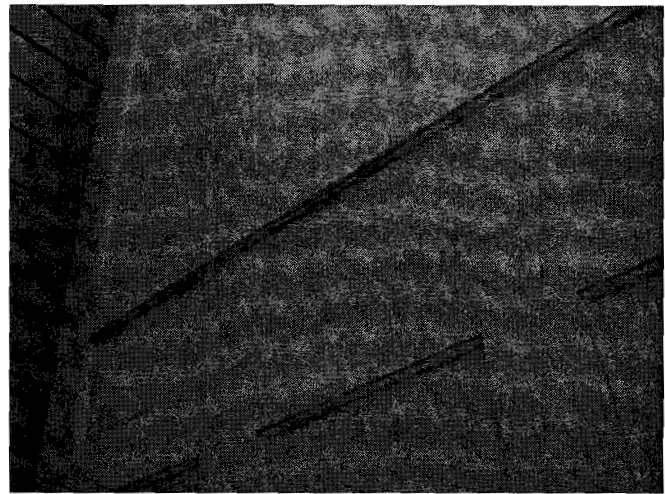
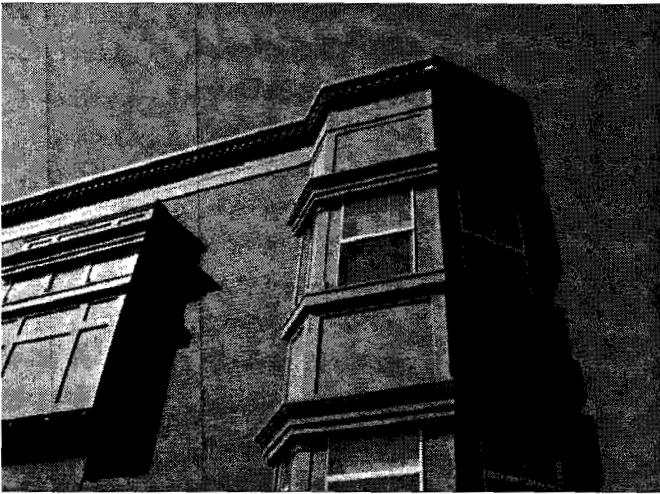
\$4.00/LF: Estimate to repaint fence (both sides)

Worst Cost: \$10,800

\$4.50/LF; Higher estimate for more prep work

Source of Information: Cost Database

Comp #: 303 Wood Siding/Trim - Repair 3



Observations:

Panel siding and decorative trim appear in overall good to fair condition. Recommended maintaining this component with painting/caulking on a regular basis and making major repairs every other painting cycle. Remaining life based on upcoming painting cycle for this phase (2012).

Location: Brownstone Units

Quantity: 28 Units

Life Expectancy: 10 **Remaining Life:** 1

Best Cost: \$15,400

\$550/Unit - Lower estimate to repair

Worst Cost: \$18,200

\$650/Unit - Higher estimate to replace

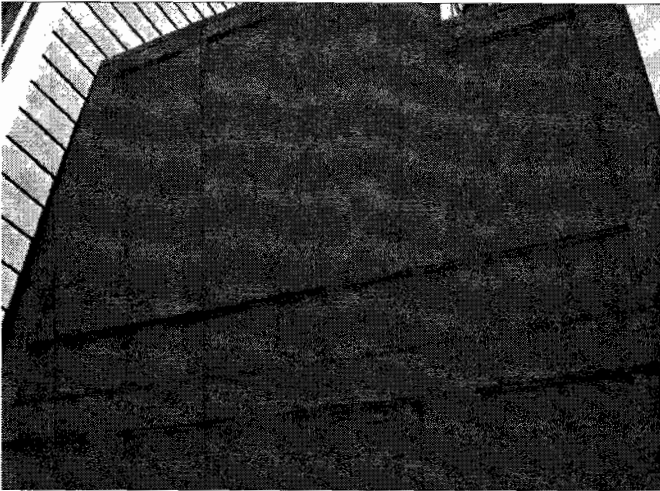
Source of Information: Cost Database

General Notes:

Building 7: 8210 - 8290 E. 29th Ave.
Building 8: 8300 - 8340 E. 29th Ave.
Building 9: 8350 - 8390 E. 29th Ave.
Building 10: 8400 - 8440 E. 29th Ave.
Building 11: 8450 - 8490 E. 29th Ave.

NOTE: It was previously reported that there is approx. 51,000 GSF total of wood trim and siding.

Comp #: 303 Wood Siding/Trim - Repair 1



Observations:

Panel siding and decorative trim appear in overall good to fair condition. Recommended maintaining this component with painting/caulking on a regular basis and making major repairs every other painting cycle. Remaining life based on upcoming painting cycle for this phase (2011).

Location: Brownstone Units

Quantity: 26 Units

Life Expectancy: 10 *Remaining Life:* 0

Best Cost: \$14,300

\$550/Unit - Lower estimate to repair

Worst Cost: \$16,900

\$650/Unit - Higher estimate to replace - 25%

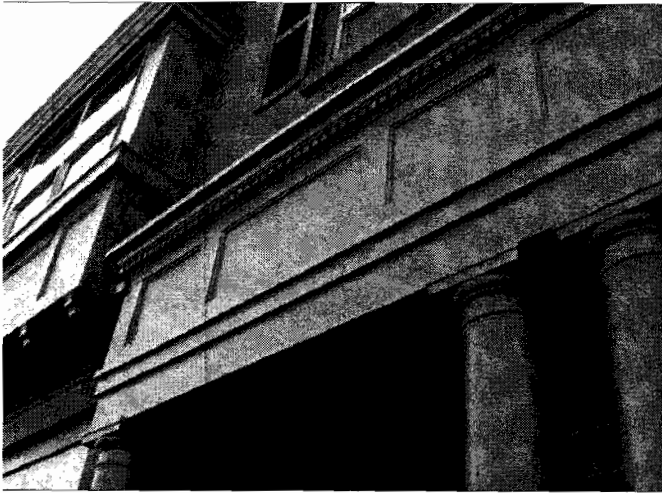
Source of Information: Cost Database

General Notes:

Building 1: 7750 - 7790 E. 29th Ave.
Building 2: 7800 - 7900 E. 29th Ave.
Building 3: 7902 - 7970 E. 29th Ave.

NOTE: It was previously reported that there is approx. 51,000 GSF total of wood trim and siding.

Comp #: 303 Wood Siding/Trim - Repair 2



Observations:

Panel siding and decorative trim appear in overall good condition since this phase was painted in 2010. Recommended maintaining this component with painting/caulking on a regular basis and making major repairs every other painting cycle.

Location: **Brownstone Units**

Quantity: **26 Units**

Life Expectancy: **10 Remaining Life: 9**

Best Cost: **\$14,300**

\$550/Unit - Lower estimate to repair

Worst Cost: **\$16,900**

\$650/Unit - Higher estimate to replace - 25%

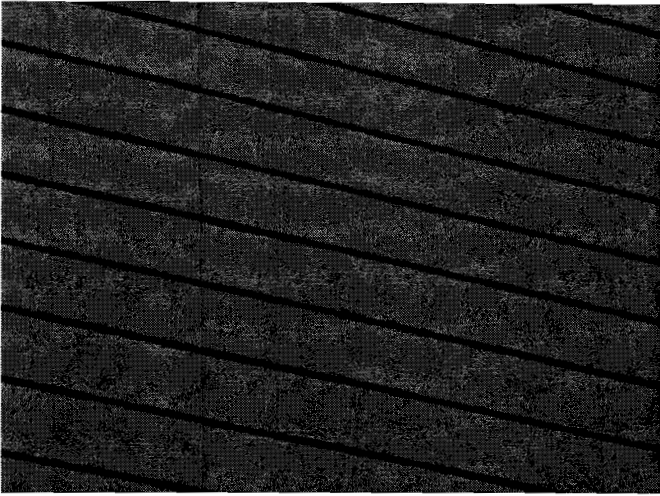
Source of Information: **Cost Database**

General Notes:

Building 4: 7980 - 8040 E. 29th Ave.
Building 5: 8112 - 8150 E. 29th Ave.
Building 6: 8152 - 8192 E. 29th Ave.

NOTE: It was previously reported that there is approx. 51,000 GSF total of wood trim and siding.

Comp #: 304 Fiber Cement Siding - Replace



Observations:

There were no major problems noted. Any minor repairs can be performed as a maintenance issue as part of prep work before painting. According to the manufacturer of this product, this material has a 50+ year warranty against defects that will require replacement. Therefore, at this time, we do not suggest Reserving for replacement of siding or trim materials. If deterioration is observed in future years, there is plenty of time available to add to Reserves without substantially affecting the contribution rate. If replacement was needed, expect to spend approximately \$12.00/GSF or approximately \$1,891,000 at today's dollars (2011).

Location: Brownstone Units/Spanish Style Garage

General Notes:

Quantity: Approx 157,600 GSF

Life Expectancy: N/A **Remaining Life:**

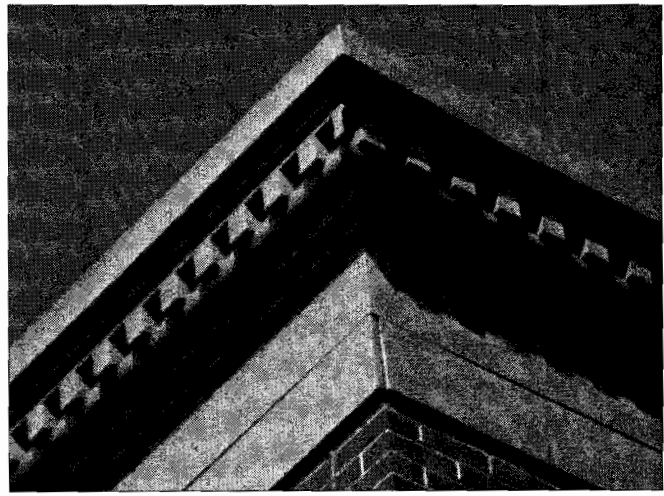
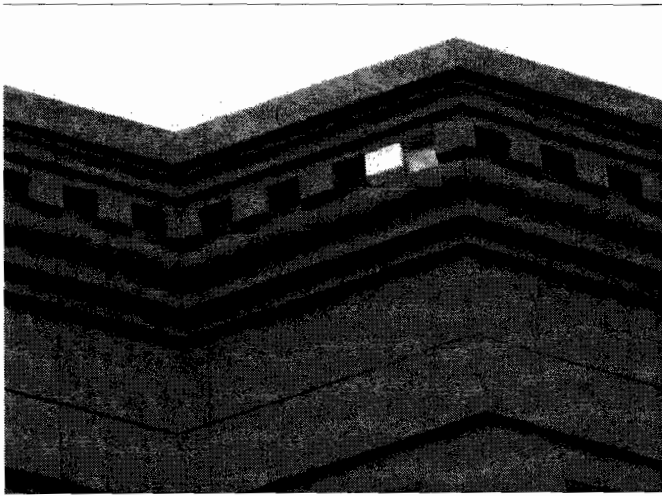
Best Cost: \$0

Worst Cost: \$0

Source of Information: Cost Database

NOTE: It was previously reported that there is approx. 157,600 GSF total of fiber cement siding.

Comp #: 305 Wood Cornice - Replace - 25%



Observations:

Decorative cornice details appear to be in good to fair condition with only minor signs of damage that has been repaired. It was reported that . However, signs of cracked and/or no caulking are a concern because of moisture penetration. Coordinate repairs with the painting cycle.

Location: Brownstone units

Quantity: Approx 3,200 LF

Life Expectancy: 25 **Remaining Life:** 16

Best Cost: \$42,250

\$40/LF - Lower estimate to replace - 33%

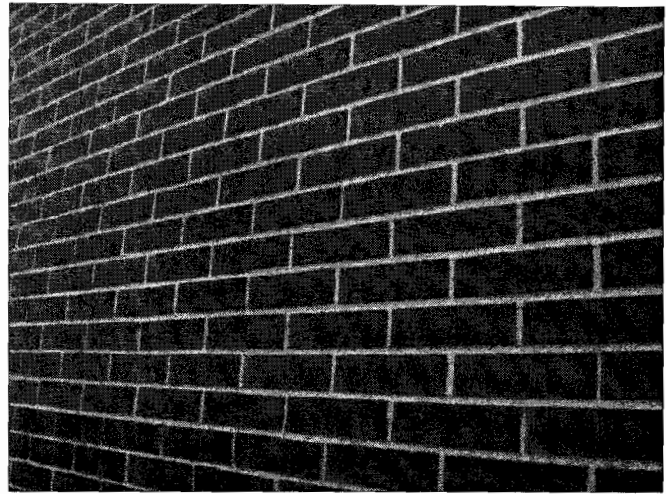
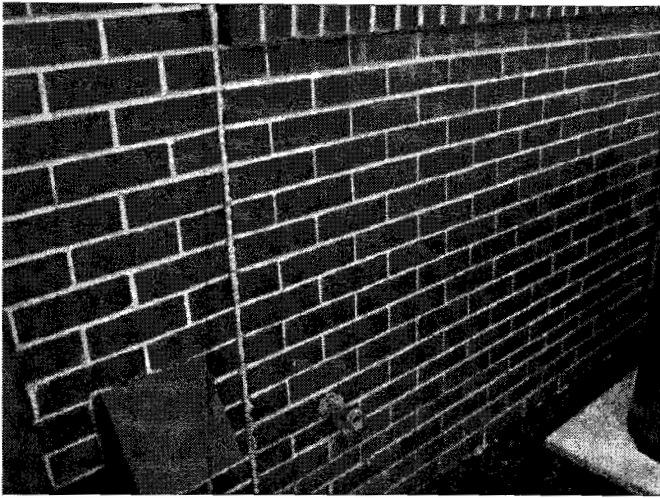
Worst Cost: \$63,500

\$60/LF - Higher estimate to replace - 33%

Source of Information: Cost Database

General Notes:

Comp #: 306 Brick Veneer - Replace



Observations:

Brick veneer appears in overall good condition with no significant signs of damage or problems. An isolated area appears to have been repaired because of cracking and separation. Allowance to repair brick as needed, no anticipation for complete replacement. Recommended yearly inspection to maintain grout which will help mitigate any subsurface moisture. Remaining life based on observed conditions.

Location: Brownstone units

Quantity: Extensive GSF

Life Expectancy: 5 **Remaining Life:** 4

Best Cost: \$4,000

Allowance for repairs

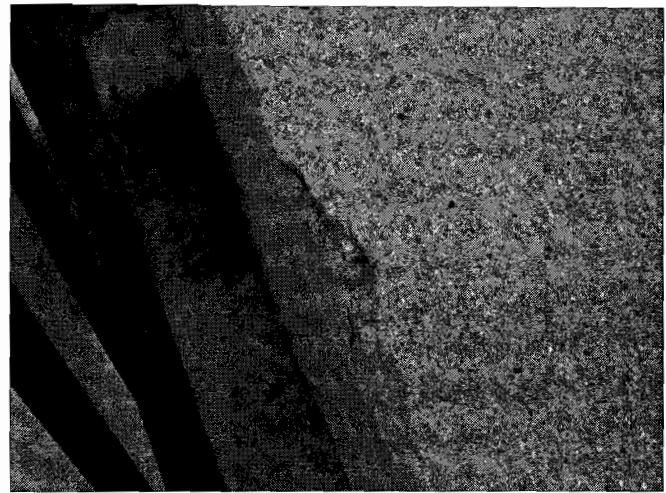
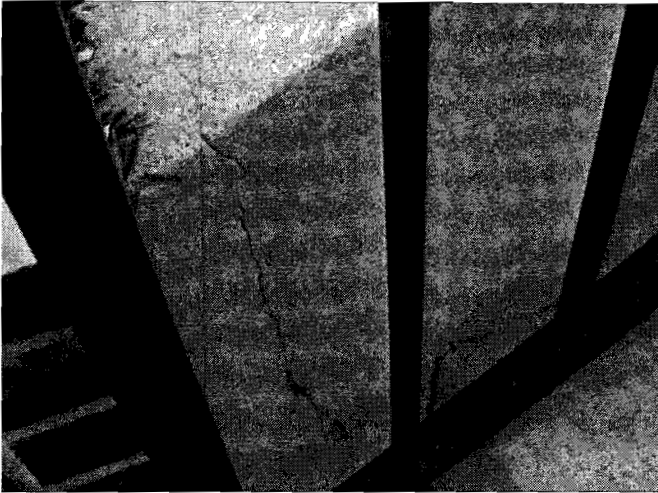
Worst Cost: \$5,000

Higher allowance for more repairs

Source of Information: Cost Database

General Notes:

Comp #: 307 Cementious Coating - Repair



Observations:

Cementious coat over concrete walls is in good to fair condition with some areas of missing or loose material. Adhesion between 2 similar products (cementious or Portland cement products) without lathe or adhesive can cause ongoing issues as previously observed. Recommend continued repairs to coordinate with the painting cycle every 5 years to maintain appearance and further investigation to explore other options which may include removing coating and applying an electrometric paint. Funding is to repair only.

Location: Brownstones, retaining/garden walls

General Notes:

Quantity: Extensive GSF

Life Expectancy: 5 **Remaining Life:** 1

Best Cost: \$4,000

Lower allowance to repair

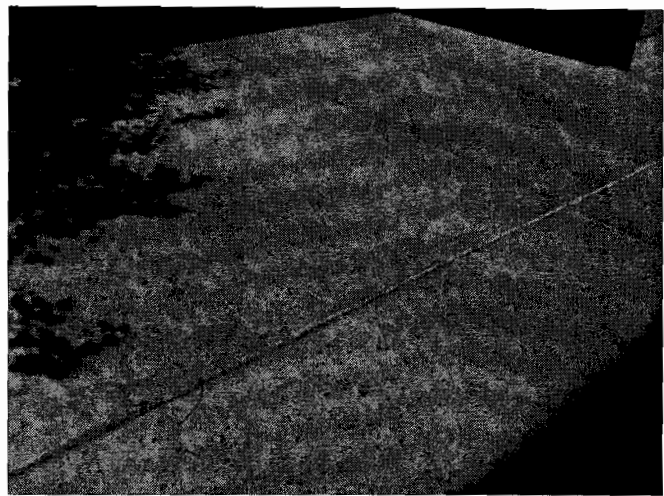
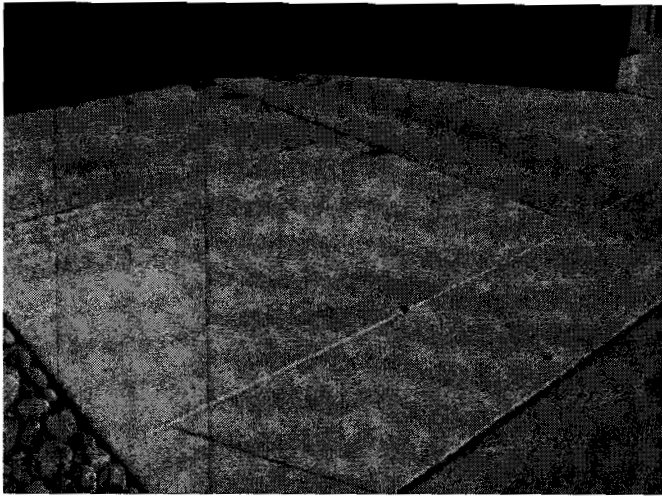
Worst Cost: \$6,000

Higher allowance to repair

Source of Information: Cost Database

Empty rectangular box for General Notes.

Comp #: 403 Concrete Drives - Repair/Replace



Observations:

The concrete drives vary in condition throughout the community with some being in good to fair condition and others with areas of cracked and deteriorating concrete. Recommended replacing concrete that presents a trip/fall hazard and ones that have sever spalling and/or cracking. It was reported that there was some concrete driveway sections replaced in 2010. Maintain concrete by sealing cracks to mitigate subsurface moisture which may accelerate useful life. Substrate moisture can cause settling or lifting of concrete. Remaining life based on time since last replacements.

Location: Entry drive

Quantity: Extensive GSF

Life Expectancy: 4 *Remaining Life:* 3

Best Cost: \$5,000

Lower allowance to replace

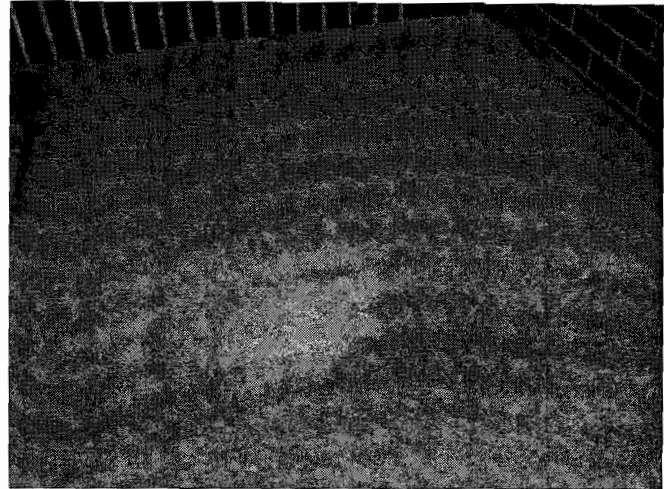
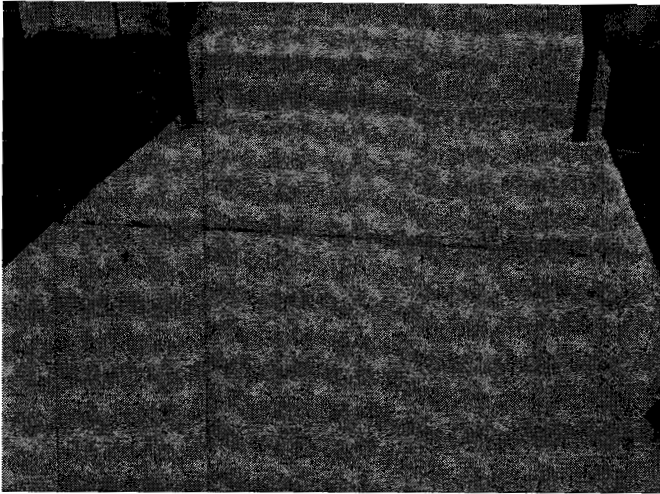
Worst Cost: \$6,000

Higher allowance to replace

Source of Information: Client provided cost information

General Notes:

Comp #: 601 Concrete Sidewalks/Decks - Repair



Observations:

Concrete steps and landings are in good to fair condition minor signs of cracking and spalling. It was reported that there was some replacement done in 2010 at 7752 and 7830 E. 29th. The rest of the buildings are in relatively good condition. Maintain concrete by sealing/caulking cracks to mitigate subsurface moisture which may accelerate useful life. While it is unlikely that all concrete surfaces will fail and need to be replaced at the same time, frequent repairs and replacement to a percentage of the area should be anticipated every 4 years.

Location: Entry steps and walkway to front unit

Quantity: Extensive GSF

Life Expectancy: 4 **Remaining Life:** 3

Best Cost: \$3,000

Allowance to replace or repair

Worst Cost: \$5,000

Higher allowance for more replacement

Source of Information: Client provided cost information

General Notes:

Comp #: 605 Wood Guardrail - Replace



Observations:

The wood guardrails are made of 2x2 pickets, 1x4 rails, 1x6 caps and 4x4 posts. The rails are in fair to poor condition with signs of cracked, splitting and bowed wood. It was reported that the individual homeowners are responsible for maintenance and replacement of the railings and decks. It was also reported that the Association will replace any rotten wood or make minor repairs just before the painting cycle, but this is handled as an operating expense. Therefore, Reserve funding is not required for this component.

Location: Decks and balconies

Quantity: Approx 1,750 LF

Life Expectancy: N/A **Remaining Life:**

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

NOTE: Severely bowed deck rail at 8490 E. 29th.

It was reported that the individual homeowners are responsible for maintenance and replacement of the railings and decks.

Comp #: 609 Composite Deck - Replace



Observations:

Composite decking appears in overall good condition with no significant signs of damage. It was reported that the individual homeowners are responsible for maintenance and replacement of the decking material. Therefore, Reserve funding is not required for this component.

Location: Balconies, decks

Quantity: Approx. 11,000 GSF

Life Expectancy: N/A **Remaining Life:**

Best Cost: \$0

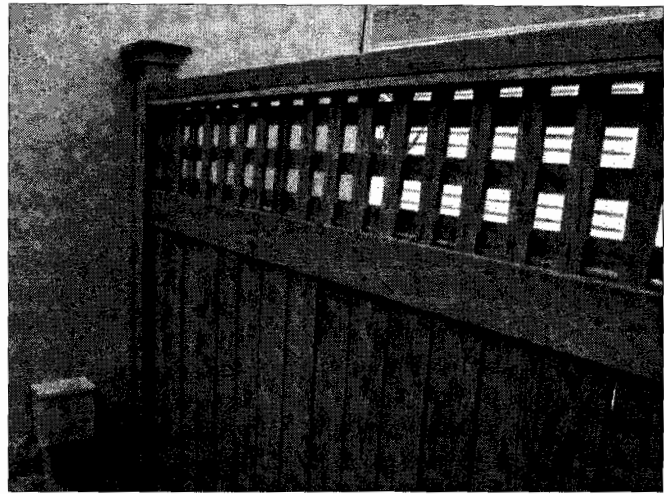
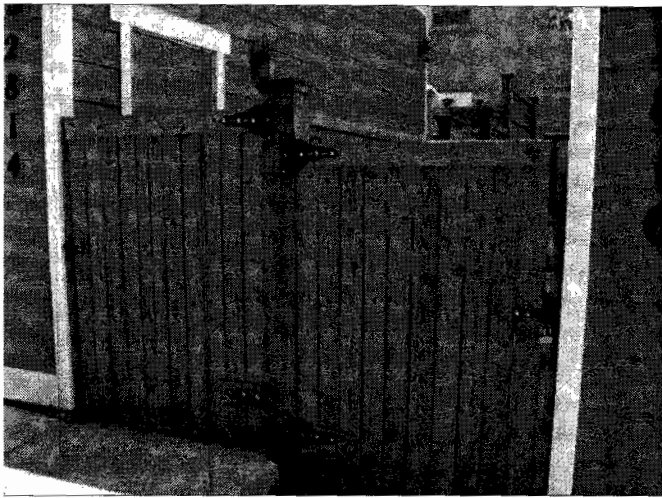
Worst Cost: \$0

Source of Information:

General Notes:

It was reported that the individual homeowners are responsible for maintenance and replacement of the decking material.

Comp #: 1001 Wood Fencing - Replace



Observations:

This fence is in good condition and appears to have been recently stained. The replacement cycle is based on the observed quality of fence installed and the current condition. As long as proper weatherproofing is performed, the overall life of the fence should range between 15 - 20 years. Without maintenance, expect to replace every 10 - 12 years. The remaining life is based on age and observed condition of fence.

Location: Patio/yard enclosures (spanish style)

Quantity: Approx. 2,400 LF

Life Expectancy: 18 Remaining Life: 9

Best Cost: \$60,000

\$25/LF - Lower estimate to replace

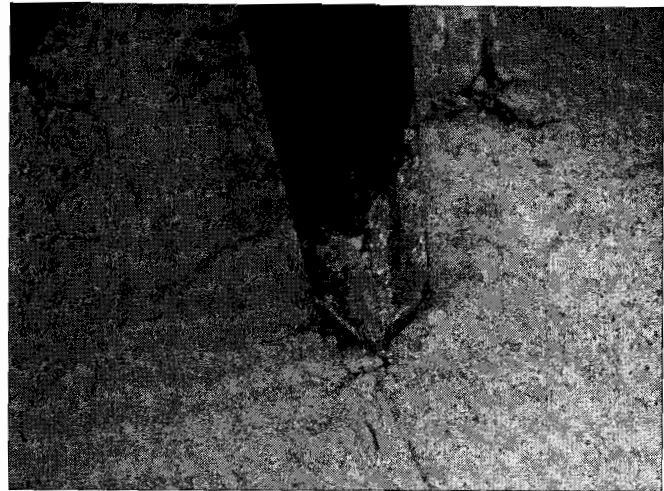
Worst Cost: \$67,200

\$28/LF; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Comp #: 1002 Ironwork Fencing - Replace - 10%



Observations:

Guard/hand rail is in good to fair condition with some signs of rust at the base of the posts. No anticipation for complete replacement at this time, funding is to replace 50% every 25 years. Remaining life based on age of the community.

Location: Brownstone entry, decks and doors

Quantity: Approx. 2,400 LF

Life Expectancy: 25 **Remaining Life:** 16

Best Cost: \$48,000

Allowance to replace (50%)

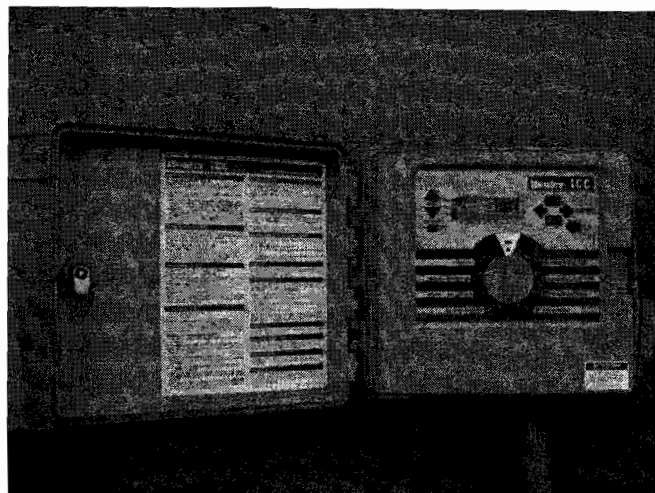
Worst Cost: \$54,000

Higher allowance to replace more rail

Source of Information: Cost Database

General Notes:

Comp #: 1703 Irrigation Time clocks - Replace



Observations:

All appear to be operational and in good condition. Under normal conditions (not including Acts of God, vandalism, etc.) these clocks should last 10 - 12 years with proper maintenance. The remaining life is based on the age of the clocks.

Location: Common area

Quantity: (5) Hunter Controllers

Life Expectancy: 12 **Remaining Life:** 4

Best Cost: \$5,000

\$1000/clock; Estimate to replace

Worst Cost: \$6,000

\$1200/ea - Higher estimate to replace

Source of Information: Cost Database

General Notes:

- 1 - 2880 Syracuse
Hunter ICC, Model #: ICC-800-PL, Dec. 04
- 2 - 7902 E. 29th Ave
Hunter Pro C, Model #: PC - 300, Dec. 02
- 3 - 8152 E. 29th Ave
Hunter Pro C, Model #: PC - 300, Dec. 02
- 4 - 8340 E. 29th Ave
Hunter Pro C, Model #: PC - 300, Apr. 03
- 5 - 8440 E. 29th Ave
Hunter Pro C, Model #: PC - 300, Dec. 03

Comp #: 1804 Tree - Replacement (Partial)



Observations:

Trees appeared to be healthy and in good condition at time of inspection. It is very difficult to predict a replacement cycle for trees as there are several factors that will contribute to a tree dying. Factors such as disease, infestation of insects, heavy snow storms, etc. can all attribute to eventual tree replacement. Since it is difficult to predict when the replacement will be necessary, Reserve funding is typically not a factor. However, per the request of the Association, we have included an allowance for partial replacement, or major maintenance (trimming, etc.) every 3 years.

Location: Throughout common areas

Quantity: Numerous Trees

Life Expectancy: 3 **Remaining Life:** 2

Best Cost: \$4,000

Lower allowance to replace

Worst Cost: \$5,000

Higher allowance to replace

Source of Information: Cost Database

General Notes:

Funding Summary For Stapleton Filing 2 Townhome Assoc.

Beginning Assumptions

Financial Information Source	Research With Client
# of units	98
Fiscal Year End	December 31, 2011
Monthly Dues from 2010 budget	\$15,876.00
Monthly Reserve Allocation from 2010 Budget	\$6,833.00
Projected Starting Reserve Balance (as of 1/1/2011)	\$225,261
Ideal Starting Reserve Balance (as of 1/1/2011)	\$380,722

Economic Factors

Current Inflation Rate (Based on Construction Cost Index)	4.50%
Reported After-Tax Interest Rate	3.00%

Current Reserve Status

Current Balance as a % of Ideal Balance	59%
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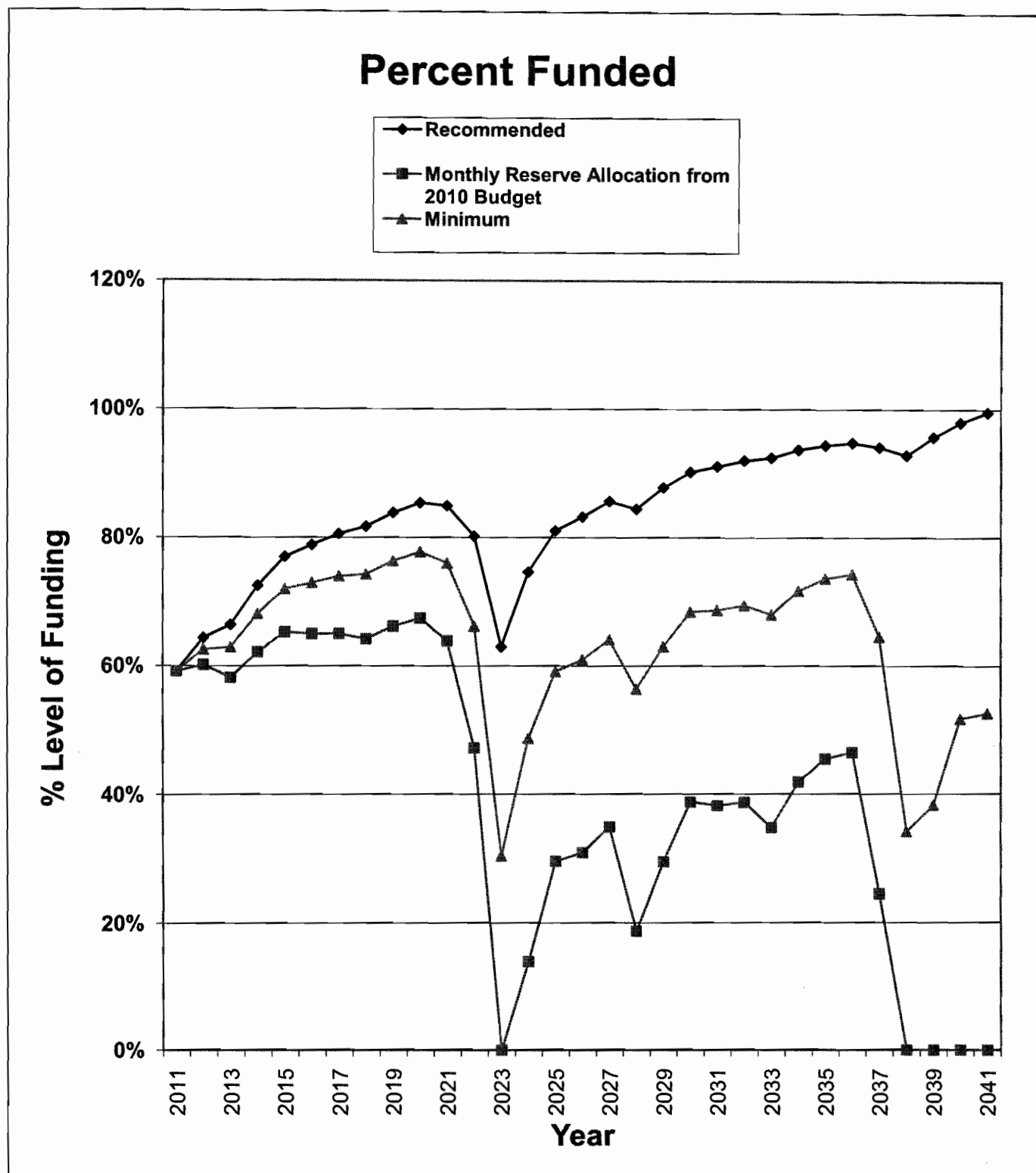
Recommendations for 2011 Fiscal Year

Monthly Reserve Allocation	\$8,300
Per Unit	\$84.69
Minimum Monthly Reserve Allocation	\$7,675
Per Unit	\$78.32
Primary Annual Increases	4.50%
# of Years	30
Special Assessment	\$0
Per Unit	\$0

Changes From Prior Year (2010 to 2011)

Increase/Decrease to Reserve Allocation	\$1,467
as Percentage	21%
Per Unit	\$14.97

Percent Funded Graph For Stapleton Filing 2 Townhome Assoc.



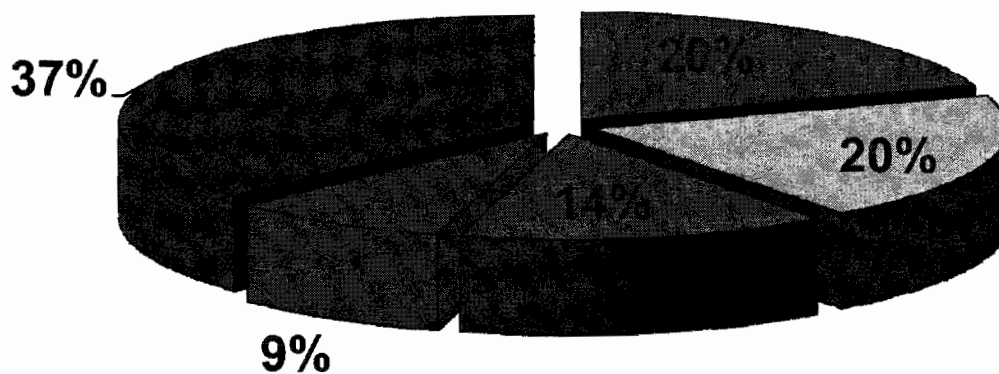
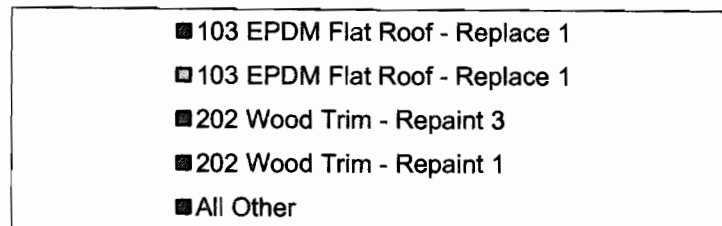
Component Inventory for Stapleton Filing 2 Townhome Association

Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	103	EPDM Flat Roof - Replace 1	15	10	\$225,000	\$300,000
	103	EPDM Flat Roof - Replace 2	15	11	\$225,000	\$300,000
	106	Tile Roof - Replace	30	21	\$13,650	\$16,800
	120	Gutters/Downspouts - Replace	30	21	\$9,450	\$10,800
Painted Surfaces	202	Wood Trim - Repaint 3	5	1	\$62,550	\$64,550
	202	Wood Trim - Repaint 1	5	0	\$36,400	\$39,000
	202	Wood Trim - Repaint 2	5	4	\$36,400	\$39,000
	207	Iron Fencing - Repaint	5	4	\$10,200	\$12,000
	209	Wood Fencing - Restain	3	2	\$9,600	\$10,800
Siding Materials	303	Wood Siding/Trim - Repair 3	10	1	\$15,400	\$18,200
	303	Wood Siding/Trim - Repair 1	10	0	\$14,300	\$16,900
	303	Wood Siding/Trim - Repair 2	10	9	\$14,300	\$16,900
	304	Fiber Cement Siding - Replace	N/A		\$0	\$0
	305	Wood Cornice - Replace - 25%	25	16	\$42,250	\$63,500
	306	Brick Veneer - Replace	5	4	\$4,000	\$5,000
	307	Cementitious Coating - Repair	5	1	\$4,000	\$6,000
Drive Materials	403	Concrete Drives - Repair/Replace	4	3	\$5,000	\$6,000
Decking	601	Concrete Sidewalks/Decks - Repair	4	3	\$3,000	\$5,000
	605	Wood Guardrail - Replace	N/A		\$0	\$0
	609	Composite Deck - Replace	N/A			
Fencing/Walls	1001	Wood Fencing - Replace	18	9	\$60,000	\$67,200
	1002	Ironwork Fencing - Replace - 10%	25	16	\$48,000	\$54,000
Irrig. System	1703	Irrigation Time clocks - Replace	12	4	\$5,000	\$6,000
Landscaping	1804	Tree - Replacement (Partial)	3	2	\$4,000	\$5,000

Significant Components For Stapleton Filing 2 Townhome Assoc.

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance: (Curr Cost/UL)	
					As \$	As %
103	EPDM Flat Roof - Replace 1	15	10	\$262,500	\$17,500	19.8916%
103	EPDM Flat Roof - Replace 2	15	11	\$262,500	\$17,500	19.8916%
106	Tile Roof - Replace	30	21	\$15,225	\$508	0.5769%
120	Gutters/Downspouts - Replace	30	21	\$10,125	\$338	0.3836%
202	Wood Trim - Repaint 1	5	0	\$37,700	\$7,540	8.5705%
202	Wood Trim - Repaint 2	5	4	\$37,700	\$7,540	8.5705%
202	Wood Trim - Repaint 3	5	1	\$63,550	\$12,710	14.4470%
207	Iron Fencing - Repaint	5	4	\$11,100	\$2,220	2.5234%
209	Wood Fencing - Restain	3	2	\$10,200	\$3,400	3.8647%
303	Wood Siding/Trim - Repair 1	10	0	\$15,600	\$1,560	1.7732%
303	Wood Siding/Trim - Repair 2	10	9	\$15,600	\$1,560	1.7732%
303	Wood Siding/Trim - Repair 3	10	1	\$16,800	\$1,680	1.9096%
305	Wood Cornice - Replace - 25%	25	16	\$52,875	\$2,115	2.4040%
306	Brick Veneer - Replace	5	4	\$4,500	\$900	1.0230%
307	Cementitious Coating - Repair	5	1	\$5,000	\$1,000	1.1367%
403	Concrete Drives - Repair/Replace	4	3	\$5,500	\$1,375	1.5629%
601	Concrete Sidewalks/Decks - Repair	4	3	\$4,000	\$1,000	1.1367%
1001	Wood Fencing - Replace	18	9	\$63,600	\$3,533	4.0162%
1002	Ironwork Fencing - Replace - 10%	25	16	\$51,000	\$2,040	2.3188%
1703	Irrigation Time clocks - Replace	12	4	\$5,500	\$458	0.5210%
1804	Tree - Replacement (Partial)	3	2	\$4,500	\$1,500	1.7050%

Significant Components Graph For Stapleton Filing 2 Townhome Assoc.



Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL)	
					As \$	As %
103	EPDM Flat Roof - Replace 1	15	10	\$262,500	\$17,500	20%
103	EPDM Flat Roof - Replace 1	15	10	\$262,500	\$17,500	20%
202	Wood Trim - Repaint 3	5	1	\$63,550	\$12,710	14%
202	Wood Trim - Repaint 1	5	0	\$37,700	\$7,540	9%
All Other	See Expanded Table on Page 4 For Additional Breakdown				\$32,727	37%

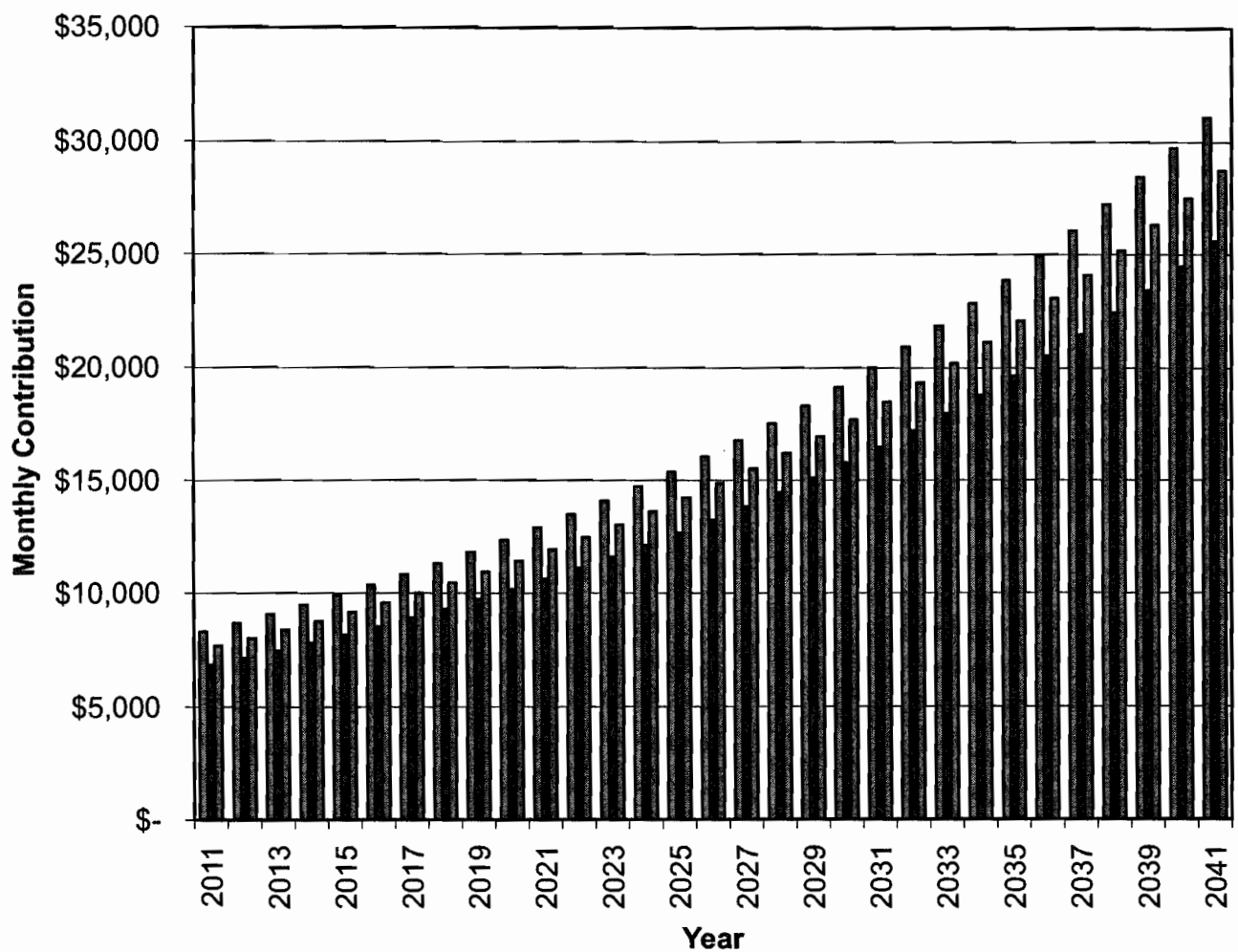
Yearly Summary For Stapleton Filing 2 Townhome Assoc.

Fiscal Year Start	Fully Funded Balance	Starting Reserve Balance	Percent Funded	Annual Reserve Contribs	Rec. Special Ass'mnt	Interest Income	Reserve Expenses
2011	\$380,722	\$225,261	59%	\$99,600	\$0	\$7,556	\$53,300
2012	\$434,091	\$279,117	64%	\$104,082	\$0	\$8,716	\$89,191
2013	\$456,494	\$302,724	66%	\$108,766	\$0	\$10,618	\$16,053
2014	\$560,657	\$406,055	72%	\$113,660	\$0	\$13,914	\$10,841
2015	\$679,471	\$522,788	77%	\$118,775	\$0	\$16,641	\$70,120
2016	\$746,407	\$588,084	79%	\$124,120	\$0	\$18,782	\$65,300
2017	\$826,325	\$665,685	81%	\$129,705	\$0	\$20,862	\$89,270
2018	\$889,947	\$726,983	82%	\$135,542	\$0	\$23,977	\$12,928
2019	\$1,041,596	\$873,573	84%	\$141,641	\$0	\$28,407	\$20,905
2020	\$1,197,364	\$1,022,716	85%	\$148,015	\$0	\$30,363	\$196,908
2021	\$1,182,102	\$1,004,187	85%	\$154,676	\$0	\$25,437	\$490,428
2022	\$865,573	\$693,872	80%	\$161,636	\$0	\$14,381	\$603,782
2023	\$422,769	\$266,106	63%	\$168,910	\$0	\$10,663	\$0
2024	\$597,706	\$445,679	75%	\$176,511	\$0	\$16,240	\$0
2025	\$787,530	\$638,429	81%	\$184,454	\$0	\$20,308	\$125,932
2026	\$861,630	\$717,259	83%	\$192,754	\$0	\$23,358	\$91,345
2027	\$982,869	\$842,026	86%	\$201,428	\$0	\$23,202	\$359,830
2028	\$837,003	\$706,826	84%	\$210,492	\$0	\$24,228	\$31,067
2029	\$1,036,498	\$910,480	88%	\$219,964	\$0	\$31,038	\$0
2030	\$1,286,178	\$1,161,482	90%	\$229,863	\$0	\$36,072	\$180,936
2031	\$1,367,152	\$1,246,481	91%	\$240,207	\$0	\$39,072	\$163,997
2032	\$1,479,020	\$1,361,763	92%	\$251,016	\$0	\$40,994	\$278,991
2033	\$1,485,731	\$1,374,782	93%	\$262,312	\$0	\$45,805	\$0
2034	\$1,794,715	\$1,682,898	94%	\$274,116	\$0	\$54,343	\$66,602
2035	\$2,058,900	\$1,944,754	94%	\$286,451	\$0	\$61,177	\$153,292
2036	\$2,255,769	\$2,139,091	95%	\$299,341	\$0	\$55,894	\$902,231
2037	\$1,690,753	\$1,592,094	94%	\$312,812	\$0	\$36,668	\$1,085,890
2038	\$920,822	\$855,684	93%	\$326,888	\$0	\$27,349	\$239,915
2039	\$1,013,282	\$970,007	96%	\$341,598	\$0	\$34,412	\$18,863
2040	\$1,354,479	\$1,327,153	98%	\$356,970	\$0	\$41,239	\$299,625

Reserve Contributions For Stapleton Filing 2 Townhome Assoc.

Reserve Contributions

■ Recommended ■ Current ■ Minimum



Component Funding Information For Stapleton Filing 2 Townhome Assoc.

ID	Component Name	Ave Current Cost	Future Cost	Ideal Balance	Current Fund Balance	Monthly
103	EPDM Flat Roof - Replace 1	\$262,500	\$407,654	\$87,500	\$47,039	\$1,651.01
103	EPDM Flat Roof - Replace 2	\$262,500	\$425,999	\$70,000	\$0	\$1,651.01
106	Tile Roof - Replace	\$15,225	\$38,371	\$4,568	\$0	\$47.88
120	Gutters/Downspouts - Replace	\$10,125	\$25,517	\$3,038	\$0	\$31.84
202	Wood Trim - Repaint 1	\$37,700	\$46,981	\$37,700	\$37,700	\$711.35
202	Wood Trim - Repaint 2	\$37,700	\$44,958	\$7,540	\$7,540	\$711.35
202	Wood Trim - Repaint 3	\$63,550	\$66,410	\$50,840	\$50,840	\$1,199.10
207	Iron Fencing - Repaint	\$11,100	\$13,237	\$2,220	\$2,220	\$209.44
209	Wood Fencing - Restain	\$10,200	\$11,139	\$3,400	\$3,400	\$320.77
303	Wood Siding/Trim - Repair 1	\$15,600	\$24,226	\$15,600	\$15,600	\$147.18
303	Wood Siding/Trim - Repair 2	\$15,600	\$23,183	\$1,560	\$1,560	\$147.18
303	Wood Siding/Trim - Repair 3	\$16,800	\$17,556	\$15,120	\$15,120	\$158.50
305	Wood Cornice - Replace - 25%	\$52,875	\$106,933	\$19,035	\$0	\$199.54
306	Brick Veneer - Replace	\$4,500	\$5,366	\$900	\$900	\$84.91
307	Cementitious Coating - Repair	\$5,000	\$5,225	\$4,000	\$4,000	\$94.34
403	Concrete Drives - Repair/Replace	\$5,500	\$6,276	\$1,375	\$1,375	\$129.72
601	Concrete Sidewalks/Decks - Repair	\$4,000	\$4,565	\$1,000	\$1,000	\$94.34
1001	Wood Fencing - Replace	\$63,600	\$94,516	\$31,800	\$31,800	\$333.35
1002	Ironwork Fencing - Replace - 10%	\$51,000	\$103,141	\$18,360	\$0	\$192.46
1703	Irrigation Time clocks - Replace	\$5,500	\$6,559	\$3,667	\$3,667	\$43.24
1804	Tree - Replacement (Partial)	\$4,500	\$4,914	\$1,500	\$1,500	\$141.51

Yearly Cash Flow For Stapleton Filing 2 Townhome Assoc.

Year	2011	2012	2013	2014	2015
Starting Balance	\$225,261	\$279,117	\$302,724	\$406,055	\$522,788
Reserve Income	\$99,600	\$104,082	\$108,766	\$113,660	\$118,775
Interest Earnings	\$7,556	\$8,716	\$10,618	\$13,914	\$16,641
Special Assessments	\$0	\$0	\$0	\$0	\$0
Funds Available	\$332,417	\$391,915	\$422,107	\$533,629	\$658,204
Reserve Expenditures	\$53,300	\$89,191	\$16,053	\$10,841	\$70,120
Ending Balance	\$279,117	\$302,724	\$406,055	\$522,788	\$588,084

Year	2016	2017	2018	2019	2020
Starting Balance	\$588,084	\$665,685	\$726,983	\$873,573	\$1,022,716
Reserve Income	\$124,120	\$129,705	\$135,542	\$141,641	\$148,015
Interest Earnings	\$18,782	\$20,862	\$23,977	\$28,407	\$30,363
Special Assessments	\$0	\$0	\$0	\$0	\$0
Funds Available	\$730,985	\$816,253	\$886,501	\$1,043,621	\$1,201,094
Reserve Expenditures	\$65,300	\$89,270	\$12,928	\$20,905	\$196,908
Ending Balance	\$665,685	\$726,983	\$873,573	\$1,022,716	\$1,004,187

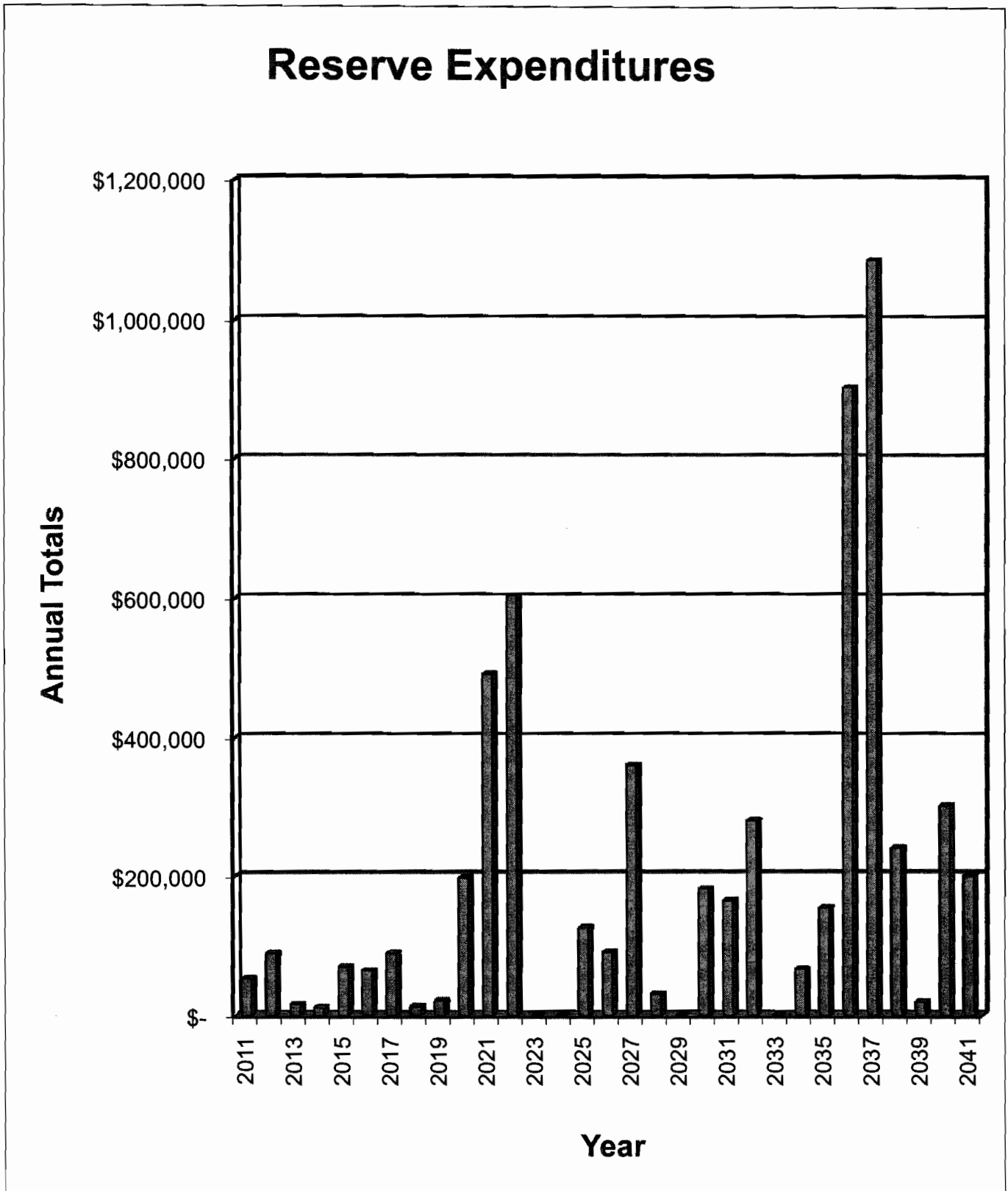
Year	2021	2022	2023	2024	2025
Starting Balance	\$1,004,187	\$693,872	\$266,106	\$445,679	\$638,429
Reserve Income	\$154,676	\$161,636	\$168,910	\$176,511	\$184,454
Interest Earnings	\$25,437	\$14,361	\$10,663	\$16,240	\$20,308
Special Assessments	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,184,300	\$869,889	\$445,679	\$638,429	\$843,192
Reserve Expenditures	\$490,428	\$603,782	\$0	\$0	\$125,932
Ending Balance	\$693,872	\$266,106	\$445,679	\$638,429	\$717,259

Year	2026	2027	2028	2029	2030
Starting Balance	\$717,259	\$842,026	\$706,826	\$910,480	\$1,161,482
Reserve Income	\$192,754	\$201,428	\$210,492	\$219,964	\$229,863
Interest Earnings	\$23,358	\$23,202	\$24,228	\$31,038	\$36,072
Special Assessments	\$0	\$0	\$0	\$0	\$0
Funds Available	\$933,372	\$1,066,657	\$941,546	\$1,161,482	\$1,427,417
Reserve Expenditures	\$91,345	\$359,830	\$31,067	\$0	\$180,936
Ending Balance	\$842,026	\$706,826	\$910,480	\$1,161,482	\$1,246,481

Year	2031	2032	2033	2034	2035
Starting Balance	\$1,246,481	\$1,361,763	\$1,374,782	\$1,682,898	\$1,944,754
Reserve Income	\$240,207	\$251,016	\$262,312	\$274,116	\$286,461
Interest Earnings	\$39,072	\$40,994	\$45,805	\$54,343	\$61,177
Special Assessments	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,525,759	\$1,653,773	\$1,682,898	\$2,011,357	\$2,292,392
Reserve Expenditures	\$183,997	\$278,991	\$0	\$66,602	\$153,292
Ending Balance	\$1,361,763	\$1,374,782	\$1,682,898	\$1,944,754	\$2,139,091

Year	2036	2037	2038	2039	2040
Starting Balance	\$2,139,091	\$1,592,094	\$855,684	\$970,007	\$1,327,153
Reserve Income	\$299,341	\$312,812	\$326,888	\$341,598	\$356,970
Interest Earnings	\$55,894	\$36,668	\$27,349	\$34,412	\$41,239
Special Assessments	\$0	\$0	\$0	\$0	\$0
Funds Available	\$2,494,326	\$1,941,574	\$1,209,921	\$1,346,016	\$1,725,362
Reserve Expenditures	\$902,231	\$1,085,890	\$239,915	\$18,863	\$299,625
Ending Balance	\$1,592,094	\$855,684	\$970,007	\$1,327,153	\$1,425,736

Yearly Expenditures Graph For Stapleton Filing 2 Townhome Assoc.



Projected Reserve Expenditures For Stapleton Filing 2 Townhome Assoc.

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2011	202	Wood Trim - Repaint 1	\$37,700	\$53,300
	303	Wood Siding/Trim - Repair 1	\$15,600	
2012	202	Wood Trim - Repaint 3	\$66,410	\$89,191
	303	Wood Siding/Trim - Repair 3	\$17,556	
	307	Cemetious Coating - Repair	\$5,225	
2013	209	Wood Fencing - Restain	\$11,139	\$16,053
	1804	Tree - Replacement (Partial)	\$4,914	
2014	403	Concrete Drives - Repair/Replace	\$6,276	\$10,841
	601	Concrete Sidewalks/Decks - Repair	\$4,565	
2015	202	Wood Trim - Repaint 2	\$44,958	\$70,120
	207	Iron Fencing - Repaint	\$13,237	
	306	Brick Veneer - Replace	\$5,366	
	1703	Irrigation Time clocks - Replace	\$6,559	
2016	202	Wood Trim - Repaint 1	\$46,981	\$65,300
	209	Wood Fencing - Restain	\$12,711	
	1804	Tree - Replacement (Partial)	\$5,608	
2017	202	Wood Trim - Repaint 3	\$82,759	\$89,270
	307	Cemetious Coating - Repair	\$6,511	
2018	403	Concrete Drives - Repair/Replace	\$7,485	\$12,928
	601	Concrete Sidewalks/Decks - Repair	\$5,443	
2019	209	Wood Fencing - Restain	\$14,505	\$20,905
	1804	Tree - Replacement (Partial)	\$6,399	
2020	202	Wood Trim - Repaint 2	\$56,026	\$196,908
	207	Iron Fencing - Repaint	\$16,496	
	303	Wood Siding/Trim - Repair 2	\$23,183	
	306	Brick Veneer - Replace	\$6,687	
	1001	Wood Fencing - Replace	\$94,516	
2021	103	EPDM Flat Roof - Replace 1	\$407,654	\$490,428
	202	Wood Trim - Repaint 1	\$58,547	
	303	Wood Siding/Trim - Repair 1	\$24,226	
2022	103	EPDM Flat Roof - Replace 2	\$425,999	\$603,782
	202	Wood Trim - Repaint 3	\$103,132	
	209	Wood Fencing - Restain	\$16,553	
	303	Wood Siding/Trim - Repair 3	\$27,264	
	307	Cemetious Coating - Repair	\$8,114	
	403	Concrete Drives - Repair/Replace	\$8,926	
	601	Concrete Sidewalks/Decks - Repair	\$6,491	
	1804	Tree - Replacement (Partial)	\$7,303	
2023		No Expenditures Projected		\$0
2024		No Expenditures Projected		\$0
2025	202	Wood Trim - Repaint 2	\$69,818	\$125,932
	207	Iron Fencing - Repaint	\$20,557	
	209	Wood Fencing - Restain	\$18,890	
	306	Brick Veneer - Replace	\$8,334	
	1804	Tree - Replacement (Partial)	\$8,334	
2026	202	Wood Trim - Repaint 1	\$72,960	\$91,345
	403	Concrete Drives - Repair/Replace	\$10,644	
	601	Concrete Sidewalks/Decks - Repair	\$7,741	
2027	202	Wood Trim - Repaint 3	\$128,522	\$359,830
	305	Wood Cornice - Replace - 25%	\$106,933	
	307	Cemetious Coating - Repair	\$10,112	
	1002	Ironwork Fencing - Replace - 10%	\$103,141	
	1703	Irrigation Time clocks - Replace	\$11,123	

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2028	209	Wood Fencing - Restain	\$21,556	
	1804	Tree - Replacement (Partial)	\$9,510	\$31,067
2029		No Expenditures Projected		\$0
2030	202	Wood Trim - Repaint 2	\$87,006	
	207	Iron Fencing - Repaint	\$25,617	
	303	Wood Siding/Trim - Repair 2	\$36,003	
	306	Brick Veneer - Replace	\$10,385	
	403	Concrete Drives - Repair/Replace	\$12,693	
	601	Concrete Sidewalks/Decks - Repair	\$9,231	\$180,936
2031	202	Wood Trim - Repaint 1	\$90,922	
	209	Wood Fencing - Restain	\$24,599	
	303	Wood Siding/Trim - Repair 1	\$37,623	
	1804	Tree - Replacement (Partial)	\$10,853	\$163,997
2032	106	Tile Roof - Replace	\$38,371	
	120	Gutters/Downspouts - Replace	\$25,517	
	202	Wood Trim - Repaint 3	\$160,161	
	303	Wood Siding/Trim - Repair 3	\$42,340	
	307	Cementitious Coating - Repair	\$12,601	\$278,991
2033		No Expenditures Projected		\$0
2034	209	Wood Fencing - Restain	\$28,072	
	403	Concrete Drives - Repair/Replace	\$15,137	
	601	Concrete Sidewalks/Decks - Repair	\$11,009	
	1804	Tree - Replacement (Partial)	\$12,385	\$66,602
2035	202	Wood Trim - Repaint 2	\$108,426	
	207	Iron Fencing - Repaint	\$31,924	
	306	Brick Veneer - Replace	\$12,942	\$153,292
2036	103	EPDM Flat Roof - Replace 1	\$788,927	
	202	Wood Trim - Repaint 1	\$113,305	\$902,231
2037	103	EPDM Flat Roof - Replace 2	\$824,428	
	202	Wood Trim - Repaint 3	\$199,590	
	209	Wood Fencing - Restain	\$32,035	
	307	Cementitious Coating - Repair	\$15,703	
	1804	Tree - Replacement (Partial)	\$14,133	\$1,085,890
2038	403	Concrete Drives - Repair/Replace	\$18,051	
	601	Concrete Sidewalks/Decks - Repair	\$13,128	
	1001	Wood Fencing - Replace	\$208,736	\$239,915
2039	1703	Irrigation Time clocks - Replace	\$18,863	\$18,863
2040	202	Wood Trim - Repaint 2	\$135,118	
	207	Iron Fencing - Repaint	\$39,783	
	209	Wood Fencing - Restain	\$36,557	
	303	Wood Siding/Trim - Repair 2	\$55,911	
	306	Brick Veneer - Replace	\$16,128	
	1804	Tree - Replacement (Partial)	\$16,128	\$299,625
2041	202	Wood Trim - Repaint 1	\$141,198	
	303	Wood Siding/Trim - Repair 1	\$58,427	\$199,625

Glossary of Commonly used Words and Phrases (provided by the National Reserve Study Standards of the Community Associations Institute)

Asset or Component – Individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association Responsibility, 2) with limited Useful Life expectancies, 3) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Cash Flow Method – A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

Component Inventory – The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

Deficit – An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

Effective Age – The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

Financial Analysis – The portion of the Reserve Study where current status of the Reserves (Measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

Component Full Funding – When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

Fully Fund Balance (aka – Ideal Balance) – An indicator against which Actual (or projected) Reserve Balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, and then summed together for an association total.

$$\text{FFB} = \text{Replacement Cost} \times \text{Effective Age} / \text{Useful Life}$$

Fund Status – The status of the Reserve Fund as compared to an established benchmark, such as percent funding.

Funding Goals – Independent of methodology utilized, the following represent the basic categories of Funding Plan Goals.

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve Balance above zero.
- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the “Component Fully Funding” method.

Funding Plan – An associations plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Funding Principles –

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

Life and Valuation Estimates – The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

Percent Funded – The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) – Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have “0” Remaining Useful Life.

Replacement Cost – The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

Reserve Provider – An individual that prepares Reserve Studies. Also known as **Aspen Reserve Specialties**.

Reserve Study – A budget-planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

Surplus – An actual (or projected) Reserve Balance that is greater than the Fully Funded Balance.

Useful Life (UL) – Also known as “Life Expectancy”, or “Depreciable Life”. The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

