

Thursday, September 19, 2019

Level 2, Premium Reserve Analysis

Terraces at Meadow Run

101-1402 Meadow Run

Telluride, CO. 81435



Final Version

Report Period – 01/01/20 – 12/31/20

Client Reference Number – 03031

Property Type – Condominiums

Fiscal Year End – December 31st

Number of Units – 26

Date of Property Observation – July 17 & 18, 2019

Property Observation Conducted by- Mike Kelsen, RS, PRA

Project Manager – Mike Kelsen, RS, PRA

Main Contact Person – Scott Benge, Community Manager



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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 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 be 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 \$150,000 is a lot of money and they are in good shape. What they don't know is a major component will need to be replaced within 5 years, and the cost of this project is going to exceed \$200,000. So while \$150,000 sounds like a lot of money, in reality it won't even cover the cost of this hypothetical project, 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 component for damage caused by high winds or other weather elements would be considered an “operating” expense. However, if the entire component 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, 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 The Terraces at Meadow Run HOA -

ID # - 03031

Projected Starting Balance as of January 1, 2020 -	\$413,491
Ideal Reserve Balance as of January 1, 2020 -	\$429,396
Percent Funded as of January 1, 2020 -	96%
Recommended Reserve Allocation (per month) -	\$5,450
Minimum Reserve Allocation (per month) -	\$4,575
Recommended Special Assessment -	\$0

This report is an update to an existing Reserve Study that was prepared for the association 11 years ago for the 2009 fiscal period. An observation of the property's common area elements took place on July 17 and 18, 2019 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 26 condominiums 7 different buildings consisting of 2 or 4 units each. The property was constructed in 3 separate phases with buildings 1 and 2 being built in 1997, buildings 3 and 4 being built in 1999, and buildings 5, 6, 7, and the garage building being built in 2001. Common area amenities the association is responsible to maintain includes the private driveway area, landscaped grounds, and building assets, such as exterior surfaces, interior stairways, and garages. Please refer to the *Projected Reserve Expenditures* table of the Financial Analysis for a detailed listing of when projects are programmed to be addressed.

In comparing the projected balance of \$413,491 versus the ideal Reserve Balance of \$429,396, we find the association Reserve fund to be in an above average financial position (approximately 96% funded of ideal) at this time. Despite this position, based on the information contained within this report, we find the current budgeted Reserve allocation to be less than adequate in maintaining the strength of the Reserve fund for future Reserve project consideration. Therefore, we recommend increasing the Reserve contribution to \$5,450 per month starting in 2020, followed by nominal annual increases of 3.75% 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 \$4,575 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 a small percentage of less money 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 extremely minimal, and based on the risk, we strongly suggest the recommended Reserve Allocation is followed.

Comp #: 109 Steel Roof - Inspect/Major Repairs



Observations:

- Establish funding for periodic inspections and minor repairs.
- At this time, there is no expectancy to completely replace the roof as long as proper maintenance and minor repairs occurs every 4 - 5 years.

Location: **Rooftops of all buildings**

Quantity: **Approx. 288 squares**

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

Best Cost: **\$10,000**
\$1250/building; Estimate to inspect and repair

Worst Cost: **\$12,500**
Higher estimate for more repairs

Source of Information: Cost database

General Notes:

Garage building - 36 squares
Building 1 - 35 squares
Building 2 - 35 squares
Building 3 - 35 squares
Building 4 - 35 squares
Building 5 - 38 squares
Building 6 - 37 squares
Building 7 - 37 squares

Project History -
2019 - \$8160 (reseal gutters, seal vent pipes, tighten screws, silicone, heat tape, etc., all buildings)



Comp #: 120 Rain gutters/Downspouts - Replace



Observations:

- Copper lines will have an extended life expectancy in excess of 50 years under normal conditions.
- In most situations, galvanized or aluminum gutters have a life expectancy of 20 - 30 years.
- The estimated cost for this component only includes the aluminum lines, not the copper lines.
- Remaining life based on age and observed condition.

Location: **Perimeter of roofs**

Quantity: **Appx 1035 aluminum, 730 copper LF**

Life Expectancy: **28** Remaining Life: **7**

Best Cost: **\$12,950**
\$12.50/LF; Estimate to replace

Worst Cost: **\$14,500**
\$14.00/LF; Higher estimate for upgraded material

Source of Information: Research with vendor

General Notes:

Building 1 - 230 LF
Building 2 - 315 LF
Building 3 - 325 LF
Building 4 - 165 LF
Building 5 - 260 LF (copper)
Building 6 - 235 LF (copper)
Building 7 - 235 LF (copper)

NOTE - During replacement, if materials are upgraded to copper, then remove Reserve funding for future replacement at that time.

Comp #: 121 Heat Elements - Replace



Observations:

- In 2019, some heat tape was repaired on building #1101/1202
- We suggest including Reserve funding along with the building roof inspection and repair line item (see component #109)
- Separate Reserve funding is not required for this component at this time.

Location: **Valleys of roofs**

Quantity: **Extensive area**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

**Project History -
2019 - \$1600 + labor costs (building 1101/1202)**

Comp #: 204 Building Ext Surfaces - Restain



Observations:

- All buildings were in process of being stained in the summer of 2019.
- In this climate, it is recommended that exterior surfaces are restained every 4 - 5 years.
- The exact timeframe depends on the color chosen and the level of exposure to elements, as well as the quality of past paint jobs.
- The remaining life is based on the observed conditions.

Location: **Exterior surfaces of all buildings**

Quantity: **Approx. 5250 GSF**

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

Best Cost: **\$75,000**

Estimate to restain wood surfaces

Worst Cost: **\$85,000**

Higher estimate

Source of Information: Past client cost

General Notes:

Building 1 - Address 101 - 202: Approx. 2625 GSF
Building 2 - Address 301 - 402: Approx. 2625 GSF
Building 3 - Address 501 - 602: Approx. 2625 GSF
Building 4 - Address 701 - 802: Approx. 2625 GSF
Building 5 - Address 901 - 1001: Approx. 2878 GSF
Building 6 - Address 1101 - 1202: Approx. 2802 GSF
Building 7 - Address 1301 - 1402: Approx. 2802 GSF
garage building: Approx. 1250 GSF (\$6600)

Project History -
2019 - \$79,400 (\$10,400 per resident building, \$6,600 for the
garage building)

Comp #: 216 Interior Surfaces - Repaint



Observations:

- Peeling paint in ceiling of building # 1301/1402 from what appears to have been a water leak from the boiler equipment room above this area. It was reported at the time of reviewing the draft report that this area has been repaired and repainted. Some other general nicks and marks were observed as well throughout all of the buildings. Conditions of garages vary.
- We recommend reserving to repaint the interior spaces every 6 - 8 years to maintain appearance.
- Outside of this painting cycle, damage to the surfaces and touch-up work should be performed annually with operating funds.

Location: **Garages and stairwells**

Quantity: **Approx. 24,750 GSF**

Life Expectancy: **7** Remaining Life: **0**

Best Cost: **\$34,650**

\$1.40/GSF; Estimate to repaint

Worst Cost: **\$43,325**

\$1.75/GSF; Higher estimate for more labor

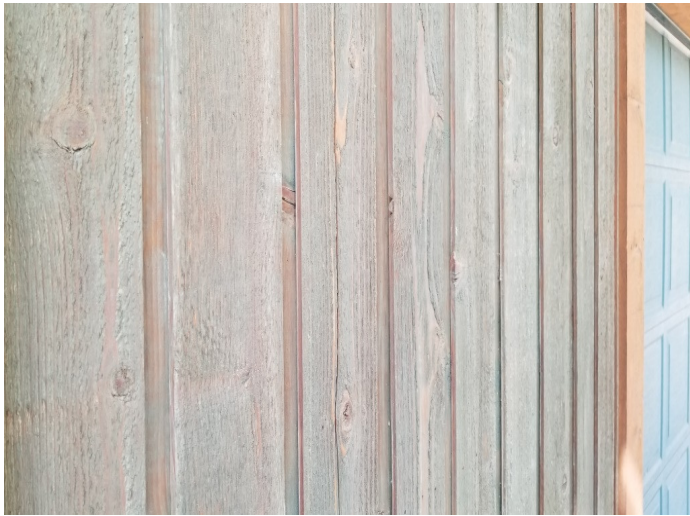
Source of Information: Cost database

General Notes:

Buildings 1 - 4
lobbies/stairwells - 1470 GSF each x 4 = Approx. 5880 GSF
garages - 3920 GSF each x 4 = Approx. 15680 GSF

Building 6 and 7 -
stairwells - 1600 GSF each x 2 = Approx. 3200 GSF

Comp #: 303 Wood Siding/Trim - Repair



Observations:

- Some minor warping and cupping, but in general, all material exhibits typical signs of wear and deterioration for a property of this age.
- This material typically lasts 30 - 50 years, depending on how well it is maintained throughout the years.
- In order to keep up the appearance of the community and to ensure a maximum life of siding, we have established a Reserve allowance for repairs and some replacement every staining cycle.

Location: **Wood siding materials on buildings**

General Notes:

Quantity: **Approx. 20,232 GSF**

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

Best Cost: **\$13,000**

Allowance for repairs prior to staining

Worst Cost: **\$15,000**

Higher allowance for more repairs

Source of Information: Cost database

- Garage building - 1250 GSF**
- Building 1 - 2625 GSF**
- Building 2 - 2625 GSF**
- Building 3 - 2625 GSF**
- Building 4 - 2625 GSF**
- Building 5 - 2878 GSF**
- Building 6 - 2802 GSF**
- Building 7 - 2802 GSF**

Comp #: 306 Corrugated Steel - Replace



Observations:

- A few loose areas were noted around joints. Siding materials are constructed of a corrugated steel that has a rusted appearance, which is typical for this type of product.
- Product is very similar to the roof materials that were installed.
- According to a local contractor, this material has a life expectancy of 50+ years under normal conditions.
- Therefore, Reserve funding is not required at this time for this component due to extended life expectancy.
- Repair on an as needed basis with general operating funds.

Location: **Siding materials**

Quantity: **Approx. 5688 GSF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

- Building 1 - 462 GSF**
- Building 2 - 462 GSF**
- Building 3 - 462 GSF**
- Building 4 - 462 GSF**
- Building 5 - 1290 GSF**
- Building 6 - 1275 GSF**
- Building 7 - 1275 GSF**

Comp #: 401 Asphalt - Overlay



Observations:

- This line item is for major replacement of asphalt pavement or a roto mill and resurfacing, the decision regarding which applications and products to use is ultimately up to the BOD
- The costs of these projects vary depending on the product chosen, we have provided an average cost for substantial application of a new surface
- Research options and consult a reputable contractor prior to deciding on a product for street/parking resurfacing.

Location: **Parking lot and driveway**

General Notes:

Quantity: **Approx. 25,315 GSF**

Life Expectancy: **27** *Remaining Life:* **10**

Best Cost: **\$139,250**
\$5.50/GSF; Estimate to overlay

Worst Cost: **\$164,550**
\$6.50/GSF; Higher estimate

Source of Information: Research with contractor



Comp #: 402 Asphalt - Seal Coat/crack fill



Observations:

- Surface treatments are used to extend the useful life of asphalt and to help maintain aesthetics; there are a broad range of products to choose from so we recommend consulting a reputable contractor for your community's needs.
- The recommendation is an allowance for the mid range surface treatments that are available in today's market.
- Expect to seal coat, chip seal or slurry seal asphalt every 2 - 3 years, as the asphalt ages it may be necessary to adjust the frequency and or cost of these projects.
- Based on observed condition, we recommend sealing in 2021.

Location: **Parking lot and driveway**

General Notes:

Quantity: **Approx. 25,315 GSF**

Life Expectancy: **3** *Remaining Life:* **1**

Best Cost: **\$8,875**

\$.35/GSF; Estimate to seal coat asphalt

Worst Cost: **\$10,125**

\$.40/GSF; Higher estimate

Source of Information: Research with contractor



Comp #: 403 Concrete - Partial Replace



Observations:

- No unusual conditions were noted at time of site visit.
- Concrete is protected from elements that will cause deterioration where repairs will become necessary.
- At this time, we do not see a need to Reserve for major repairs or replacement. Repair on an as needed basis with general operating funds.

Location: **Garages**

Quantity: **Approx. 6,000 GSF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Building 1 - 1500 GSF
Building 2 - 1500 GSF
Building 3 - 1500 GSF
Building 4 - 1500 GSF

Comp #: 406 Concrete Drain Swales - Repair/Replace



Observations:

- We recommend coordinating these repairs along with asphalt work for best cost estimate since asphalt companies can also perform concrete repairs.
- Since it is unlikely that all concrete surfaces will need to be repaired at the same time, we have established an allowance for periodic repairs to a percentage of the total area (20%, or 325 GSF) every 6 years.
- Therefore, we suggest establishing a Reserve fund to repair and replace approximately

Location: **Front of buildings 1 - 4**

General Notes:

Quantity: **Approx. 1,620 GSF**

Life Expectancy: **6** *Remaining Life:* **3**

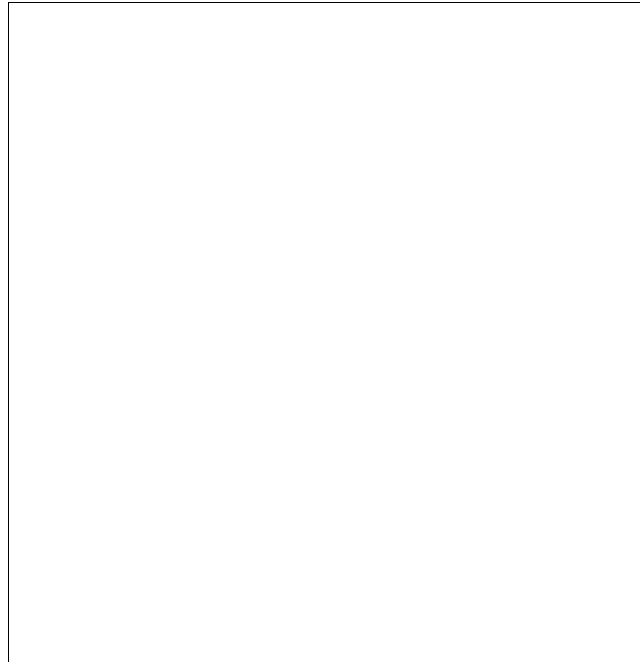
Best Cost: **\$5,200**

Allowance to repair 20% of area every 6 years

Worst Cost: **\$5,700**

Higher allowance for more repairs

Source of Information: Cost database



Comp #: 501 Common Doors - Replace



Observations:

- Entry doors are exposed to elements, so it is possible replacement will be sooner than normal.
- Interior common doors are functioning, some were out of alignment where the door was sticking to the door frame.
- Due to varying levels of exposure to elements and different levels of use, we suggest Reserving for partial replacement of 4 doors every 5 years.

Location: **Main entry, garage entries, mech.**

Quantity: **(20) Doors**

Life Expectancy: **5** Remaining Life: **2**

Best Cost: **\$4,000**

Allwoance to replace 4 doors every 5 years

Worst Cost: **\$4,800**

Higher estimate for better quality door

Source of Information: Cost database

General Notes:

Buildings 1 - 4
entry door - (1) 7'9" x 3'0"
mechanical room - (1) 3x7
garage access doors - (2) 3x7

Buildings 6 - 7
entrance doors - (1) 2'10" x 7'10"
storage under stairs - (1) 3x7 door

NOTE - Unit doors are owner responsibility

Comp #: 502 Garage Doors - Replace



Observations:

- It appears one of the doors was recently replaced. Reason unknown.
- This type of door has a life expectancy of 20 - 25 years, depending on quality of door and level of use.
- Over a period of time, dings and dents will appear and eventually become aesthetically displeasing.
- Replacement will be eventually required to maintain the appearance of the property. We suggest replacing the doors at the same time for best replacement cost estimate.

Location: **Entrance to each garage**

Quantity: **(20) Various sized doors**

Life Expectancy: **25** Remaining Life: **5**

Best Cost: **\$32,000**

\$1600/door; Estimate to replace

Worst Cost: **\$38,000**

\$1900/door; Higher estimate for better quality

Source of Information: Cost database

General Notes:

Garage building - (4) 16 x 8 metal roll up doors
Building 1 - (4) 7 x 9 doors
Building 2 - (4) 7 x 9 doors
Building 3 - (4) 7 x 9 doors
Building 4 - (4) 7 x 9 doors

Comp #: 506 Common Windows - Replace



Observations:

- No unusual conditions were observed or reported at time of inspection.
- There were no signs of condensation buildup or air leaks in the windows.
- These are double pane windows and have a life expectancy of 25 - 30 years under normal conditions.
- Funding is included for replacement of the windows in the common areas only.
- This budgeted line item does not include the windows in each individual unit. These are the responsibility of each individual owner.

Location: **Buildings 1 - 4 , 6, and 7**

Quantity: **(37) Windows**

Life Expectancy: **28** Remaining Life: **8**

Best Cost: **\$35,150**

\$950/window; Average cost per window

Worst Cost: **\$40,700**

\$1100/window; Higher average for better quality

Source of Information: Cost database

General Notes:

Buildings 1 - 4:
 (2) 2'6"x2'6"
 (1) 2'6"x5'6"
 (3) 4x2

Building 6:
 (3) 1'8"x1'8"
 (2) 2x4
 (3) 1'8"x5'2"

Building 7:
 (2) 2'10"x3'6"
 (1) 2'8"x5'8"
 (1) 3'6"x5'0"
 (1) 2x3

Comp #: 602 Stamped Concrete - Replace (Bldg 5)



Observations:

- While periodic repairs are a possibility, with repairs, it is difficult to match the design of the stamp and the color.
- Therefore, we recommend replacement of the driveway every 20 - 25 years.

Location: **Walkway and entry area for building 5**

Quantity: **Approx. 280 GSF**

Life Expectancy: **25** Remaining Life: **6**

Best Cost: **\$7,300**

\$26/GSF; Estimate to replace

Worst Cost: **\$8,400**

\$30/GSF; Higher estimate for more labor

Source of Information: Cost database

General Notes:

Flagstone decking - 145 GSF
stamped concrete - 135 GSF

Comp #: 603 Balcony Decks - Replace (1 & 2)



Observations:

Location: **Balcony decks of building 1 and 2**

Quantity: **Approx. 600 GSF**

Life Expectancy: **25** *Remaining Life:* **11**

Best Cost: **\$24,000**

\$40/GSF; Estimate to replace

Worst Cost: **\$27,000**

\$45/GSF; Higher estimate for better quality

Source of Information: Cost database

General Notes:

Building 1 - (4) composite decks

Building 2 - (3) composite, (1) tile deck

Comp #: 603 Balcony Decks - Replace (3 & 4)



Observations:

Location: **Balcony decks of building 3 and 4**

Quantity: **Approx. 600 GSF**

Life Expectancy: **25** Remaining Life: **5**

Best Cost: **\$24,000**
\$40/GSF; Estimate to replace

Worst Cost: **\$27,000**
\$45/GSF; Higher estimate for better quality

Source of Information: Cost database

General Notes:

Building 3 - (3) appear to be tile, (1) composite
Building 4 - (4) tile decks

Comp #: 609 Composite Decks - Replace (5, 6, 7)



Observations:

Location: **Rear decks of building 5, 6, and 7**

Quantity: **Approx. 1200 GSF**

Life Expectancy: **25** Remaining Life: **10**

Best Cost: **\$48,000**
\$40/GSF; Estimate to replace

Worst Cost: **\$54,000**
\$45/GSF; Higher estimate for more labor

Source of Information: Cost database

General Notes:

Building 5 - (1) Flagstone, (3) composite
Building 6 - (4) composite
Building 7 - (4) Composite

Comp #: 702 Mechanical Equipment - Replace



Observations:

- It was reported the responsibility of all mechanical equipment has been turned over to the individual owner who's unit the equipment services.
- Therefore, all Reserve funding for mechanical equipment has been removed from this report.

Location: **Mechanical rooms each building**

General Notes:

Quantity: **Boilers, Water heaters, etc**

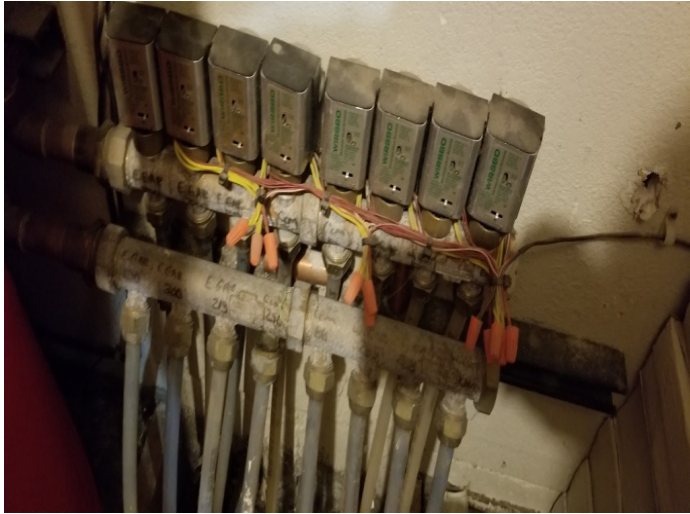
Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Comp #: 707 Snow Melt System - Replace



Observations:

Location: **Buildings 1-4**

Quantity: **Tekmar system**

Life Expectancy: **12** Remaining Life: **2**

Best Cost: **\$12,000**

Estimate for major upgrades and rebuilding system

Worst Cost: **\$15,000**

Higher estimate for more labor/parts

Source of Information: Cost Database

General Notes:

Comp #: 712 Crawl Space Sensors/Fans - Replace



Aspen Reserve Specialties



Aspen Reserve Specialties

Observations:

These are the only three buildings that were installed with crawl spaces. Upon completion of construction, there were reports of negative air pressure in these areas. To remedy the situation, fans were installed to relieve and stabilize the air pressure. The replacement cost of a fan will range from \$250 - \$350 each and the warning devices cost about \$75 to replace. The life expectancy of the fan ranges from 5 - 10 years, and the device should have a long life expectancy according to contractor. In any case, these items should be replaced on an as needed basis using operating funds.

Location: **Crawl spaces of bldg 5, 6, 7**

Quantity: **(3) Crawl spaces**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Empty rectangular box for general notes.



Comp #: 906 Garage Door Openers - Replace



Observations:

- Due to different ages and conditions, we suggest establishing Reserve funds to replace 8 openers every 6 years

Location: **Garages for all buildings**

Quantity: **(16) Assorted openers**

Life Expectancy: **6** Remaining Life: **0**

Best Cost: **\$7,000**

\$875/opener; Estimate to replace and install

Worst Cost: **\$8,000**

\$1000/opener; Higher estimate for more labor

Source of Information: Cost database

General Notes:

Building 1 (Units 1010/202) -
(3) Lift Master, 1/2 HP, (1) Formula
Building 2 (Units 301/402) -
(2) Lift Master, 1/2 HP, date - 11/97
(2) Formula I, 1/2 HP
Building 3 (units 501/602) -
(4) Formula I, 1/2 HP
Building 4 (units 701/802)
(4) Lift Master Formula I, 1/2 HP, whisper drive, model 1200 R

Comp #: 1001 Wood Rails on Wall - Replace



Observations:

Location: **Center of property**

Quantity: **Approx. 32 pieces**

Life Expectancy: **25** Remaining Life: **4**

Best Cost: **\$11,200**

\$350/piece; Estimate to replace

Worst Cost: **\$12,800**

\$400/piece; Higher estimate for more labor

Source of Information: Cost database

General Notes:

Each wood piece is an 8x8 that is 6'4" long with 2 small metal poles supporting rails.

Comp #: 1002 Iron Railings - Replace



Observations:

No significant evidence of deterioration or problems since our last inspection. There was minor rust noted at the connections and solder joints, but that is expected for this type of railing material. Due to an indefinite life expectancy for railings, there is no separate Reserve funding required for this component.

Location: **Balconies and deck areas**

Quantity: **Approx. 560 LF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

- Building 1 - 77 LF**
- Building 2 - 77 LF**
- Building 3 - 77 LF**
- Building 4 - 77 LF**
- Building 5 - 84 LF**
- Building 6 - 84 LF**
- Building 7 - 84 LF**

Comp #: 1005 Flagstone Wall - Replace



Observations:

Location: **Down center of property**

Quantity: **Approx. 250 LF**

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

Best Cost: **\$9,500**

Allowance for periodic repairs

Worst Cost: **\$11,000**

Higher allowance for more repairs

Source of Information: Cost database

General Notes:

Comp #: 1011 Rock Retaining Wall - Replace



Observations:

- No observed movement or deterioration of walls.
- At this time, reserve funding is not required due to observed conditions and no physical evidence of deterioration or movement.

Location: **Main entrance, between buildings**

Quantity: **Approx. 230 LF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Main entrance - 134 LF
Adjacent to Building 1 - 50 LF
Between building 1 and building 2 - 45 LF
Building 4 - 66 LF
Building 5 - 45 LF (all very large boulders)
Building 7 - 62 LF

Adjacent to lifts:
Behind Building 7 - Approx. 1000 GSF
Behind garage - Approx. 2300 GSF
by guardrail - Approx. 1875 GSF

Comp #: 1401 Interior Handrails - Replace



Observations:

No evidence of deterioration or problems at time of inspection. Due to an indefinite life expectancy for railings due to limited exposure to elements, there is no separate Reserve funding required for this component. The wood caps should be varnished as part of interior painting cost.

Location: **Interior stairwells**

Quantity: **Approx. 204 LF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Building 1 - 34 LF
Building 2 - 34 LF
Building 3 - 34 LF
Building 4 - 34 LF
Building 6 - 34 LF
Building 7 - 34 LF

Comp #: 1501 Carpeting - Replace



Observations:

- Appears to have been replaced within the past several years, but information as to when it was done was not available.
- We suggest replacing all interior carpeting at the same time to get the best cost estimate.
- Remaining life is based on average age and condition of carpeting.

Location: **Interior stairwells**

Quantity: **Approx. 134 GSY**

Life Expectancy: **10** *Remaining Life:* **3**

Best Cost: **\$8,775**

\$65/GSY; Estimate to replace and install

Worst Cost: **\$10,125**

\$75/GSY; Higher estimate for more labor

Source of Information: Cost database

General Notes:

Building 1 - 25 GSY
Building 2 - 25 GSY
Building 3 - 25 GSY
Building 4 - 25 GSY
Building 6 - 17 GSY
Building 7 - 17 GSY

Comp #: 1504 Slate Tile - Replace



Observations:

- A couple chipped and cracked pieces were observed at time of site visit
- Some associations and clients believe this tile is now a dated material and most are replacing with modern appearance.
- Based on age of building and observed conditions of a few problem areas, we recommend replacing at the same time as the next carpet cycle (in 3 years)

Location: **Interior entries**

Quantity: **Approx. 1880 GSF**

Life Expectancy: **20** Remaining Life: **3**

Best Cost: **\$65,800**

\$35/GSF; Estimate to replace

Worst Cost: **\$75,200**

\$40/GSF; Higher estimate for more labor

Source of Information: Cost database

General Notes:

- Building 1 - 350 GSF**
- Building 2 - 350 GSF**
- Building 3 - 350 GSF**
- Building 4 - 350 GSF**
- Building 6 - 240 GSF**
- Building 7 - 240 GSF**

Comp #: 1602 Exterior Wall Mount - Replace



Observations:

- While replacement can occur on an as needed basis, it is our opinion and recommendation to replace all lights at the same time every 20 - 25 years to maintain a consistent appearance throughout the property.
- By replacing multiple fixtures, the association will be able to obtain a quantity discount for replacement and installation of the fixtures.
- Due to a low replacement cost, can lights can be replaced as needed with general operating funds.

Location: **Attached to exteriors of buildings**

Quantity: **(44) Decorative lights**

Life Expectancy: **25** Remaining Life: **5**

Best Cost: **\$16,500**

\$375/fixture; Estimate to replace all at same time

Worst Cost: **\$19,800**

\$450/fixture; Higher estimate for more elaborate

Source of Information: Cost database

General Notes:

Garage building - (5) lantern lights, (1) spot light
Building 1 - (6) lantern lights, (6) can lights
Building 2 - (6) lantern lights, (6) can lights
Building 3 - (6) lantern lights, (6) can lights
Building 4 - (6) lantern lights, (6) can lights
Building 5 - (4) lantern lights, (2) can lights
Building 6 - (4) lantern lights, (1) can light
Building 7 - (4) lantern lights, (1) can light

Comp #: 1604 Low Voltage Lights - Replace



Observations:

- These lights are inexpensive to replace and any maintenance or expense associated with these lights should be handled with general operating funds.

Location: **See general notes**

Quantity: **(25) Lights**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

**Center of property on wall
(17) Triangle lights**

**Metal stairway to ski lift
(8) lights**

**Monument -
(1) spot light**

Comp #: 1607 Florescent Tube Lights - Replace



Observations:

- No unusual conditions observed during inspection.
- Individual replacement cost for this type of fixture is too small for Reserve designation.
- Replace as needed with general operating funds.

Location: **Garages and mechanical rooms**

Quantity: **(16) Lights**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Building 1 - 4 lights
Building 2 - 4 lights
Building 3 - 4 lights
Building 4 - 4 lights

Comp #: 1608 Interior Can Lights - Replace



Observations:

- The individual replacement cost (less than \$100 each) is too small for separate Reserve designation.
- Replacement can occur as needed without disrupting the overall aesthetics of the community.
- Therefore, we suggest replacing these on an as needed basis with general operating funds.

Location: **Interior stairwells**

Quantity: **(92) Can lights**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Building 1 - 18 lights
Building 2 - 18 lights
Building 3 - 18 lights
Building 4 - 18 lights
Building 6 - 10 lights
Building 7 - 10 lights

Comp #: 1701 Irrigation System - Repair



Observations:

- System is in great condition according to the landscaper and there are no current needs for major repairs, or expectations of future replacement at this time.
- At this time, there is no expectancy to completely replace the system and Reserve funding is not recommended.

Location: **Landscaped areas**

Quantity: **Moderate sized system**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

**Project History -
2017 - \$707 (Install and test a 3/4" RPX backflow prevention device to irrigation line)**

Comp #: 1703 Irrigation Controllers - Replace



Observations:

- Expect to replace irrigation controllers every 15 - 18 years if properly maintained and under normal conditions.
- Funding is for replacement with a similar controller.
- Evapotranspiration (also known as ET) based controllers are also available, but cost significantly more. ET timers are more efficient and can be controlled remotely by landscaping experts, saving the association irrigation water costs.

Location: **Attached to buildings**

Quantity: **(3) Assorted clocks**

Life Expectancy: **18** Remaining Life: **0**

Best Cost: **\$4,500**

Average estimate to replace clocks

Worst Cost: **\$6,000**

Higher estimate for larger clock

Source of Information: Cost database

General Notes:

Wall of unit #101 - Rainbird ESP 12-LX plus, date 27AP98, serial #884596
building 3 - Rainbird ESP 4
building 6 - Rainbird ESP 20-LX plus, date 14FE01, serial #1472295

Comp #: 1809 Planter Boxes - Refurbish



Observations:

Each box is 2 1/2 feet in height with a rubber membrane as a liner to prevent water from leaking through materials. Some of these rubber liners are beginning to tear in a few areas. The exterior is corrugated copper and should have an extended life expectancy. The plant material is similar to other landscaping which should be treated as an annual operating expense. Minor repairs can be performed on the planters as a general maintenance expense. Therefore, no separate Reserve funding is required for this component.

Location: **Front of buildings 2, 3 and 4**

Quantity: **(3) 8 x 4 boxes**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Comp #: 2001 Guardrail - Replace



Observations:

Guardrail and support posts are structurally stable and in good condition with no damage noted at time of inspection. Replacement timeframe will depend on if the guardrail is hit by a vehicle. Under normal conditions, and no accidents, the guardrail should have an indefinite life expectancy and replacement is unlikely. Therefore, no separate Reserve funding is required for this component. If the guardrail is damaged during an accident, plan on insurance covering the repair expense to the necessary sections.

Location: **Entrance to property**

Quantity: **Approx. 128 LF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Comp #: 2002 Flower Pots - Replace



Observations:

- New flower pots were purchased within the past several years.
- Due to unpredictable life expectancy and possible low replacement cost, we recommend performing this expense on an as needed basis with general operating funds.

Location: **Along the top of the wall**

Quantity: **(6) Pots**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Comp #: 2020 Metal Stairways - Replace



Observations:

No unusual conditions or signs of deterioration was noted at time of inspection. These stairway systems have an indefinite life expectancy and future replacement is unlikely. Therefore, no Reserve funding is required for this component.

Location: **Access to gondola, entrances to 1 - 4**

Quantity: **See general notes**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

**Stairway to gondola - 46 LF, 35 steps
Building 1 - 6x4 landing, 5 steps, 8' tube railing
Building 2 - 6x4 landing, 5 steps, 8' tube railing
Building 3 - 6x4 landing, 4 steps, 8' tube railing
Building 4 - 6x4 landing, 5 steps, 8' tube railing**

Funding Summary For Terraces at Meadow Run HOA

Beginning Assumptions

Financial Information Source	Research With Client
# of units	26
Fiscal Year End	December 31, 2020
Monthly Dues from 2019 budget	\$10,969.00
Monthly Reserve Allocation from 2019 Budget	\$2,812.50
Projected Starting Reserve Balance (as of 1/1/2020)	\$413,491
Reserve Balance: Average Per Unit	\$15,904
Ideal Starting Reserve Balance (as of 1/1/2020)	\$429,396
Ideal Reserve Balance: Average Per Unit	\$16,515

Economic Factors

Past 20 year Average Inflation Rate (Based on CCI)	3.75%
Current Average Interest Rate	1.00%

Current Reserve Status

Current Balance as a % of Ideal Balance	96%
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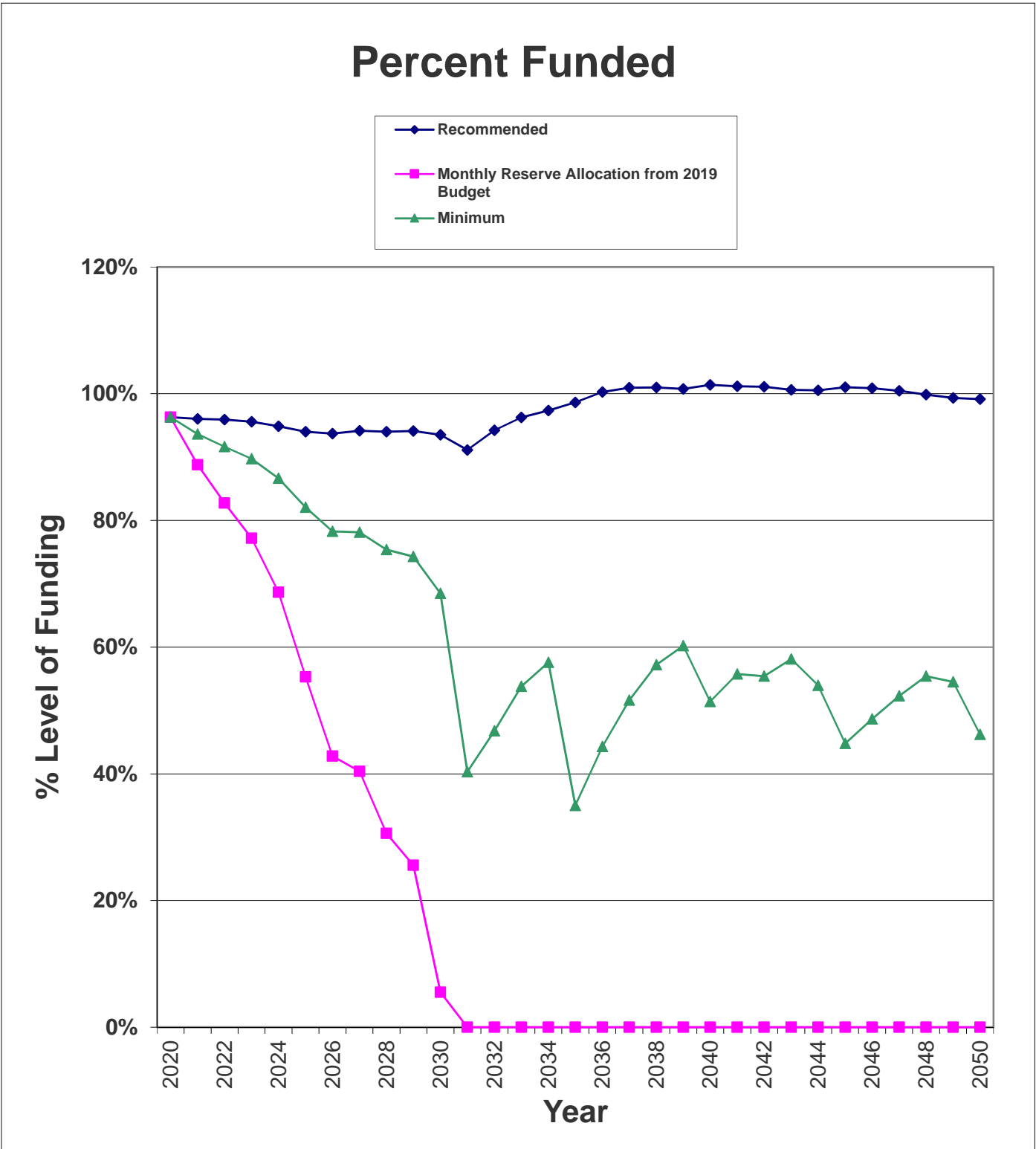
Recommendations for 2020 Fiscal Year

Monthly Reserve Allocation	\$5,450
Per Unit	\$209.62
Minimum Monthly Reserve Allocation	\$4,575
Per Unit	\$175.96
Primary Annual Increases	3.75%
# of Years	30
Special Assessment	\$0
Per Unit	\$0

Changes From Prior Year (2019 to 2020)

Increase/Decrease to Reserve Allocation	\$2,638
as Percentage	94%
Average Per Unit	\$101.44

Percent Funded Graph For Terraces at Meadow Run HOA



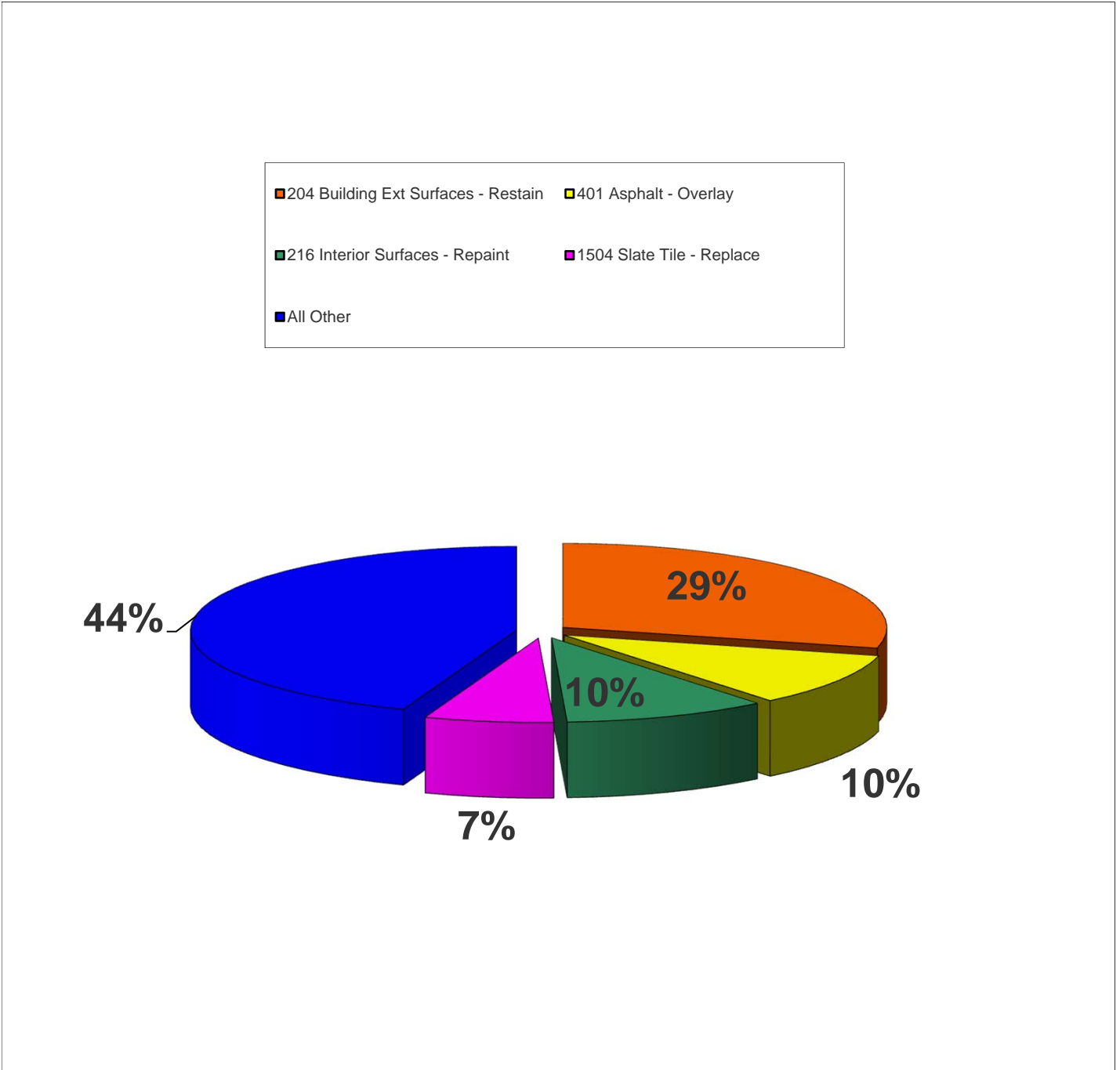
Component Inventory for Terraces at Meadow Run

Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	109	Steel Roof - Inspect/Major Repairs	5	4	\$10,000	\$12,500
	120	Raigutters/Downspouts - Replace	28	7	\$12,950	\$14,500
	121	Heat Elements - Replace	N/A		\$0	\$0
Painted Surfaces	204	Building Ext Surfaces - Restain	5	4	\$75,000	\$85,000
	216	Interior Surfaces - Repaint	7	0	\$34,650	\$43,325
Siding Materials	303	Wood Siding/Trim - Repair	5	4	\$13,000	\$15,000
	306	Corrugated Steel - Replace	N/A		\$0	\$0
Drive Materials	401	Asphalt - Overlay	27	10	\$139,250	\$164,550
	402	Asphalt - Seal Coat/crack fill	3	1	\$8,875	\$10,125
	403	Concrete - Partial Replace	N/A		\$0	\$0
	406	Concrete Drain Swales - Repair/Replace	6	3	\$5,200	\$5,700
Property Access	501	Common Doors - Replace	5	2	\$4,000	\$4,800
	502	Garage Doors - Replace	25	5	\$32,000	\$38,000
	506	Common Windows - Replace	28	8	\$35,150	\$40,700
Walking Surfaces	602	Stamped Concrete - Replace (Bldg 5)	25	6	\$7,300	\$8,400
	603	Balcony Decks - Replace (1 & 2)	25	11	\$24,000	\$27,000
	603	Balcony Decks - Replace (3 & 4)	25	5	\$24,000	\$27,000
	609	Composite Decks - Replace (5, 6, 7)	25	10	\$48,000	\$54,000
Mechanical Equip.	702	Mechanical Equipment - Replace	N/A		\$0	\$0
	707	Snow Melt System - Replace	12	2	\$12,000	\$15,000
	712	Crawl Space Sensors/Fans - Replace	N/A		\$0	\$0
Security	906	Garage Door Openers - Replace	6	0	\$7,000	\$8,000
Fencing/Walls	1001	Wood Rails on Wall - Replace	25	4	\$11,200	\$12,800
	1002	Iron Railings - Replace	N/A		\$0	\$0
	1005	Flagstone Wall - Replace	5	0	\$9,500	\$11,000
	1011	Rock Retaining Wall - Replace	N/A		\$0	\$0
Interiors	1401	Interior Handrails - Replace	N/A		\$0	\$0
Flooring	1501	Carpeting - Replace	10	3	\$8,775	\$10,125
	1504	Slate Tile - Replace	20	3	\$65,800	\$75,200
Light Fixtures	1602	Exterior Wall Mount - Replace	25	5	\$16,500	\$19,800
	1604	Low Voltage Lights - Replace	N/A		\$0	\$0
	1607	Florescent Tube Lights - Replace	N/A		\$0	\$0
	1608	Interior Can Lights - Replace	N/A		\$0	\$0
Irrig. System	1701	Irrigation System - Repair	N/A		\$0	\$0
	1703	Irrigation Controllers - Replace	18	0	\$4,500	\$6,000
Landscaping	1809	Planter Boxes - Refurbish	N/A		\$0	\$0
Miscellaneous	2001	Guardrail - Replace	N/A		\$0	\$0
	2002	Flower Pots - Replace	N/A		\$0	\$0
	2020	Metal Stairways - Replace	N/A		\$0	\$0

Significant Components For Terraces at Meadow Run HOA

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance: (Curr Cost/UL)	
					As \$	As %
109	Steel Roof - Inspect/Major Repairs	5	4	\$11,250	\$2,250	4.0737%
120	Raingutters/Downspouts - Replace	28	7	\$13,725	\$490	0.8875%
204	Building Ext Surfaces - Restain	5	4	\$80,000	\$16,000	28.9688%
216	Interior Surfaces - Repaint	7	0	\$38,988	\$5,570	10.0841%
303	Wood Siding/Trim - Repair	5	4	\$14,000	\$2,800	5.0695%
401	Asphalt - Overlay	27	10	\$151,900	\$5,626	10.1860%
402	Asphalt - Seal Coat/crack fill	3	1	\$9,500	\$3,167	5.7334%
406	Concrete Drain Swales - Repair/Replace	6	3	\$5,450	\$908	1.6446%
501	Common Doors - Replace	5	2	\$4,400	\$880	1.5933%
502	Garage Doors - Replace	25	5	\$35,000	\$1,400	2.5348%
506	Common Windows - Replace	28	8	\$37,925	\$1,354	2.4523%
602	Stamped Concrete - Replace (Bldg 5)	25	6	\$7,850	\$314	0.5685%
603	Balcony Decks - Replace (1 & 2)	25	11	\$25,500	\$1,020	1.8468%
603	Balcony Decks - Replace (3 & 4)	25	5	\$25,500	\$1,020	1.8468%
609	Composite Decks - Replace (5, 6, 7)	25	10	\$51,000	\$2,040	3.6935%
707	Snow Melt System - Replace	12	2	\$13,500	\$1,125	2.0369%
906	Garage Door Openers - Replace	6	0	\$7,500	\$1,250	2.2632%
1001	Wood Rails on Wall - Replace	25	4	\$12,000	\$480	0.8691%
1005	Flagstone Wall - Replace	5	0	\$10,250	\$2,050	3.7116%
1501	Carpeting - Replace	10	3	\$9,450	\$945	1.7110%
1504	Slate Tile - Replace	20	3	\$70,500	\$3,525	6.3822%
1602	Exterior Wall Mount - Replace	25	5	\$18,150	\$726	1.3145%
1703	Irrigation Controllers - Replace	18	0	\$5,250	\$292	0.5281%

Significant Components Graph For Terraces at Meadow Run HOA



Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL)	
					As \$	As %
204	Building Ext Surfaces - Restain	5	4	\$80,000	\$16,000	29%
401	Asphalt - Overlay	27	10	\$151,900	\$5,626	10%
216	Interior Surfaces - Repaint	7	0	\$38,988	\$5,570	10%
1504	Slate Tile - Replace	20	3	\$70,500	\$3,525	6%
All Other	See Expanded Table on Page 4 For Additional Breakdown				\$24,511	44%

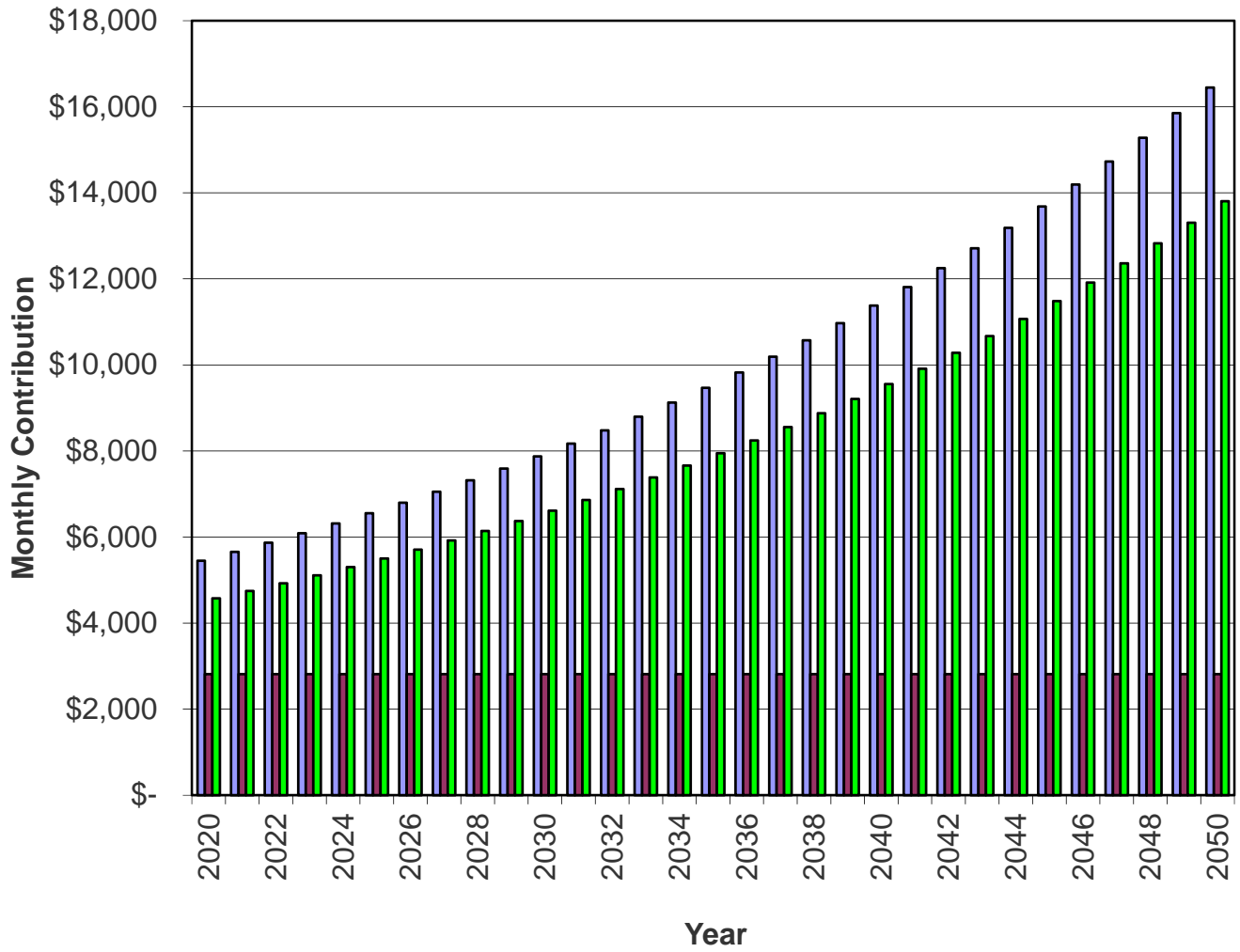
Yearly Summary For Terraces at Meadow Run HOA

Fiscal Year Start	Fully Funded Balance	Starting Reserve Balance	Percent Funded	Annual Reserve Contribs	Rec. Special Ass'mnt	Interest Income	Reserve Expenses
2020	\$429,396	\$413,491	96%	\$65,400	\$0	\$4,171	\$61,988
2021	\$438,489	\$421,075	96%	\$67,853	\$0	\$4,521	\$9,856
2022	\$504,158	\$483,592	96%	\$70,397	\$0	\$5,115	\$19,268
2023	\$564,756	\$539,836	96%	\$73,037	\$0	\$5,311	\$95,372
2024	\$550,980	\$522,812	95%	\$75,776	\$0	\$4,895	\$146,859
2025	\$485,669	\$456,624	94%	\$78,617	\$0	\$4,445	\$106,867
2026	\$461,892	\$432,820	94%	\$81,565	\$0	\$4,662	\$19,144
2027	\$530,818	\$499,903	94%	\$84,624	\$0	\$5,014	\$86,193
2028	\$535,445	\$503,348	94%	\$87,798	\$0	\$5,242	\$50,913
2029	\$579,630	\$545,474	94%	\$91,090	\$0	\$5,163	\$154,184
2030	\$521,212	\$487,543	94%	\$94,506	\$0	\$3,756	\$321,739
2031	\$289,759	\$264,066	91%	\$98,050	\$0	\$2,953	\$38,230
2032	\$346,871	\$326,839	94%	\$101,727	\$0	\$3,701	\$18,510
2033	\$429,807	\$413,757	96%	\$105,541	\$0	\$4,533	\$30,581
2034	\$506,672	\$493,250	97%	\$109,499	\$0	\$4,179	\$264,100
2035	\$347,611	\$342,828	99%	\$113,605	\$0	\$3,878	\$27,272
2036	\$431,892	\$433,039	100%	\$117,866	\$0	\$4,856	\$17,121
2037	\$533,597	\$538,640	101%	\$122,286	\$0	\$5,984	\$8,227
2038	\$652,218	\$658,683	101%	\$126,871	\$0	\$7,130	\$24,734
2039	\$762,178	\$767,950	101%	\$131,629	\$0	\$7,216	\$230,955
2040	\$666,477	\$675,840	101%	\$136,565	\$0	\$7,368	\$21,404
2041	\$788,921	\$798,370	101%	\$141,686	\$0	\$8,249	\$96,272
2042	\$842,768	\$852,033	101%	\$147,000	\$0	\$9,141	\$31,243
2043	\$970,757	\$976,930	101%	\$152,512	\$0	\$9,644	\$186,442
2044	\$947,357	\$952,643	101%	\$158,231	\$0	\$8,995	\$272,792
2045	\$838,503	\$847,078	101%	\$164,165	\$0	\$9,085	\$49,576
2046	\$962,352	\$970,752	101%	\$170,321	\$0	\$10,431	\$35,158
2047	\$1,111,198	\$1,116,346	100%	\$176,708	\$0	\$11,969	\$26,614
2048	\$1,280,086	\$1,278,409	100%	\$183,335	\$0	\$13,081	\$135,924
2049	\$1,347,705	\$1,338,900	99%	\$190,210	\$0	\$12,693	\$341,011

Reserve Contributions For Terraces at Meadow Run HOA

Reserve Contributions

■ Recommended ■ Current ■ Minimum



Component Funding Information For Terraces at Meadow Run HOA

ID	Component Name	Ave Current Cost	Ideal Balance	Current Fund Balance	Monthly
109	Steel Roof - Inspect/Major Repairs	\$11,250	\$2,250	\$2,250	\$222.02
120	Raigutters/Downspouts - Replace	\$13,725	\$10,294	\$10,294	\$48.37
204	Building Ext Surfaces - Restain	\$80,000	\$16,000	\$16,000	\$1,578.80
216	Interior Surfaces - Repaint	\$38,988	\$38,988	\$38,988	\$549.58
303	Wood Siding/Trim - Repair	\$14,000	\$2,800	\$2,800	\$276.29
401	Asphalt - Overlay	\$151,900	\$95,641	\$95,641	\$555.14
402	Asphalt - Seal Coat/crack fill	\$9,500	\$6,333	\$6,333	\$312.47
406	Concrete Drain Swales - Repair/Replace	\$5,450	\$2,725	\$2,725	\$89.63
501	Common Doors - Replace	\$4,400	\$2,640	\$2,640	\$86.83
502	Garage Doors - Replace	\$35,000	\$28,000	\$28,000	\$138.14
506	Common Windows - Replace	\$37,925	\$27,089	\$27,089	\$133.65
602	Stamped Concrete - Replace (Bldg 5)	\$7,850	\$5,966	\$5,966	\$30.98
603	Balcony Decks - Replace (1 & 2)	\$25,500	\$14,280	\$0	\$100.65
603	Balcony Decks - Replace (3 & 4)	\$25,500	\$20,400	\$20,400	\$100.65
609	Composite Decks - Replace (5, 6, 7)	\$51,000	\$30,600	\$28,975	\$201.30
707	Snow Melt System - Replace	\$13,500	\$11,250	\$11,250	\$111.01
906	Garage Door Openers - Replace	\$7,500	\$7,500	\$7,500	\$123.34
1001	Wood Rails on Wall - Replace	\$12,000	\$10,080	\$10,080	\$47.36
1005	Flagstone Wall - Replace	\$10,250	\$10,250	\$10,250	\$202.28
1501	Carpeting - Replace	\$9,450	\$6,615	\$6,615	\$93.25
1504	Slate Tile - Replace	\$70,500	\$59,925	\$59,925	\$347.83
1602	Exterior Wall Mount - Replace	\$18,150	\$14,520	\$14,520	\$71.64
1703	Irrigation Controllers - Replace	\$5,250	\$5,250	\$5,250	\$28.78

Yearly Cash Flow For Terraces at Meadow Run HOA

Year	2020	2021	2022	2023	2024
Starting Balance	\$413,491	\$421,075	\$483,592	\$539,836	\$522,812
<i>Reserve Income</i>	\$65,400	\$67,853	\$70,397	\$73,037	\$75,776
<i>Interest Earnings</i>	\$4,171	\$4,521	\$5,115	\$5,311	\$4,895
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$483,062	\$493,448	\$559,104	\$618,184	\$603,483
Reserve Expenditures	\$61,988	\$9,856	\$19,268	\$95,372	\$146,859
Ending Balance	\$421,075	\$483,592	\$539,836	\$522,812	\$456,624

Year	2025	2026	2027	2028	2029
Starting Balance	\$456,624	\$432,820	\$499,903	\$503,348	\$545,474
<i>Reserve Income</i>	\$78,617	\$81,565	\$84,624	\$87,798	\$91,090
<i>Interest Earnings</i>	\$4,445	\$4,662	\$5,014	\$5,242	\$5,163
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$539,687	\$519,047	\$589,541	\$596,388	\$641,727
Reserve Expenditures	\$106,867	\$19,144	\$86,193	\$50,913	\$154,184
Ending Balance	\$432,820	\$499,903	\$503,348	\$545,474	\$487,543

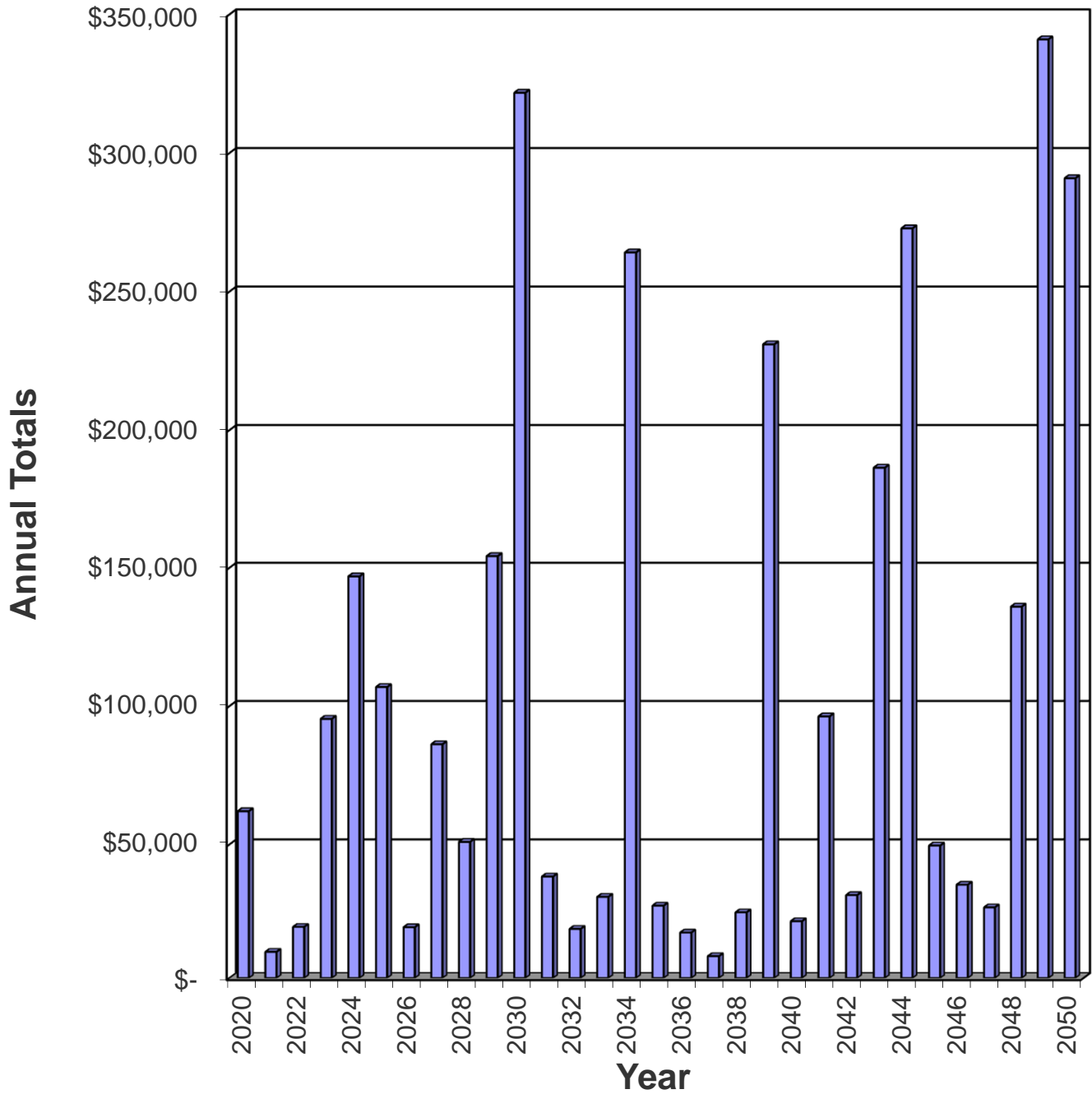
Year	2030	2031	2032	2033	2034
Starting Balance	\$487,543	\$264,066	\$326,839	\$413,757	\$493,250
<i>Reserve Income</i>	\$94,506	\$98,050	\$101,727	\$105,541	\$109,499
<i>Interest Earnings</i>	\$3,756	\$2,953	\$3,701	\$4,533	\$4,179
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$585,805	\$365,069	\$432,267	\$523,832	\$606,928
Reserve Expenditures	\$321,739	\$38,230	\$18,510	\$30,581	\$264,100
Ending Balance	\$264,066	\$326,839	\$413,757	\$493,250	\$342,828

Year	2035	2036	2037	2038	2039
Starting Balance	\$342,828	\$433,039	\$538,640	\$658,683	\$767,950
<i>Reserve Income</i>	\$113,605	\$117,866	\$122,286	\$126,871	\$131,629
<i>Interest Earnings</i>	\$3,878	\$4,856	\$5,984	\$7,130	\$7,216
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$460,311	\$555,761	\$666,910	\$792,684	\$906,795
Reserve Expenditures	\$27,272	\$17,121	\$8,227	\$24,734	\$230,955
Ending Balance	\$433,039	\$538,640	\$658,683	\$767,950	\$675,840

Year	2040	2041	2042	2043	2044
Starting Balance	\$675,840	\$798,370	\$852,033	\$976,930	\$952,643
<i>Reserve Income</i>	\$136,565	\$141,686	\$147,000	\$152,512	\$158,231
<i>Interest Earnings</i>	\$7,368	\$8,249	\$9,141	\$9,644	\$8,995
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$819,773	\$948,305	\$1,008,173	\$1,139,086	\$1,119,869
Reserve Expenditures	\$21,404	\$96,272	\$31,243	\$186,442	\$272,792
Ending Balance	\$798,370	\$852,033	\$976,930	\$952,643	\$847,078

Year	2045	2046	2047	2048	2049
Starting Balance	\$847,078	\$970,752	\$1,116,346	\$1,278,409	\$1,338,900
<i>Reserve Income</i>	\$164,165	\$170,321	\$176,708	\$183,335	\$190,210
<i>Interest Earnings</i>	\$9,085	\$10,431	\$11,969	\$13,081	\$12,693
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,020,328	\$1,151,504	\$1,305,023	\$1,474,825	\$1,541,803
Reserve Expenditures	\$49,576	\$35,158	\$26,614	\$135,924	\$341,011
Ending Balance	\$970,752	\$1,116,346	\$1,278,409	\$1,338,900	\$1,200,793

Reserve Expenditures



Projected Reserve Expenditures For Terraces at Meadow Run HOA

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2020	216	Interior Surfaces - Repaint	\$38,988	
	906	Garage Door Openers - Replace	\$7,500	
	1005	Flagstone Wall - Replace	\$10,250	
	1703	Irrigation Controllers - Replace	\$5,250	\$61,988
2021	402	Asphalt - Seal Coat/crack fill	\$9,856	\$9,856
2022	501	Common Doors - Replace	\$4,736	
	707	Snow Melt System - Replace	\$14,531	\$19,268
2023	406	Concrete Drain Swales - Repair/Replace	\$6,086	
	1501	Carpeting - Replace	\$10,553	
	1504	Slate Tile - Replace	\$78,732	\$95,372
2024	109	Steel Roof - Inspect/Major Repairs	\$13,035	
	204	Building Ext Surfaces - Restain	\$92,692	
	303	Wood Siding/Trim - Repair	\$16,221	
	402	Asphalt - Seal Coat/crack fill	\$11,007	
	1001	Wood Rails on Wall - Replace	\$13,904	\$146,859
2025	502	Garage Doors - Replace	\$42,073	
	603	Balcony Decks - Replace (3 & 4)	\$30,654	
	1005	Flagstone Wall - Replace	\$12,322	
	1602	Exterior Wall Mount - Replace	\$21,818	\$106,867
2026	602	Stamped Concrete - Replace (Bldg 5)	\$9,790	
	906	Garage Door Openers - Replace	\$9,354	\$19,144
2027	120	Raingutters/Downspouts - Replace	\$17,759	
	216	Interior Surfaces - Repaint	\$50,448	
	402	Asphalt - Seal Coat/crack fill	\$12,293	
	501	Common Doors - Replace	\$5,693	\$86,193
2028	506	Common Windows - Replace	\$50,913	\$50,913
2029	109	Steel Roof - Inspect/Major Repairs	\$15,669	
	204	Building Ext Surfaces - Restain	\$111,425	
	303	Wood Siding/Trim - Repair	\$19,499	
	406	Concrete Drain Swales - Repair/Replace	\$7,591	\$154,184
2030	401	Asphalt - Overlay	\$219,502	
	402	Asphalt - Seal Coat/crack fill	\$13,728	
	609	Composite Decks - Replace (5, 6, 7)	\$73,697	
	1005	Flagstone Wall - Replace	\$14,812	\$321,739
2031	603	Balcony Decks - Replace (1 & 2)	\$38,230	\$38,230
2032	501	Common Doors - Replace	\$6,844	
	906	Garage Door Openers - Replace	\$11,666	\$18,510
2033	402	Asphalt - Seal Coat/crack fill	\$15,331	
	1501	Carpeting - Replace	\$15,250	\$30,581
2034	109	Steel Roof - Inspect/Major Repairs	\$18,836	
	204	Building Ext Surfaces - Restain	\$133,944	
	216	Interior Surfaces - Repaint	\$65,277	
	303	Wood Siding/Trim - Repair	\$23,440	
	707	Snow Melt System - Replace	\$22,603	\$264,100
2035	406	Concrete Drain Swales - Repair/Replace	\$9,467	
	1005	Flagstone Wall - Replace	\$17,805	\$27,272
2036	402	Asphalt - Seal Coat/crack fill	\$17,121	\$17,121
2037	501	Common Doors - Replace	\$8,227	\$8,227
2038	906	Garage Door Openers - Replace	\$14,549	
	1703	Irrigation Controllers - Replace	\$10,185	\$24,734
2039	109	Steel Roof - Inspect/Major Repairs	\$22,643	
	204	Building Ext Surfaces - Restain	\$161,014	
	303	Wood Siding/Trim - Repair	\$28,177	

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
	402	Asphalt - Seal Coat/crack fill	\$19,120	\$230,955
2040	1005	Flagstone Wall - Replace	\$21,404	\$21,404
2041	216	Interior Surfaces - Repaint	\$84,465	
	406	Concrete Drain Swales - Repair/Replace	\$11,807	\$96,272
2042	402	Asphalt - Seal Coat/crack fill	\$21,353	
	501	Common Doors - Replace	\$9,890	\$31,243
2043	1501	Carpeting - Replace	\$22,037	
	1504	Slate Tile - Replace	\$164,405	\$186,442
2044	109	Steel Roof - Inspect/Major Repairs	\$27,219	
	204	Building Ext Surfaces - Restain	\$193,555	
	303	Wood Siding/Trim - Repair	\$33,872	
	906	Garage Door Openers - Replace	\$18,146	\$272,792
2045	402	Asphalt - Seal Coat/crack fill	\$23,847	
	1005	Flagstone Wall - Replace	\$25,729	\$49,576
2046	707	Snow Melt System - Replace	\$35,158	\$35,158
2047	406	Concrete Drain Swales - Repair/Replace	\$14,726	
	501	Common Doors - Replace	\$11,889	\$26,614
2048	216	Interior Surfaces - Repaint	\$109,293	
	402	Asphalt - Seal Coat/crack fill	\$26,631	\$135,924
2049	109	Steel Roof - Inspect/Major Repairs	\$32,720	
	204	Building Ext Surfaces - Restain	\$232,672	
	303	Wood Siding/Trim - Repair	\$40,718	
	1001	Wood Rails on Wall - Replace	\$34,901	\$341,011
2050	502	Garage Doors - Replace	\$105,611	
	603	Balcony Decks - Replace (3 & 4)	\$76,946	
	906	Garage Door Openers - Replace	\$22,631	
	1005	Flagstone Wall - Replace	\$30,929	
	1602	Exterior Wall Mount - Replace	\$54,767	\$290,884

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 association's 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.