

**Revised**  
**FULL RESERVE STUDY**  
**Ranch at Roaring Fork**  
**Homeowners Association, Inc.**



**Carbondale, Colorado**  
**Inspected - April 21, 2020**  
**Revised - July 23, 2020**



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Ranch at Roaring Fork Homeowners Association, Inc.  
Carbondale, Colorado

Dear Board of Directors of Ranch at Roaring Fork Homeowners Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Ranch at Roaring Fork Homeowners Association, Inc. in Carbondale, Colorado and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 21, 2020.

This *Full Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Ranch at Roaring Fork Homeowners Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on July 23, 2020 by

*Reserve Advisors, LLC*

Visual Inspection and Report by: Nicholas M. Johanning, RS<sup>1</sup>

Review by: Alan M. Ebert, RS, PRA<sup>2</sup>, Director of Quality Assurance



<sup>1</sup> RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

<sup>2</sup> PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.



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## 1. RESERVE STUDY EXECUTIVE SUMMARY

**Client:** Ranch at Roaring Fork Homeowners Association, Inc. (Ranch at Roaring Fork)

**Location:** Carbondale, Colorado

**Reference:** 192557

**Property Basics:** Ranch at Roaring Fork Homeowners Association, Inc. is a planned unit development which is responsible for the common elements shared by 162 individual owners. This includes a condominium style development consisting of 60 units in 14 buildings. The community was built in approximately 1976.

**Reserve Components Identified:** 154 *Condominiums* Reserve Components, 60 *Common* Reserve Components and 11 *Water Treatment* Components

**Inspection Date:** April 21, 2020.

**Funding Goal:** The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plans recognizes the following critical years:

- *Condominiums:* 2024 and again in 2044 due to replacement of the asphalt shingle roofs, and in 2033 due to replacement of the vinyl siding, and windows and doors
- *Common:* 2028 and again in 2048 due to replacement of asphalt pavement
- *Water Treatment:* 2026 and again in 2046 due to inspections and paint applications to the storage tanks

**Cash Flow Method:** We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 2.2% anticipated annual rate of return on invested reserves
- 2.9% future Inflation Rate for estimating Future Replacement Costs

**Sources for Local Costs of Replacement:** Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

### **Cash Status of Condominiums Reserve Fund:**

- \$44,535 as of January 1, 2020
- 2020 budgeted Reserve Contributions of \$79,200
- A potential deficit in reserves might occur by 2024 based upon continuation of the most recent annual reserve contribution of \$79,200 and the identified Reserve Expenditures.

### **Cash Status of Common Reserve Fund:**

- \$457,063 as of January 1, 2020
- 2020 budgeted Reserve Contributions of \$502,200

### **Cash Status of Water Treatment Reserve Fund:**

- \$258,552 as of January 1, 2020
- 2020 budgeted Reserve Contributions of \$40,860

**Project Prioritization:** We note anticipated Reserve Expenditures for the next 30 years in the *Reserve Expenditures* tables and include a **Five-Year Outlook** table following the *Reserve*



**Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- Replacement of the condominium roof systems to avoid risk of water intrusion issues and costly leak repairs
- Repaving of the asphalt pavement throughout the community to maintain a safe driving and walking surface and to minimize ongoing pavement repair costs
- Ongoing pond sediment removal and shoreline remediation of the Roaring Fork River and streams to maintain the health of the waterways throughout the community and minimize flood risk throughout the community

**Recommended Condominiums Reserve Funding:** We recommend the following in order to achieve a stable and equitable Funding Plan:

- Phased increases of \$36,000 from 2021 through 2024
- Stable contributions of \$223,200 from 2025 through 2033
- Decrease to \$120,000 by 2034 due to fully funding for replacement of vinyl siding, and windows and doors
- Inflationary increases through 2050, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$36,000 represents an average monthly increase of \$50.00 per unit owner and about a fifteen percent (14.8%) adjustment in the 2020 total Operating Budget of \$243,360.

**Recommended Common Reserve Funding:** We recommend the following in order to achieve a stable and equitable Funding Plan:

- Reduced reserve budget of \$240,000 in 2021
- Inflationary increases from 2022 through 2028
- Stable contributions of \$293,300 from 2029 to 2036
- Inflationary increases through 2050, the limit of this study's Cash Flow Analysis
- 2021 Reserve Contribution of \$240,000 is equivalent to an average monthly contribution of \$123.46 per homeowner.

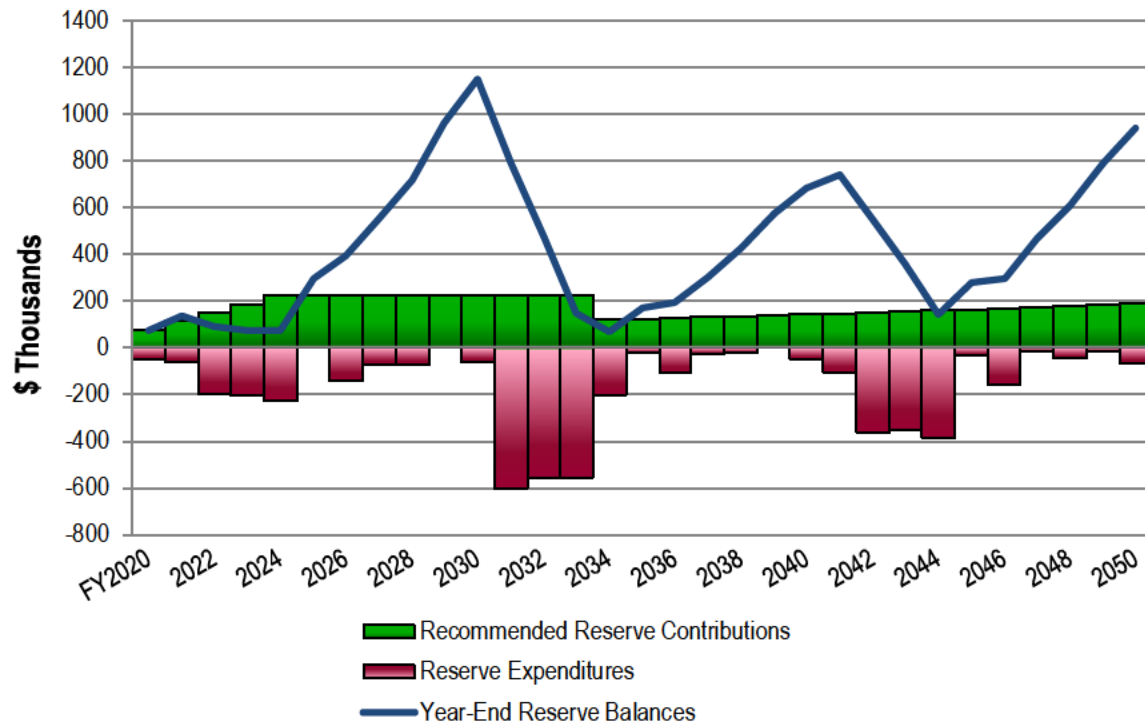
**Recommended Water Treatment Reserve Funding:** We recommend the following in order to achieve a stable and equitable Funding Plan:

- Reduced reserve budget of \$13,000 in 2021
- Inflationary increases through 2050, the limit of this study's Cash Flow Analysis
- 2021 Reserve Contribution of \$13,000 is equivalent to an average monthly contribution of \$6.69 per homeowner.



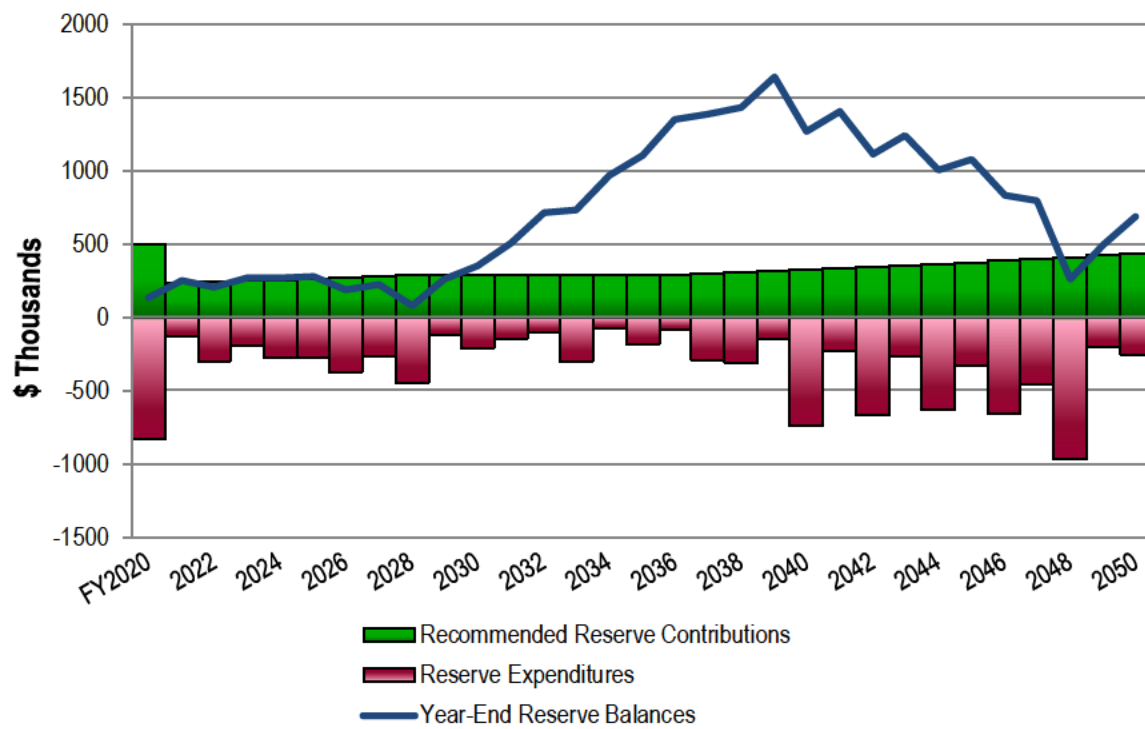
**Ranch at Roaring Fork**  
Recommended *Condominiums* Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2021	115,200	134,064	2031	223,200	792,638	2041	146,600	742,568
2022	151,200	88,085	2032	223,200	473,719	2042	150,900	544,922
2023	187,200	71,640	2033	223,200	149,273	2043	155,300	360,420
2024	223,200	71,455	2034	120,000	68,712	2044	159,800	141,797
2025	223,200	298,682	2035	123,500	171,798	2045	164,400	280,135
2026	223,200	391,605	2036	127,100	193,967	2046	169,200	298,184
2027	223,200	552,394	2037	130,800	304,175	2047	174,100	464,714
2028	223,200	719,721	2038	134,600	426,427	2048	179,100	612,186
2029	223,200	961,210	2039	138,500	575,832	2049	184,300	794,992
2030	223,200	1,149,708	2040	142,500	683,978	2050	189,600	939,498



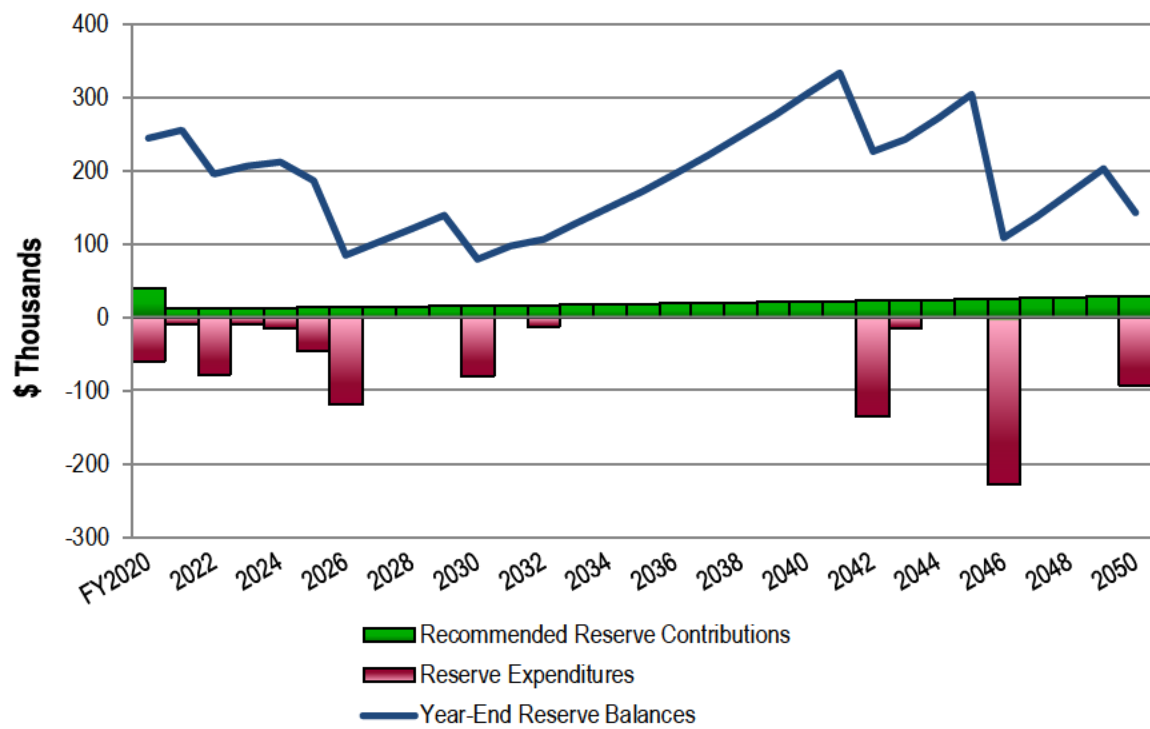
### Recommended *Common* Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2021	240,000	251,794	2031	293,300	511,152	2041	338,400	1,409,143
2022	247,000	204,914	2032	293,300	718,065	2042	348,200	1,113,552
2023	254,200	273,067	2033	293,300	730,095	2043	358,300	1,241,695
2024	261,600	275,069	2034	293,300	968,324	2044	368,700	1,003,527
2025	269,200	282,377	2035	293,300	1,106,502	2045	379,400	1,078,550
2026	277,000	193,336	2036	293,300	1,348,637	2046	390,400	831,807
2027	285,000	223,623	2037	301,800	1,390,806	2047	401,700	800,700
2028	293,300	79,984	2038	310,600	1,428,797	2048	413,300	261,959
2029	293,300	263,811	2039	319,600	1,643,784	2049	425,300	494,951
2030	293,300	354,602	2040	328,900	1,266,791	2050	437,600	692,718



### Recommended Water Treatment Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2021	13,000	255,098	2031	17,300	98,369	2041	22,900	333,617
2022	13,400	196,529	2032	17,800	107,131	2042	23,600	227,131
2023	13,800	206,543	2033	18,300	127,989	2043	24,300	242,061
2024	14,200	211,841	2034	18,800	149,812	2044	25,000	272,661
2025	14,600	185,774	2035	19,300	172,620	2045	25,700	304,642
2026	15,000	85,009	2036	19,900	196,537	2046	26,400	108,433
2027	15,400	102,449	2037	20,500	221,586	2047	27,200	138,318
2028	15,800	120,677	2038	21,100	247,793	2048	28,000	169,669
2029	16,300	139,811	2039	21,700	275,183	2049	28,800	202,519
2030	16,800	79,138	2040	22,300	303,782	2050	29,600	143,945





## 2.RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of

**Ranch at Roaring Fork Homeowners Association, Inc.**

**Carbondale, Colorado**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 21, 2020.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook** - Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

## IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Homeowners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management and the Board. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Condominium Unit Owners
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Ranch at Roaring Fork responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from reserve funding at this time.

- Electrical Systems, Common
- Foundations, Common Buildings and Condominiums
- Pipes, Subsurface Utilities
- Structural Frames, Common Buildings and Condominiums
- Walls, Siding, Wood, Equestrian Barn, Replacement (2017)
- Walls, Siding, Wood, Irrigation System Building, Replacement (2016)
- Water Storage Towers, Total Replacement
- Windows and Doors, Equestrian Barn (2017)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$5,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Balconies and Staircases, Wood, Paint Finishes, Condominiums
- Catch Basins
- Concrete Flatwork, Common Site
- Fence, Wood, Maintenance Building
- Fences, Wood, Trash Corrals
- Irrigation System, Controls and Maintenance
- Landscape
- Maintenance Building, Interior
- Paint Finishes, Touch Up
- Pipes, Interior Buildings, Common Buildings
- Pumps, Less Than Five-HP (horsepower)
- Roofs, Metal, Irrigation System Building and Pump House Building
- Signage, Street Identification
- Site Furniture
- Tennis Court Nets and Basketball Hoop
- Walking and Pedestrian Bridges, Wood
- Walls, Siding, Wood, Equestrian Barn, Paint Finishes
- Water Heaters and Building Service Equipment, Common Buildings
- Water Storage Tower, Paint Finishes
- Windows and Doors, Water Treatment Buildings
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of the condominium unit owners to repair or replace at their cost. Property Maintained by the condominium unit owners, including items billed back to the condominium unit owners, relates to unit:

- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units





- Interiors
- Light Fixtures, Operable from within Condominium Unit
- Pipes (Within Units)
- Patios at Front and Rear Elevations

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Fences, Colorado Highway 82 (Colorado Department of Transportation)
- Fences, Lining the Perimeter of the Land North of Colorado Highway 82 (Separate Entities)
- Golf Course Equipment (Individually Owned by Golf Course Manager)
- Property at Northwest Corner of the Property, Including Fence (Individual Owner)
- Roaring Fork River, South Shoreline (Separate Entities)
- Single Family Homes and Lots (Individual Homeowners)

### 3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

#### **Reserve Expenditures**

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
  - useful life
  - remaining useful life
- 2020 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

#### **Reserve Funding Plan**

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

#### **Five-Year Outlook**

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

Condominiums

RESERVE EXPENDITURES

Years 2020 to 2035

Ranch at Roaring Fork  
Homeowners Association, Inc.  
Carbondale, Colorado

Explanatory Notes:  
1) 2.9% is the estimated Inflation Rate for estimating Future Replacement Costs.  
2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031	12 2032	13 2033	14 2034	15 2035
						Useful	Remaining			Per Phase (2020)	Total (2020)																	
Exterior Building Elements																												
1.120	2,000	2,000	Square Feet	Balconies, Wood, Replacement	2034	to 35	14	32.00	100%	64,000	64,000	2.0%															95,498	
1.140	44	15	Each	Chimney Caps, Metal, Phased	2022	to 25	2 to 4	500.00	100%	7,335	22,000	1.5%			7,767	7,992	8,224											
1 200	130	43	Each	Doors, Metal, Storage	2026	to 30	6 to 10	1,000.00	100%	43,330	130,000	3.4%							51,438		54,464		57,669					
1 240	2,500	833	Linear Feet	Gutters and Downspouts, Aluminum, Phased	2022	15 to 20	2 to 4	11.00	100%	9,167	27,500	1.8%			9,706	9,987	10,277											
1 260	66	66	Each	Light Fixtures, Storage Doors	2026	to 25	6	90.00	100%	5,940	5,940	0.4%							7,051									
1 280	860	287	Squares	Roofs, Asphalt Shingles, Phased	2022	15 to 20	2 to 4	600.00	100%	172,002	516,000	32.8%			182,123	187,404	192,839											
1.600	8	8	Each	Staircases, Wood	2034	to 35	14	9,000.00	100%	72,000	72,000	2.3%															107,435	
1.860	69,000	23,000	Square Feet	Walls, Siding, Vinyl, Phased	2031	35 to 40	11 to 13	7.00	100%	161,000	483,000	14.3%												220,493	226,887	233,467		
1 980	13,280	4,427	Square Feet	Windows and Doors, Phased	2031	to 40	11 to 13	50.00	100%	221,334	664,000	19.7%												303,121	311,912	320,957		
Building Services Elements																												
3.600	1	1	Allowance	Pipes, Descaling and Capital Repairs	2021	to 5	1	56,800.00	100%	56,800	56,800	10.9%		58,447					67,428					77,789				
3.605	60	5	Units	Pipes, Replacement, Partial	2035	to 80+	15 to 30+	3,000.00	100%	15,000	180,000	2.4%															23,031	
Property Site Elements																												
4.140	19,400	1,055	Square Feet	Concrete Flatwork, Partial	2024	to 65	4 to 30+	11 50	100%	12,133	223,100	5.0%				13,602			15,250					17,098				
4.410	2	2	Each	Irrigation System, Pumps	2037	to 20	17	25,000.00	32%	16,000	16,000	0.5%																
4.420	17	17	Zones	Irrigation System, Replacement	2027	to 40+	7	3,500.00	100%	59,500	59,500	1.5%							72,682									
4.600	4	4	Each	Mailbox Stations	2026	to 25	6	2,500.00	100%	10,000	10,000	0.3%						11,871										
		1	Allowance	2020 Condominiums Reserve Expenditures	2020	N/A	0	50,000	100%	50,000	50,000	1.1%	50,000															
Anticipated Expenditures, By Year (\$4,744,897 over 30 years)													50,000	58,447	199,596	205,383	224,942	0	137,788	72,682	69,714	0	57,669	601,403	555,897	554,424	202,933	23,031

Condominiums

RESERVE EXPENDITURES

Years 2036 to 2050

Ranch at Roaring Fork Homeowners Association, Inc. Carbondale, Colorado				Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044	25 2045	26 2046	27 2047	28 2048	29 2049	30 2050	
Line Item	Total Quantity	Per Phase Quantity	Units		Reserve Component Inventory	Useful			Remaining	Per Phase (2020)																	Total (2020)
Exterior Building Elements																											
1.120	2,000	2,000	Square Feet	Balconies, Wood, Replacement	2034	to 35	14	32.00	100%	64,000	64,000	2.0%															
1.140	44	15	Each	Chimney Caps, Metal, Phased	2022	to 25	2 to 4	500.00	100%	7,335	22,000	1.5%												15,871	16,332	16,805	
1.200	130	43	Each	Doors, Metal, Storage	2026	to 30	6 to 10	1,000.00	100%	43,330	130,000	3.4%															
1.240	2,500	833	Linear Feet	Gutters and Downspouts, Aluminum, Phased	2022	15 to 20	2 to 4	11.00	100%	9,167	27,500	1.8%							17,193	17,691	18,204						
1.260	66	66	Each	Light Fixtures, Storage Doors	2026	to 25	6	90.00	100%	5,940	5,940	0.4%											12,491				
1.280	860	287	Squares	Roofs, Asphalt Shingles, Phased	2022	15 to 20	2 to 4	600.00	100%	172,002	516,000	32.8%							322,605	331,961	341,588						
1.600	8	8	Each	Staircases, Wood	2034	to 35	14	9,000.00	100%	72,000	72,000	2.3%															
1.860	69,000	23,000	Square Feet	Walls, Siding, Vinyl, Phased	2031	35 to 40	11 to 13	7.00	100%	161,000	483,000	14.3%															
1.980	13,280	4,427	Square Feet	Windows and Doors, Phased	2031	to 40	11 to 13	50.00	100%	221,334	664,000	19.7%															
Building Services Elements																											
3.600	1	1	Allowance	Pipes, Descaling and Capital Repairs	2021	to 5	1	56,800.00	100%	56,800	56,800	10.9%	89,742						103,531					119,440			
3.605	60	5	Units	Pipes, Replacement, Partial	2035	to 80+	15 to 30+	3,000.00	100%	15,000	180,000	2.4%						26,570				30,653				35,363	
Property Site Elements																											
4.140	19,400	1,055	Square Feet	Concrete Flatwork, Partial	2024	to 65	4 to 30+	11 50	100%	12,133	223,100	5.0%	19,169		20,297		21,491		22,756		24,095		25,512		27,013		28,603
4.410	2	2	Each	Irrigation System, Pumps	2037	to 20	17	25,000.00	32%	16,000	16,000	0.5%		26,012													
4.420	17	17	Zones	Irrigation System, Replacement	2027	to 40+	7	3,500.00	100%	59,500	59,500	1.5%															
4.600	4	4	Each	Mailbox Stations	2026	to 25	6	2,500.00	100%	10,000	10,000	0.3%															
		1	Allowance	2020 Condominiums Reserve Expenditures	2020	N/A	0	50,000	100%	50,000	50,000	1.1%															
Anticipated Expenditures, By Year (\$4,744,897 over 30 years)													108,911	26,012	20,297	0	48,061	103,531	362,554	349,652	383,887	30,653	157,443	15,871	43,345	16,805	63,966

RESERVE FUNDING PLAN

Condominiums

CASH FLOW ANALYSIS

Ranch at Roaring Fork

Homeowners Association, Inc.

Carbondale, Colorado

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Reserves at Beginning of Year (Note 1)	44,535	75,036	134,064	88,085	71,640	71,455	298,682	391,605	552,394	719,721	961,210	1,149,708	792,638	473,719	149,273	68,712
Total Recommended Reserve Contributions (Note 2)	79,200	115,200	151,200	187,200	223,200	223,200	223,200	223,200	223,200	223,200	223,200	223,200	223,200	223,200	120,000	123,500
Plus Estimated Interest Earned, During Year (Note 3)	1,301	2,275	2,417	1,738	1,557	4,027	7,511	10,271	13,841	18,289	22,967	21,133	13,778	6,778	2,372	2,617
Less Anticipated Expenditures, By Year	(50,000)	(58,447)	(199,596)	(205,383)	(224,942)	0	(137,788)	(72,682)	(69,714)	0	(57,669)	(601,403)	(555,897)	(554,424)	(202,933)	(23,031)
Anticipated Reserves at Year End	<u>\$75,036</u>	<u>\$134,064</u>	<u>\$88,085</u>	<u>\$71,640</u>	<u>\$71,455</u>	<u>\$298,682</u>	<u>\$391,605</u>	<u>\$552,394</u>	<u>\$719,721</u>	<u>\$961,210</u>	<u>\$1,149,708</u>	<u>\$792,638</u>	<u>\$473,719</u>	<u>\$149,273</u>	<u>\$68,712</u>	<u>\$171,798</u>
					(NOTE 5)									(NOTE 5)		
Predicted Reserves based on 2020 funding level of:	\$79,200	75,036	97,668	(21,904)	(149,957)											

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Reserves at Beginning of Year	171,798	193,967	304,175	426,427	575,832	683,978	742,568	544,922	360,420	141,797	280,135	298,184	464,714	612,186	794,992
Total Recommended Reserve Contributions	127,100	130,800	134,600	138,500	142,500	146,600	150,900	155,300	159,800	164,400	169,200	174,100	179,100	184,300	189,600
Plus Estimated Interest Earned, During Year	3,980	5,420	7,949	10,905	13,707	15,521	14,008	9,850	5,464	4,591	6,292	8,301	11,717	15,311	18,872
Less Anticipated Expenditures, By Year	(108,911)	(26,012)	(20,297)	0	(48,061)	(103,531)	(362,554)	(349,652)	(383,887)	(30,653)	(157,443)	(15,871)	(43,345)	(16,805)	(63,966)
Anticipated Reserves at Year End	<u>\$193,967</u>	<u>\$304,175</u>	<u>\$426,427</u>	<u>\$575,832</u>	<u>\$683,978</u>	<u>\$742,568</u>	<u>\$544,922</u>	<u>\$360,420</u>	<u>\$141,797</u>	<u>\$280,135</u>	<u>\$298,184</u>	<u>\$464,714</u>	<u>\$612,186</u>	<u>\$794,992</u>	<u>\$939,498</u>
									(NOTE 5)						(NOTE 4)

Explanatory Notes:

- 1) Year 2020 starting reserves are as of January 1, 2020; FY2020 starts January 1, 2020 and ends December 31, 2020.
- 2) Reserve Contributions for 2020 are budgeted; 2021 is the first year of recommended contributions.
- 3) 2.2% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2050 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

Condominiums  
**FIVE-YEAR OUTLOOK**

**Ranch at Roaring Fork  
Homeowners Association, Inc.**  
Carbondale, Colorado

Line Item	Reserve Component Inventory	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025
<b><u>Exterior Building Elements</u></b>							
1.140	Chimney Caps, Metal, Phased			7,767	7,992	8,224	
1.240	Gutters and Downspouts, Aluminum, Phased			9,706	9,987	10,277	
1.280	Roofs, Asphalt Shingles, Phased			182,123	187,404	192,839	
<b><u>Building Services Elements</u></b>							
3.600	Pipes, Descaling and Capital Repairs		58,447				
<b><u>Property Site Elements</u></b>							
4.140	Concrete Flatwork, Partial					13,602	
	2020 Condominiums Reserve Expenditures	50,000					
<b>Anticipated Expenditures, By Year (\$4,744,897 over 30 years)</b>		50,000	58,447	199,596	205,383	224,942	0



Common

RESERVE EXPENDITURES

Years 2020 to 2035

Ranch at Roaring Fork  
Homeowners Association, Inc.  
Carbondale, Colorado

Explanatory Notes:  
1) 2.9% is the estimated Inflation Rate for estimating Future Replacement Costs.  
2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031	12 2032	13 2033	14 2034	15 2035	
						Useful	Remaining			Per Phase (2020)	Total (2020)																		
Exterior Building Elements																													
1.157	520	520	Square Feet	Deck, Wood, Replacement, Office Building	2023	15 to 25	3	25.00	100%	13,000	13,000	0.4%				14,164													
1.180	4	4	Each	Doors, Garage, Maintenance Building	2026	to 30	6	2,500.00	100%	10,000	10,000	0.1%						11,871											
1.281	14	14	Squares	Roof, Asphalt Shingles, Golf Shop	2030	15 to 20	10	380.00	100%	5,320	5,320	0.2%										7,081							
1.282	20	20	Squares	Roof, Asphalt Shingles, Office	2030	15 to 20	10	380.00	100%	7,600	7,600	0.3%										10,115							
1.460	20	20	Squares	Roof, Metal, Equestrian Barn	2047	to 30	27	800.00	100%	16,000	16,000	0.3%																	
1.461	43	43	Squares	Roof, Metal, Maintenance Building (Incl. Gutters and Downspouts)	2026	to 30	6	1,000.00	100%	43,000	43,000	0.5%						51,046											
1.462	20	7	Squares	Roofs, Metal, Stables	2022	to 30	2 to 8	800.00	100%	5,336	16,000	0.2%		5,650				6,156		6,707									
1.825	3,100	3,100	Square Feet	Walls, Siding, Metal	2026	to 35	6	8.00	100%	24,800	24,800	0.3%						29,440											
1.855	1,600	1,600	Square Feet	Walls, Siding, Plywood, Replacement, Golf Shop and Office Building	2025	to 35	5	9.00	100%	14,400	14,400	0.2%						16,613											
1.980	550	550	Square Feet	Windows and Doors, Golf Shop and Office Building	2025	to 40	5	50.00	100%	27,500	27,500	0.3%						31,726											
Interior Building Elements																													
2.180	1	1	Allowance	Equestrian Barn, Renovation, Complete	2037	to 20	17	7,500.00	100%	7,500	7,500	0.1%																	
2.680	1	1	Each	Golf Shop, Renovation, Complete	2022	to 25	2	25,000.00	100%	25,000	25,000	0.7%			26,471														
2.685	1	1	Allowance	Golf Shop, Renovation, Partial	2032	to 10	12	13,000.00	100%	13,000	13,000	0.2%												18,320					
2.780	1	1	Allowance	Office Building, Renovation, Complete	2021	to 20	1	36,000.00	100%	36,000	36,000	1.0%		37,044															
2.785	1	1	Allowance	Office Building, Renovation, Partial	2031	to 10	11	20,000.00	100%	20,000	20,000	0.3%												27,390					
Building Services Elements																													
3.700	3	1	Each	Pumps, Domestic Well, 7.5-HP, Phased	2023	15 to 20	3 to 7	8,500.00	100%	8,500	25,500	0.8%				9,261		9,806		10,383									
General Property Site Elements																													
4.020	30,650	6,130	Square Yards	Asphalt Pavement, Crack Repair and Patch, Phased	2021	3 to 5	1 to 5	0.70	100%	4,291	21,455	2.0%		4,415	4,543	4,675	4,811	4,950	5,094	5,242	5,394	5,550	5,711	5,877	6,047	6,222	6,403	6,589	
4.041	24,950	6,238	Square Yards	Asphalt Pavement, Mill and Overlay, Streets, Remaining, Phased	2022	15 to 20	2 to 8	25.75	100%	160,616	642,463	7.2%			170,066		180,073		190,669		201,888								
4.046	30,650	6,130	Square Yards	Asphalt Pavement, Total Replacement, Streets, Subsequent, Phased	2040	15 to 20	20 to 28	43.00	100%	263,590	1,317,950	25.4%																	
4.220	700	700	Linear Feet	Fence, Chain Link, Trailer Storage Area	2028	to 25	8	18.00	100%	12,600	12,600	0.4%									15,838								
4.285	8,950	1,790	Linear Feet	Fences, Split Rail and Metal, Horse Pastures, Phased	2023	to 25	3 to 23	20.00	100%	35,800	179,000	3.3%				39,006					44,999				51,914				
4.320	1	1	Each	Gate Operator (Incl. Solar Panel)	2025	to 10	5	9,000.00	100%	9,000	9,000	0.4%						10,383									13,819		
4.330	1	1	Each	Gate	2025	to 20	5	5,000.00	100%	5,000	5,000	0.2%						5,768									7,677		
4.410	2	2	Each	Irrigation System, Pumps (Common Area Percentage Ownership)	2037	to 20	17	25,000.00	17%	8,500	8,500	0.1%																	
4.421	1	1	Allowance	Irrigation System	2028	to 40+	8	75,000.00	100%	75,000	75,000	0.9%									94,272								
4.630	1	1	Each	Pavilion, Wood, Equestrian Hay Barn	2027	to 25	7	20,000.00	100%	20,000	20,000	0.7%							24,431										
4.631	1	1	Each	Pavilion, Wood, Waterways	2035	to 25	15	10,000.00	100%	10,000	10,000	0.1%															15,354		
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Inspections and Capital Repairs	2022	to 4	2	20,000.00	100%	20,000	20,000	2.5%			21,177			23,742				26,619				29,843			
4.660	1	1	Allowance	Playground Equipment	2033	15 to 20	13	50,000.00	100%	50,000	50,000	0.7%													72,505				
4.810	1	1	Allowance	Signage, Replacement	2038	15 to 20	18	8,000.00	100%	8,000	8,000	0.1%																	
4.840	480	480	Linear Feet	Tennis Courts, Fence	2028	to 25	8	45.00	100%	21,600	21,600	0.3%								27,150									
4.860	1,600	1,600	Square Yards	Tennis Courts, Surface Replacement	2038	to 25	18	52.00	100%	83,200	83,200	1.3%																	
Golf Course Property Site Elements																													
5.080	12	12	Each	Bunkers, Replenishment	2022	10 to 15	2	1,000.00	100%	12,000	12,000	0.3%			12,706														
5.081	10	10	Each	Greens, Renovation (Incl. Practice Green)	2027	20 to 25	7	10,000.00	100%	100,000	100,000	3.3%							122,154										
5.512	2	2	Each	Irrigation System, Pumps (Golf Course Percentage Ownership)	2037	15 to 20	17	25,000.00	51%	25,500	25,500	0.4%																	

Common

RESERVE EXPENDITURES

Years 2036 to 2050

Ranch at Roaring Fork Homeowners Association, Inc. Carbondale, Colorado				Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044	25 2045	26 2046	27 2047	28 2048	29 2049	30 2050	
Line Item	Total Quantity	Per Phase Quantity	Units		Reserve Component Inventory	Useful			Remaining	Per Phase (2020)																	Total (2020)
Exterior Building Elements																											
1.157	520	520	Square Feet	Deck, Wood, Replacement, Office Building	2023	15 to 25	3	25.00	100%	13,000	13,000	0.4%													28,945		
1.180	4	4	Each	Doors, Garage, Maintenance Building	2026	to 30	6	2,500.00	100%	10,000	10,000	0.1%															
1.281	14	14	Squares	Roof, Asphalt Shingles, Golf Shop	2030	15 to 20	10	380.00	100%	5,320	5,320	0.2%															12,542
1.282	20	20	Squares	Roof, Asphalt Shingles, Office	2030	15 to 20	10	380.00	100%	7,600	7,600	0.3%															17,917
1.460	20	20	Squares	Roof, Metal, Equestrian Barn	2047	to 30	27	800.00	100%	16,000	16,000	0.3%												34,621			
1.461	43	43	Squares	Roof, Metal, Maintenance Building (Incl. Gutters and Downspouts)	2026	to 30	6	1,000.00	100%	43,000	43,000	0.5%															
1.462	20	7	Squares	Roofs, Metal, Stables	2022	to 30	2 to 8	800.00	100%	5,336	16,000	0.2%															
1.825	3,100	3,100	Square Feet	Walls, Siding, Metal	2026	to 35	6	8.00	100%	24,800	24,800	0.3%															
1.855	1,600	1,600	Square Feet	Walls, Siding, Plywood, Replacement, Golf Shop and Office Building	2025	to 35	5	9.00	100%	14,400	14,400	0.2%															
1.980	550	550	Square Feet	Windows and Doors, Golf Shop and Office Building	2025	to 40	5	50.00	100%	27,500	27,500	0.3%															
Interior Building Elements																											
2.180	1	1	Allowance	Equestrian Barn, Renovation, Complete	2037	to 20	17	7,500.00	100%	7,500	7,500	0.1%	12,193														
2.680	1	1	Each	Golf Shop, Renovation, Complete	2022	to 25	2	25,000.00	100%	25,000	25,000	0.7%						46,890									
2.685	1	1	Allowance	Golf Shop, Renovation, Partial	2032	to 10	12	13,000.00	100%	13,000	13,000	0.2%															
2.780	1	1	Allowance	Office Building, Renovation, Complete	2021	to 20	1	36,000.00	100%	36,000	36,000	1.0%					65,618										
2.785	1	1	Allowance	Office Building, Renovation, Partial	2031	to 10	11	20,000.00	100%	20,000	20,000	0.3%															
Building Services Elements																											
3.700	3	1	Each	Pumps, Domestic Well, 7.5-HP, Phased	2023	15 to 20	3 to 7	8,500.00	100%	8,500	25,500	0.8%						16,405		17,370		18,392					
General Property Site Elements																											
4.020	30,650	6,130	Square Yards	Asphalt Pavement, Crack Repair and Patch, Phased	2021	3 to 5	1 to 5	0.70	100%	4,291	21,455	2.0%	6,780	6,976	7,179	7,387	7,601	7,821	8,048	8,282	8,522	8,769	9,023	9,285	9,554	9,831	10,116
4.041	24,950	6,238	Square Yards	Asphalt Pavement, Mill and Overlay, Streets, Remaining, Phased	2022	15 to 20	2 to 8	25.75	100%	160,616	642,463	7.2%															
4.046	30,650	6,130	Square Yards	Asphalt Pavement, Total Replacement, Streets, Subsequent, Phased	2040	15 to 20	20 to 28	43.00	100%	263,590	1,317,950	25.4%					466,913		494,387		523,477		554,279		586,894		
4.220	700	700	Linear Feet	Fence, Chain Link, Trailer Storage Area	2028	to 25	8	18.00	100%	12,600	12,600	0.4%													28,054		
4.285	8,950	1,790	Linear Feet	Fences, Split Rail and Metal, Horse Pastures, Phased	2023	to 25	3 to 23	20.00	100%	35,800	179,000	3.3%			59,891			69,093							79,710		
4.320	1	1	Each	Gate Operator (Incl. Solar Panel)	2025	to 10	5	9,000.00	100%	9,000	9,000	0.4%									18,392						
4.330	1	1	Each	Gate	2025	to 20	5	5,000.00	100%	5,000	5,000	0.2%									10,218						
4.410	2	2	Each	Irrigation System, Pumps (Common Area Percentage Ownership)	2037	to 20	17	25,000.00	17%	8,500	8,500	0.1%	13,819														
4.421	1	1	Allowance	Irrigation System	2028	to 40+	8	75,000.00	100%	75,000	75,000	0.9%															
4.630	1	1	Each	Pavilion, Wood, Equestrian Hay Barn	2027	to 25	7	20,000.00	100%	20,000	20,000	0.7%												43,276			
4.631	1	1	Each	Pavilion, Wood, Waterways	2035	to 25	15	10,000.00	100%	10,000	10,000	0.1%															
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Inspections and Capital Repairs	2022	to 4	2	20,000.00	100%	20,000	20,000	2.5%			33,459		37,512				42,056					47,151	
4.660	1	1	Allowance	Playground Equipment	2033	15 to 20	13	50,000.00	100%	50,000	50,000	0.7%															
4.810	1	1	Allowance	Signage, Replacement	2038	15 to 20	18	8,000.00	100%	8,000	8,000	0.1%			13,383												
4.840	480	480	Linear Feet	Tennis Courts, Fence	2028	to 25	8	45.00	100%	21,600	21,600	0.3%															
4.860	1,600	1,600	Square Yards	Tennis Courts, Surface Replacement	2038	to 25	18	52.00	100%	83,200	83,200	1.3%			139,187												
Golf Course Property Site Elements																											
5.080	12	12	Each	Bunkers, Replenishment	2022	10 to 15	2	1,000.00	100%	12,000	12,000	0.3%		19,509													
5.081	10	10	Each	Greens, Renovation (Incl. Practice Green)	2027	20 to 25	7	10,000.00	100%	100,000	100,000	3.3%											216,379				
5.512	2	2	Each	Irrigation System, Pumps (Golf Course Percentage Ownership)	2037	15 to 20	17	25,000.00	51%	25,500	25,500	0.4%		41,457													

Common

RESERVE EXPENDITURES

Years 2020 to 2035

Ranch at Roaring Fork  
Homeowners Association, Inc.  
Carbondale, Colorado

Explanatory Notes:

- 1) 2.9% is the estimated Inflation Rate for estimating Future Replacement Costs.  
2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031	12 2032	13 2033	14 2034	15 2035
						Useful	Remaining			Per Phase (2020)	Total (2020)																	
5.500	1	1	Allowance	Landscape, Partial Tree Replacements	2023	to 5	3	10,000.00	100%	10,000	10,000	0.9%				10,895				12,570					14,501			
5.631	1	1	Each	Pavilion, Replacement	2031	15 to 20	11	10,000.00	100%	10,000	10,000	0.1%											13,695					
5.711	2,300	690	Linear Feet	Ponds, Erosion Control, Golf Course, Partial	2024	to 15	4	34.00	100%	23,460	78,200	0.6%				26,302												
5.821	1	1	Each	Shed, Wood, Replacement	2045	to 30	25	15,000.00	100%	15,000	15,000	0.3%																
				Waterways Elements																								
6.200	14	3	Each	Bridges, Wood, Replacement, Phased	2021	15 to 25	1 to 17	11,000.00	100%	30,800	154,000	3.8%		31,693				35,533			39,837				44,663			
6.500	1	1	Allowance	Head Gates, Inspections and Capital Repairs	2024	5 to 10	4	15,000.00	100%	15,000	15,000	0.9%				16,817						21,139						
6.730	83,700	2,760	Square Yards	Ponds, Sediment Removal, Common, Partial	2021	to 20	1	19.00	100%	52,440	1,590,300	12.0%		53,961		57,136		60,498		64,058	67,827		71,818		76,044		80,518	
6.731	1	1	Allowance	River, Roaring Fork, Shoreline Remediation	2025	to 5	5	25,000.00	100%	25,000	25,000	2.5%						28,841				33,273					38,386	
6.732	1	1	Allowance	Streams, Shoreline Remediation	2022	to 2	2	20,000.00	100%	20,000	20,000	4.7%			21,177		22,423		23,742	25,139		26,619		28,185		29,843		
				Vehicle and Equipment Elements																								
8.100	1	1	Allowance	All-Terrain Vehicle, Honda Foreman	2024	5 to 10	4	7,500.00	100%	7,500	7,500	0.5%				8,409							10,569					
8.101	1	1	Allowance	Backhoe, 420, Caterpillar	2030	15 to 20	10	45,000.00	100%	45,000	45,000	1.5%									59,892							
8.102	1	1	Allowance	Brush Mower, DR	2023	to 10	3	4,000.00	100%	4,000	4,000	0.2%				4,358								5,800				
8.103	1	1	Allowance	Golf Cart, Club Car	2022	5 to 10	2	5,000.00	100%	5,000	5,000	0.4%			5,294				6,285						7,461			
8.104	1	1	Allowance	Excavator, Mini Bio40, Yanmar	2025	to 15	5	40,000.00	100%	40,000	40,000	1.1%					46,146											
8.105	1	1	Allowance	Skid-Steer Loader, Case 60 XT	2027	to 15	7	20,000.00	100%	20,000	20,000	0.6%							24,431									
8.106	1	1	Allowance	Tractor, M-7040, Kubota	2031	15 to 20	11	20,000.00	100%	20,000	20,000	0.3%										27,390						
8.107	1	1	Allowance	Truck, 16' Utility Trailer	2022	to 10	2	5,000.00	100%	5,000	5,000	0.2%			5,294								7,046					
8.108	1	1	Allowance	Truck, 22' Flatbed Trailer, PJ	2027	to 10	7	7,000.00	100%	7,000	7,000	0.3%							8,551									
8.109	1	1	Allowance	Truck, 2500 Pick-Up Truck, Dodge	2023	10 to 15	3	30,000.00	100%	30,000	30,000	0.8%				32,686												
8.110	1	1	Allowance	Truck, 3500 Dump Truck, Chevrolet	2030	10 to 15	10	30,000.00	100%	30,000	30,000	1.0%									39,928							
8.111	1	1	Allowance	Truck, C-7500 Water Truck, GMC	2022	10 to 15	2	25,000.00	100%	25,000	25,000	1.2%			26,471													
8.112	1	1	Allowance	Truck, F-700 Dump Truck, Ford	2026	10 to 15	6	30,000.00	100%	30,000	30,000	0.9%						35,613										
8.113	1	1	Allowance	Utility Vehicle, Club Car	2024	5 to 10	4	6,000.00	100%	6,000	6,000	0.4%				6,727						8,455						
8.114	1	1	Allowance	Utility Vehicle, RTV-900, Kubota	2025	5 to 10	5	10,000.00	100%	10,000	10,000	0.5%					11,537									15,354		
8.115	1	1	Allowance	Wood Chipper, BC-1000, Vermeer	2023	to 10	3	17,500.00	100%	17,500	17,500	0.8%				19,067							25,377					
1 Allowance				2020 Common Reserve Expenditures	2020	N/A	0	831,000	100%	831,000	831,000	8.0%	831,000															
				Anticipated Expenditures, By Year (\$10,351,212 over 30 years)									831,000	127,113	298,849	191,248	265,562	267,957	371,217	259,250	440,242	113,214	209,238	146,170	99,761	297,026	73,550	177,697

Common

RESERVE EXPENDITURES

Years 2036 to 2050

Ranch at Roaring Fork Homeowners Association, Inc. Carbondale, Colorado				Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044	25 2045	26 2046	27 2047	28 2048	29 2049	30 2050	
Line Item	Total Quantity	Per Phase Quantity	Units		Reserve Component Inventory	Useful			Remaining	Per Phase (2020)																	Total (2020)
5.500	1	1 Allowance	Landscape, Partial Tree Replacements	2023	to 5	3	10,000.00	100%	10,000	10,000	0.9%			16,729					19,300						22,265		
5.631	1	1 Each	Pavilion, Replacement	2031	15 to 20	11	10,000.00	100%	10,000	10,000	0.1%																
5.711	2,300	690 Linear Feet	Ponds, Erosion Control, Golf Course, Partial	2024	to 15	4	34.00	100%	23,460	78,200	0.6%				40,385												
5.821	1	1 Each	Shed, Wood, Replacement	2045	to 30	25	15,000.00	100%	15,000	15,000	0.3%										30,653						
Waterways Elements																											
6.200	14	3 Each	Bridges, Wood, Replacement, Phased	2021	15 to 25	1 to 17	11,000.00	100%	30,800	154,000	3.8%		50,074					56,140			62,941					70,566	
6.500	1	1 Allowance	Head Gates, Inspections and Capital Repairs	2024	5 to 10	4	15,000.00	100%	15,000	15,000	0.9%					26,570								33,398			
6.730	83,700	2,760 Square Yards	Ponds, Sediment Removal, Common, Partial	2021	to 20	1	19.00	100%	52,440	1,590,300	12.0%		85,256		90,272			95,584		101,208		107,164		113,469		120,146	
6.731	1	1 Allowance	River, Roaring Fork, Shoreline Remediation	2025	to 5	5	25,000.00	100%	25,000	25,000	2.5%					44,284					51,089					58,939	
6.732	1	1 Allowance	Streams, Shoreline Remediation	2022	to 2	2	20,000.00	100%	20,000	20,000	4.7%	31,599		33,459		35,427		37,512		39,719		42,056		44,531		47,151	
Vehicle and Equipment Elements																											
8.100	1	1 Allowance	All-Terrain Vehicle, Honda Foreman	2024	5 to 10	4	7,500.00	100%	7,500	7,500	0.5%					13,285								16,699			
8.101	1	1 Allowance	Backhoe, 420, Caterpillar	2030	15 to 20	10	45,000.00	100%	45,000	45,000	1.5%													100,194			
8.102	1	1 Allowance	Brush Mower, DR	2023	to 10	3	4,000.00	100%	4,000	4,000	0.2%								7,720								
8.103	1	1 Allowance	Golf Cart, Club Car	2022	5 to 10	2	5,000.00	100%	5,000	5,000	0.4%					8,857						10,514					
8.104	1	1 Allowance	Excavator, Mini Bio40, Yanmar	2025	to 15	5	40,000.00	100%	40,000	40,000	1.1%					70,855											
8.105	1	1 Allowance	Skid-Steer Loader, Case 60 XT	2027	to 15	7	20,000.00	100%	20,000	20,000	0.6%							37,512									
8.106	1	1 Allowance	Tractor, M-7040, Kubota	2031	15 to 20	11	20,000.00	100%	20,000	20,000	0.3%																
8.107	1	1 Allowance	Truck, 16' Utility Trailer	2022	to 10	2	5,000.00	100%	5,000	5,000	0.2%							9,378									
8.108	1	1 Allowance	Truck, 22' Flatbed Trailer, PJ	2027	to 10	7	7,000.00	100%	7,000	7,000	0.3%		11,380										15,147				
8.109	1	1 Allowance	Truck, 2500 Pick-Up Truck, Dodge	2023	10 to 15	3	30,000.00	100%	30,000	30,000	0.8%		48,773														
8.110	1	1 Allowance	Truck, 3500 Dump Truck, Chevrolet	2030	10 to 15	10	30,000.00	100%	30,000	30,000	1.0%									59,579							
8.111	1	1 Allowance	Truck, C-7500 Water Truck, GMC	2022	10 to 15	2	25,000.00	100%	25,000	25,000	1.2%	39,499														58,939	
8.112	1	1 Allowance	Truck, F-700 Dump Truck, Ford	2026	10 to 15	6	30,000.00	100%	30,000	30,000	0.9%					53,141											
8.113	1	1 Allowance	Utility Vehicle, Club Car	2024	5 to 10	4	6,000.00	100%	6,000	6,000	0.4%					10,628							13,359				
8.114	1	1 Allowance	Utility Vehicle, RTV-900, Kubota	2025	5 to 10	5	10,000.00	100%	10,000	10,000	0.5%										20,435						
8.115	1	1 Allowance	Wood Chipper, BC-1000, Vermeer	2023	to 10	3	17,500.00	100%	17,500	17,500	0.8%							33,775									
		1 Allowance	2020 Common Reserve Expenditures	2020	N/A	0	831,000	100%	831,000	831,000	8.0%																
Anticipated Expenditures, By Year (\$10,351,212 over 30 years)												77,878	289,437	303,287	138,044	737,561	225,163	671,239	255,783	631,297	327,031	657,928	450,569	963,603	200,543	252,755	

Common  
**FIVE-YEAR OUTLOOK**

**Ranch at Roaring Fork  
Homeowners Association, Inc.**  
Carbondale, Colorado

Line Item	Reserve Component Inventory	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025
<b><u>Exterior Building Elements</u></b>							
1.157	Deck, Wood, Replacement, Office Building				14,164		
1.462	Roofs, Metal, Stables			5,650			6,156
1.855	Walls, Siding, Plywood, Replacement, Golf Shop and Office Building						16,613
1.980	Windows and Doors, Golf Shop and Office Building						31,726
<b><u>Interior Building Elements</u></b>							
2.680	Golf Shop, Renovation, Complete			26,471			
2.780	Office Building, Renovation, Complete		37,044				
<b><u>Building Services Elements</u></b>							
3.700	Pumps, Domestic Well, 7.5-HP, Phased				9,261		9,806
<b><u>General Property Site Elements</u></b>							
4.020	Asphalt Pavement, Crack Repair and Patch, Phased		4,415	4,543	4,675	4,811	4,950
4.041	Asphalt Pavement, Mill and Overlay, Streets, Remaining, Phased			170,066		180,073	
4.285	Fences, Split Rail and Metal, Horse Pastures, Phased				39,006		
4.320	Gate Operator (Incl. Solar Panel)						10,383
4.330	Gate						5,768
4.650	Pipes, Subsurface Utilities, Inspections and Capital Repairs			21,177			
<b><u>Golf Course Property Site Elements</u></b>							
5.080	Bunkers, Replenishment			12,706			
5.500	Landscape, Partial Tree Replacements				10,895		
5.711	Ponds, Erosion Control, Golf Course, Partial					26,302	
<b><u>Waterways Elements</u></b>							
6.200	Bridges, Wood, Replacement, Phased		31,693				35,533
6.500	Head Gates, Inspections and Capital Repairs					16,817	
6.730	Ponds, Sediment Removal, Common, Partial		53,961		57,136		60,498
6.731	River, Roaring Fork, Shoreline Remediation						28,841

Common  
**FIVE-YEAR OUTLOOK**

**Ranch at Roaring Fork  
Homeowners Association, Inc.**  
Carbondale, Colorado

Line Item	Reserve Component Inventory	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025
6.732	Streams, Shoreline Remediation			21,177		22,423	
<b><u>Vehicle and Equipment Elements</u></b>							
8.100	All-Terrain Vehicle, Honda Foreman					8,409	
8.102	Brush Mower, DR				4,358		
8.103	Golf Cart, Club Car			5,294			
8.104	Excavator, Mini BiO40, Yanmar						46,146
8.107	Truck, 16' Utility Trailer			5,294			
8.109	Truck, 2500 Pick-Up Truck, Dodge				32,686		
8.111	Truck, C-7500 Water Truck, GMC			26,471			
8.113	Utility Vehicle, Club Car					6,727	
8.114	Utility Vehicle, RTV-900, Kubota						11,537
8.115	Wood Chipper, BC-1000, Vermeer				19,067		
2020 Common Reserve Expenditures		831,000					
<b>Anticipated Expenditures, By Year (\$10,351,212 over 30 years)</b>		831,000	127,113	298,849	191,248	265,562	267,957



RESERVE FUNDING PLAN

Common

CASH FLOW ANALYSIS

Ranch at Roaring Fork

Homeowners Association, Inc.

Carbondale, Colorado

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Reserves at Beginning of Year (Note 1)	457,063	134,702	251,794	204,914	273,067	275,069	282,377	193,336	223,623	79,984	263,811	354,602	511,152	718,065	730,095	968,324
Total Recommended Reserve Contributions (Note 2)	502,200	240,000	247,000	254,200	261,600	269,200	277,000	285,000	293,300	293,300	293,300	293,300	293,300	293,300	293,300	293,300
Plus Estimated Interest Earned, During Year (Note 3)	6,439	4,205	4,969	5,201	5,964	6,065	5,176	4,537	3,303	3,741	6,729	9,420	13,374	15,756	18,479	22,575
Less Anticipated Expenditures, By Year	(831,000)	(127,113)	(298,849)	(191,248)	(265,562)	(267,957)	(371,217)	(259,250)	(440,242)	(113,214)	(209,238)	(146,170)	(99,761)	(297,026)	(73,550)	(177,697)
Anticipated Reserves at Year End	\$134,702	\$251,794	\$204,914	\$273,067	\$275,069	\$282,377	\$193,336	\$223,623	\$79,984	\$263,811	\$354,602	\$511,152	\$718,065	\$730,095	\$968,324	\$1,106,502
									(NOTE 5)							

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Reserves at Beginning of Year	1,106,502	1,348,637	1,390,806	1,428,797	1,643,784	1,266,791	1,409,143	1,113,552	1,241,695	1,003,527	1,078,550	831,807	800,700	261,959	494,951
Total Recommended Reserve Contributions	293,300	301,800	310,600	319,600	328,900	338,400	348,200	358,300	368,700	379,400	390,400	401,700	413,300	425,300	437,600
Plus Estimated Interest Earned, During Year	26,713	29,806	30,678	33,431	31,668	29,115	27,448	25,626	24,429	22,654	20,785	17,762	11,562	8,235	12,922
Less Anticipated Expenditures, By Year	(77,878)	(289,437)	(303,287)	(138,044)	(737,561)	(225,163)	(671,239)	(255,783)	(631,297)	(327,031)	(657,928)	(450,569)	(963,603)	(200,543)	(252,755)
Anticipated Reserves at Year End	\$1,348,637	\$1,390,806	\$1,428,797	\$1,643,784	\$1,266,791	\$1,409,143	\$1,113,552	\$1,241,695	\$1,003,527	\$1,078,550	\$831,807	\$800,700	\$261,959	\$494,951	\$692,718
													(NOTE 5)		(NOTE 4)

Explanatory Notes:

- 1) Year 2020 starting reserves are as of January 1, 2020; FY2020 starts January 1, 2020 and ends December 31, 2020.
- 2) Reserve Contributions for 2020 are budgeted; 2021 is the first year of recommended contributions.
- 3) 2.2% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2050 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).



Water Treatment

RESERVE EXPENDITURES

Years 2036 to 2050

Ranch at Roaring Fork Homeowners Association, Inc. Carbondale, Colorado				Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Line Item	Total Quantity	Per Phase Quantity	Units		Useful	Remaining	Unit (2020)	Per Phase (2020)	Total (2020)		2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Exterior Building Elements																									
1 320	10	10	Squares	Roof, Cedar Shakes	2021	to 25	1	800.00	8,000	8,000	2.8%										16,822				
1 321	11	11	Squares	Roof, Coal Tar	2030	to 30	10	1,000.00	11,000	11,000	1.6%														
Interior Building Elements																									
2 520	1	1	Allowance	Chemical Room, Renovation	2025	to 25	5	15,000.00	15,000	15,000	5.9%														35,363
Building Services Elements																									
3.701	1	1	Each	Pump, Water Treatment, 5-HP	2023	15 to 20	3	7,500.00	7,500	7,500	2.5%							14,475							
3.702	2	2	Each	Pumps, Water Treatment, 20-HP	2025	to 25	5	12,000.00	24,000	24,000	9.5%														56,581
Property Site Elements																									
4 221	360	360	Linear Feet	Fence, Chain Link	2030	to 30	10	25.00	9,000	9,000	1.3%														
4 540	1	1	Each	Lift Station, Pump	2022	to 10	2	8,000.00	8,000	8,000	3.9%							15,005							
4 550	1	1	Each	Lift Station, Rebuild	2030	to 30	10	40,000.00	40,000	40,000	6.0%														
4.720	9,230	9,230	Square Yards	Ponds, Liner	2022	to 25	2	7.00	64,610	64,610	21.3%							121,182							
4.820	1	1	Allowance	Shed, Wood, Replacement	2024	to 30	4	12,000.00	12,000	12,000	1.5%														
4 900	1	1	Allowance	Storage Tanks, Inspections and Paint Applications	2026	to 20	6	100,000.00	100,000	100,000	36.9%										210,281				
		1	Allowance	2020 Water Treatment Reserve Expenditures	2020	N/A	0	60,000	60,000	60,000	6.7%														
Anticipated Expenditures, By Year (\$891,283 over 30 years)											0	0	0	0	0	0	136,187	14,475	0	0	227,103	0	0	0	91,944

RESERVE FUNDING PLAN

Water Treatment

CASH FLOW ANALYSIS

Ranch at Roaring Fork

Homeowners Association, Inc.

Carbondale, Colorado

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Reserves at Beginning of Year (Note 1)	258,552	244,890	255,098	196,529	206,543	211,841	185,774	85,009	102,449	120,677	139,811	79,138	98,369	107,131	127,989	149,812
Total Recommended Reserve Contributions (Note 2)	40,860	13,000	13,400	13,800	14,200	14,600	15,000	15,400	15,800	16,300	16,800	17,300	17,800	18,300	18,800	19,300
Plus Estimated Interest Earned, During Year (Note 3)	5,478	5,440	4,914	4,386	4,552	4,326	2,946	2,040	2,428	2,834	2,382	1,931	2,236	2,558	3,023	3,508
Less Anticipated Expenditures, By Year	(60,000)	(8,232)	(76,883)	(8,172)	(13,454)	(44,993)	(118,711)	0	0	0	(79,855)	0	(11,274)	0	0	0
Anticipated Reserves at Year End	<u>\$244,890</u>	<u>\$255,098</u>	<u>\$196,529</u>	<u>\$206,543</u>	<u>\$211,841</u>	<u>\$185,774</u>	<u>\$85,009</u> (NOTE 5)	<u>\$102,449</u>	<u>\$120,677</u>	<u>\$139,811</u>	<u>\$79,138</u>	<u>\$98,369</u>	<u>\$107,131</u>	<u>\$127,989</u>	<u>\$149,812</u>	<u>\$172,620</u>

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Reserves at Beginning of Year	172,620	196,537	221,586	247,793	275,183	303,782	333,617	227,131	242,061	272,661	304,642	108,433	138,318	169,669	202,519
Total Recommended Reserve Contributions	19,900	20,500	21,100	21,700	22,300	22,900	23,600	24,300	25,000	25,700	26,400	27,200	28,000	28,800	29,600
Plus Estimated Interest Earned, During Year	4,017	4,549	5,107	5,690	6,299	6,935	6,101	5,105	5,600	6,281	4,494	2,685	3,351	4,050	3,770
Less Anticipated Expenditures, By Year	0	0	0	0	0	0	(136,187)	(14,475)	0	0	(227,103)	0	0	0	(91,944)
Anticipated Reserves at Year End	<u>\$196,537</u>	<u>\$221,586</u>	<u>\$247,793</u>	<u>\$275,183</u>	<u>\$303,782</u>	<u>\$333,617</u>	<u>\$227,131</u>	<u>\$242,061</u>	<u>\$272,661</u>	<u>\$304,642</u>	<u>\$108,433</u> (NOTE 5)	<u>\$138,318</u>	<u>\$169,669</u>	<u>\$202,519</u>	<u>\$143,945</u> (NOTE 4)

Explanatory Notes:

- 1) Year 2020 starting reserves are as of January 1, 2020; FY2020 starts January 1, 2020 and ends December 31, 2020.
- 2) Reserve Contributions for 2020 are budgeted; 2021 is the first year of recommended contributions.
- 3) 2.2% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2050 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

# Water Treatment FIVE-YEAR OUTLOOK

## Ranch at Roaring Fork Homeowners Association, Inc. Carbondale, Colorado

Line Item	Reserve Component Inventory	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025
<b><u>Exterior Building Elements</u></b>							
1.320	Roof, Cedar Shakes		8,232				
<b><u>Interior Building Elements</u></b>							
2.520	Chemical Room, Renovation						17,305
<b><u>Building Services Elements</u></b>							
3.701	Pump, Water Treatment, 5-HP				8,172		
3.702	Pumps, Water Treatment, 20-HP						27,688
<b><u>Property Site Elements</u></b>							
4.540	Lift Station, Pump			8,471			
4.720	Ponds, Liner			68,412			
4.820	Shed, Wood, Replacement					13,454	
2020 Water Treatment Reserve Expenditures		60,000					
<b>Anticipated Expenditures, By Year (\$891,283 over 30 years)</b>		60,000	8,232	76,883	8,172	13,454	44,993

## 4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

### ***Condominiums Expenditures***

#### **Exterior Building Elements**



**Front elevation**



**Alternate front elevation**



**Side elevation**



**Alternate side elevation**





**Rear elevation**



**Alternate rear elevation**

## **Balconies, Wood**

---

**Line Item:** 1.120

**Quantity:** 16 wood balconies which comprise a total of 2,000 square feet

**History:** The balconies were repaired in 2017

**Condition:** Good overall



**Wood balcony overview**

**Useful Life:** Up to 35 years with proper maintenance and interim replacement of the deck boards every 12- to 18-years.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3. Our cost for interim repairs includes replacement of the deck boards and partial replacement of deteriorated wood components, and our cost for total replacement includes an allowance for replacement

of the underlying waterproof membrane and vinyl soffit. Proper maintenance should include the following activities funded through the operating budget:

- Annual inspections to identify and correct any unsafe conditions
- Securing of loose fasteners and replacement of deteriorated fasteners
- Replacement of deteriorated wood components
- Power washing with an algaecide and application of a sealer/stain

## **Chimney Caps, Metal**

---

**Line Item:** 1.140

**Quantity:** 44 metal chimney caps

**History:** Unknown

**Condition:** Good overall based on our visual inspection from the ground



**Metal chimney cap overview**

**Useful Life:** Up to 25 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3.

## **Doors, Metal, Storage**

---

**Line Item:** 1.200

**Quantity:** 130 metal storage doors

**History:** Unknown

**Condition:** Good overall



**Metal storage doors**

**Useful Life:** Up to 30 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the *Condominiums Reserve Expenditures* table in Section 3.

## **Gutters and Downspouts, Aluminum**

---

**Line Item:** 1.240

**Quantity:** Approximately 2,500 linear feet of aluminum five-inch seamless gutters and two-inch by three-inch downspouts

**History:** Unknown

**Condition:** Good overall



**Gutter and downspout assembly**

**Useful Life:** 15- to 20-years

**Component Detail Notes:** The useful life of gutters and downspouts coincides with that of the asphalt shingle roofs. Coordinated replacement will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3.

## **Light Fixtures**

---

**Line Item:** 1.260

**Quantity:** Approximately 66 exterior wall mounted metal light fixtures accent the storage areas.

**History:** Unknown

**Condition:** Good overall



Light fixture overview

**Useful Life:** Up to 25 years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3.

## Roofs, Asphalt Shingles

---

**Line Item:** 1.280

**Quantity:** Approximately 860 squares<sup>1</sup>

**History:** Replaced in 1994

**Condition:** Good to fair overall with shingle lift and sheathing deflection evident from our visual inspection from the ground. Management and the Board report a limited history of leaks.

<sup>1</sup> We quantify the roof area in squares where one square is equal to 100 square feet of surface area.





**Shingle lift at Building 101-102**



**Shingle lift at Building 119-125**



**Shingle lift at Building 287-293**



**Shingle lift at Building 295-305**



**Shingle lift at Building 271-274**



**Shingle lift and sheathing deflection at Building 115-118**

**Useful Life:** 15- to 20-years

**Component Detail Notes:** The existing roof assembly comprises the following:

- Laminate shingles
- Boston style ridge caps
- Rubber seal with metal base boot flashing at waste pipes
- Soffit, gable and ridge vents
- Metal drip edge
- Open valleys with metal W flashing

Insulation and ventilation are two major components of a sloped roof system. Together, proper insulation and ventilation help to control attic moisture and maintain an energy efficient building. Both insulation and ventilation prevent moisture buildup which can cause wood rot, mold and mildew growth, warp sheathing, deteriorate shingles, and eventually damage building interiors. Sufficient insulation helps to minimize the quantity of moisture that enters the attic spaces and adequate ventilation helps to remove any moisture that enters the attic spaces. These two roof system components also help to reduce the amount of energy that is required to heat and cool a building. Proper attic insulation minimizes heat gain and heat loss between the residential living spaces and attic spaces. This reduces energy consumption year-round. Proper attic ventilation removes excessive heat from attic spaces that can radiate into residential living spaces and cause air conditioners to work harder. Properly installed attic insulation and ventilation work together to maximize the useful life of sloped roof systems.

In addition to moisture control and energy conservation, proper attic insulation and ventilation are essential components to prevent the formation of ice dams. Ice dams occur when warm air accumulates at the peak of an attic while the roof eaves remain cold. Warm air from the attic melts the snow at the ridge of the roof and the water runs down the slope of the roof. At the cold roof eaves, the water refreezes and forms a buildup of snow and ice. This buildup often traps water that can prematurely deteriorate asphalt shingles and ultimately seep under the shingles and cause water damage to the roof deck and building interiors. Proper insulation minimizes the amount of heat that enters attic spaces in the winter and adequate ventilation helps to remove any heat that enters the attic spaces. Together, these components prevent ice dams with a cold roof deck that melts snow and ice evenly.

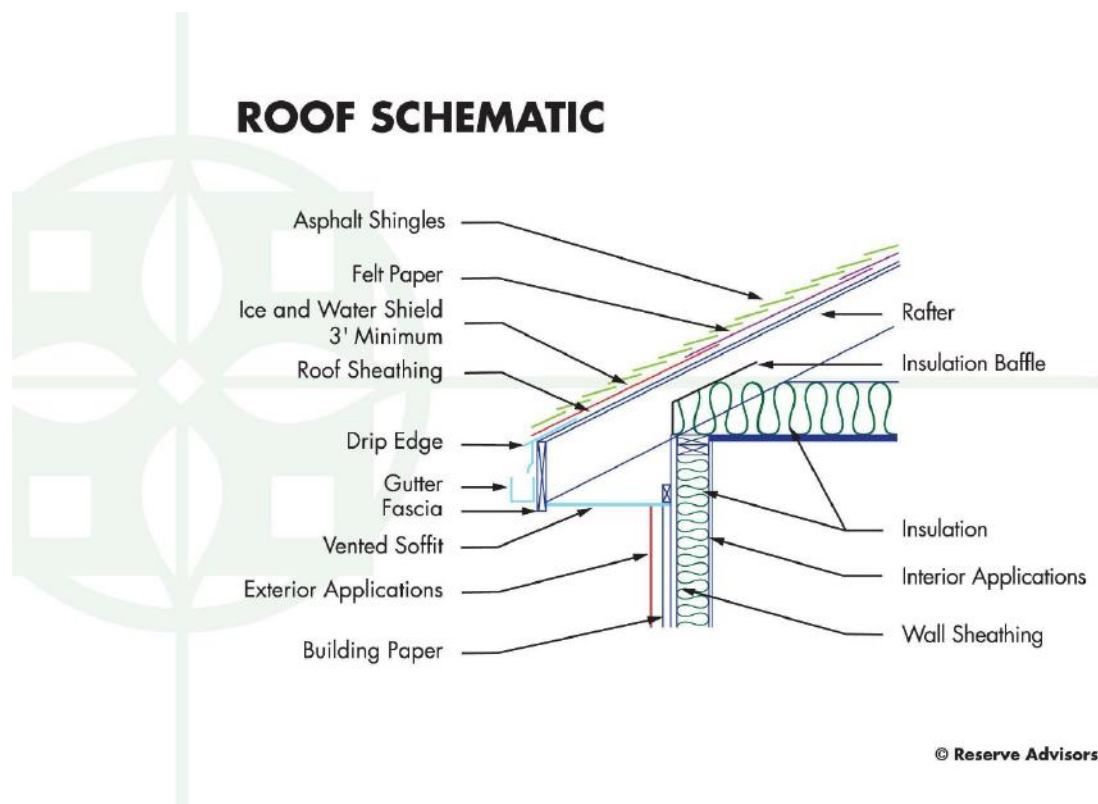
The vents should be clear of debris and not blocked from above by attic insulation. If the soffit vents are blocked from above, installation of polystyrene vent spaces or baffles between the roof joists at these locations can ensure proper ventilation.

Certain characteristics of condition govern the times of replacement. Replacement of an asphalt shingle roof becomes necessary when there are multiple or recurring leaks and when the shingles begin to cup, curl and lift. These conditions are indications that the asphalt shingle roof is near the end of its useful life. Even if the shingles are largely watertight, the infiltration of water in one area can lead to permanent damage to the underlying roof sheathing. This type of deterioration requires replacement of saturated sections of sheathing and greatly increases the cost of roof replacement. Roof leaks may occur from interrelated roof system components, i.e., flashings. Therefore, the warranty period, if any, on the asphalt shingles, may exceed the useful life of the roof system.



Warranties are an indication of product quality and are not a product guarantee. Asphalt shingle product warranties vary from 20- to 50-years and beyond. However, the scope is usually limited to only the material cost of the shingles as caused by manufacturing defects. Warranties may cover defects such as thermal splitting, granule loss, cupping, and curling. Labor cost is rarely included in the remedy so if roof materials fail, the labor to tear off and install new shingles is extra. Other limitations of warranties are exclusions for "incidental and consequential" damages resulting from age, hurricanes, hail storms, ice dams, severe winds, tornadoes, earthquakes, etc. There are some warranties which offer no dollar limit for replacement at an additional cost (effectively an insurance policy) but again these warranties also have limits and may not cover all damages other than a product defect. We recommend a review of the manufacturers' warranties as part of the evaluation of competing proposals to replace a roof system. This evaluation should identify the current costs of remedy if the roof were to fail in the near future. A comparison of the costs of remedy to the total replacement cost will assist in judging the merits of the warranties.

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Ranch at Roaring Fork:



Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of

replacement includes removal of the existing shingles, flashings if required and underlayments.

The Association should plan to coordinate the replacement of gutters and downspouts with the adjacent roofs. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3. Our estimate of cost is based on historical information provided by the Association.

## Staircases, Wood

---

**Line Item:** 1.600

**Quantity:** Eight sets of wood staircases

**History:** Repairs conducted in 2017 and the Association plans to conduct repairs to the railings in 2020. See “**2020 Condominiums Reserve Expenditures**” for our inclusion of this cost.

**Condition:** Good overall



Wood staircase overview



Wood staircase overview

**Useful Life:** Up to 35 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3. The Association should

budget for periodic power washing, minor replacements, and staining through the operating budget.

## Walls, Siding, Vinyl

---

**Line Item:** 1.860

**Quantity:** Approximately 69,000 square feet of the exterior walls

**History:** Unknown

**Condition:** Good to fair overall with siding damage and warp, and loose siding evident



Siding damage at Building 255-258



Siding damage at Building 283-286



Siding damage at Building 115-118



Loose siding at Building 260-269





**Siding warp at Building 135-138**



**Siding warp at Building 288-258**

**Useful Life:** 35- to 40-years

**Component Detail Notes:** The siding at Ranch at Roaring Fork consists of the following:

- Clapboard double four-inch profile
- J-channel trim at window and door perimeters, and other penetrations
- Water-vapor permeable building paper does not exist

The following diagram details the use of building wrap in a vinyl siding system:



The lack of water-vapor permeable building paper underneath the siding can result in premature loosening of the siding fasteners from water damage to the substrate sheathing. Therefore, the Association should anticipate a decreased useful life due to the lack of water proofing beneath the siding.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3.

## Windows and Doors

---

**Line Item:** 1.980

**Quantity:** 13,280 square feet

**History:** Unknown

**Condition:** Good overall



Window and door overview



Window and door overview

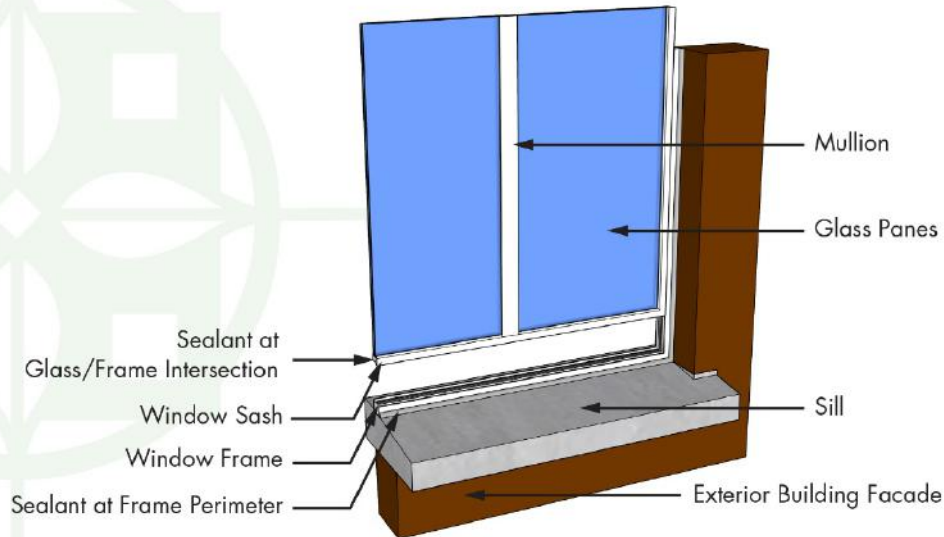
**Useful Life:** Up to 40 years

**Component Detail Notes:** Construction includes the following:

- Vinyl frames
- Single pane glass
- Double hung windows with screens
- Hinged doors and sliding doors with screens
- Decorative muntins

The following schematic depicts the typical components of a window system although it may not reflect the actual configuration at Ranch at Roaring Fork:

## WINDOW DETAIL



© Reserve Advisors

Properly designed window and door assemblies anticipate the penetration of some storm water beyond the gaskets. This infiltrated storm water collects in an internal drainage system and drains, or exits, the frames through weep holes. These weep holes can become clogged with dirt or if a sealant is applied, resulting in trapped storm water. We recommend Ranch at Roaring Fork periodically verify that weep holes are unobstructed concurrent with facade repairs. However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows and doors will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3.

## Building Services Elements

### Pipes

**Line Items:** 3.600 and 3.605

**History and Condition:** The Association is responsible for the common pipe sections and reports a history of minor issues. The Association also plans to descale the pipes and toilets in the near term.

**Useful Life:** Common pipe sections have a useful life of up to and beyond 80 years and at the request of Management and the Board we include an allowance for descaling and capital repairs to the pipes every five years.

**Component Detail Notes:** The Association is responsible for maintenance and replacement of the piping systems arranged in vertical and horizontal segments. These pipes comprise the following:

- Domestic cold water
- Vent plumbing fixtures
- Sanitary waste disposal

The exact locations and conditions of the pipes were not ascertained due to the nature of their location and the non-invasive nature of our inspection. We comment on the respective quantities and conditions of the piping systems in the following sections of this narrative.

**Domestic Water** - The useful life of galvanized domestic supply pipes is up to and sometimes beyond 70 years. Occlusions from deposits eventually develop, reduce water pressure and clog pipes. Galvanized pipe is zinc coated steel which slows oxidation or rusting. The galvanized pipe provides a surface texture for minerals such as calcium and magnesium (water hardness minerals) to adhere. These minerals build-up at a faster rate on galvanized piping when compared to copper piping. Also, corrosion of these pipes will eventually result in pitting of the interior surface and pinhole leaks. We recommend the Association budget funds to replace the galvanized water piping with copper piping. Copper piping is the predominant type of pipe used in new construction for domestic water piping.

**Sanitary Waste Disposal and Vent** - The cast iron pipes typically deteriorate from the inside out as a result of sewer gases, condensation and rust.

**Preventative Maintenance Notes:** The required preventative maintenance may vary in frequency and scope based on the building's age and demands of the piping systems. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Quarterly:
  - Inspect all visible piping for corrosion and leaks, including common areas or areas immediately surrounding pipes such as insulation, ceiling tiles or the floor for moisture, water accumulation, mold or mildew
- Annually:
  - Verify system pressure is sufficient
  - Check accessible valves for proper operation
  - Inspect and obtain certification for pressure relief valves



- Test drain line flow rates
- Mechanically or chemically clean sewer lines as needed

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost for descaling and capital repairs to the pipes is based on historical information provided by the Association. Our cost assumes replacement of all pipes located within each wall opening, associated branch piping, fittings and minimal interior finishes. However, the cost does not include temporary housing for affected residents, pipes within the units or significant interior finishes.

The Association budgets an amount in the annual operating budget for minor pipe repairs and replacements. We recommend the Association continue to fund interim pipe replacements, prior to more aggregate replacements identified in the following paragraphs, from the operating budget. We also recommend the Association contract for an invasive investigation of the condition of the piping system prior to beginning more aggregate replacements, funded through the operating budget.

An invasive analysis of the piping systems will provide various replacement options. Replacement of the systems as an aggregate event will likely require the use of special assessments or loans to fund the replacements.

Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Ranch at Roaring Fork could budget sufficient reserves for the beginning of these pipe replacements and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual pipe replacements to budget sufficient reserves.

We recommend the Association budget for replacement of the following items through the operating budget:

- Replacement of valves on an as-needed basis
- Minor pipe repairs and replacements
- invasive investigation of the condition of the piping system prior to beginning more aggregate replacements
- Rodding of waste pipes

## Property Site Elements

### Concrete Flatwork

---

**Line Item:** 4.140

**Quantity:** Approximately 19,400 square feet

**History:** The Association plans to replace portions of the concrete flatwork in 2020. See “**2020 Condominiums Reserve Expenditures**” for our inclusion of this cost.

**Condition:** Good to poor overall with cracks, concrete spall and settlement evident



Concrete cracks at Building 101-102



Concrete cracks at Building 135-138



Concrete cracks and concrete spall at Building 103-113



Concrete cracks and concrete spall at Building 135-138



**Concrete settlement at Building 275-281**



**Concrete settlement at Building 255-258**

**Useful Life:** Up to 65 years although interim deterioration of areas is common

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3. We estimate that up to 11,605 square feet of concrete flatwork, or approximately sixty percent (59.8%) of the total, will require replacement during the next 30 years.

## **Irrigation System, Pumps**

---

**Line Item:** 4.410

**Quantity:** Two 50-HP pumps

**History:** Installed around 2017

**Condition:** Reported satisfactory



**Irrigation system pumps overview**

**Useful Life:** Up to 20 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3. The Condominiums are responsible for approximately thirty-two (32%) of the irrigation system pumps.

## **Irrigation System, Replacement**

---

**Line Item:** 4.420

**Quantity:** 17 zones

**History:** Installed around 1987

**Condition:** Good overall and Management and the Board report minor deficiencies

**Useful Life:** Up to 40 years

**Component Detail Notes:** Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Pumps
- Valves

Ranch at Roaring Fork should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the



useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3.

## Mailbox Stations

---

**Line Item:** 4.600

**Quantity:** Four stations

**History:** Original

**Condition:** Good overall



Mailbox stations overview

**Useful Life:** Up to 25 years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Condominiums Reserve Expenditures** table in Section 3.

## 2020 Condominiums Reserve Expenditures

---

**Line Item:** Last line item on the **Condominiums Reserve Expenditures** table in Section 3

**Component Detail Notes:** Ranch at Roaring Fork will expend \$50,000 in reserve expenditures in 2020. These expenditures relate to the following:

- Power-washing of the building exteriors
- Concrete sidewalk repairs
- Building staining
- Wood stairway railing repairs
- Fireplace and dryer vent maintenance

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Condominiums Reserve Expenditures*** table in Section 3.

## ***Common Expenditures***

### **Exterior Building Elements**

#### **Deck, Wood**

---

***Line Item:*** 1.157

***Quantity:*** One wood deck comprising 520 square feet at the office building

***History:*** Unknown

***Condition:*** Fair overall condition with split wood, wood rot and damage evident



**Wood deck overview**



**Split wood deck board**



**Deck board damage**



**Deck frame split wood and wood rot**

**Useful Life:** Up to 25 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. Our cost for interim repairs includes replacement of the deck boards and partial replacement of deteriorated wood components. Proper maintenance should include the following activities funded through the operating budget:

- Annual inspections to identify and correct any unsafe conditions
- Securing of loose fasteners and replacement of deteriorated fasteners
- Replacement of deteriorated wood components
- Power washing with an algaecide and application of a sealer/stain

## **Doors, Garage**

---

**Line Item:** 1.200

**Quantity:** Four metal garage doors at the maintenance building

**History:** Likely date to construction of the building around 1996

**Condition:** Good overall





**Metal garage door overview**

**Useful Life:** Up to 25 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **Roofs, Asphalt Shingles**

---

**Line Item:** 1.281 and 1.282

**Quantity:** Approximately 14 squares at the golf shop and 20 squares at the office building

**History:** Unknown

**Condition:** Good overall with minor shingle lift at the office building evident from our visual inspection from the ground. Management and the Board do not report a history of leaks.



**Golf shop asphalt shingle roof overview**



**Office building asphalt shingle roof overview**



**Shingle lift at the office building**



**Shingle lift at the office building**

**Useful Life:** 15- to 20-years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. See “**Condominiums, Roofs, Asphalt Shingle**” for our recommendations on replacement with asphalt shingle roofs.

## Roofs, Metal

---

**Line Items:** 1.460 through 1.462

### **Quantity and History:**

- Equestrian Barn: 20 squares and built in 2017
- Maintenance Building: 43 squares and built around 1996
- Stables: Six stables comprising 20 squares throughout the equestrian area. The ages of the stable roofs are unknown



**Condition:** Good overall



**Equestrian barn metal roof overview**



**Maintenance building metal roof overview**



**Horse stable metal roof overview**



**Horse stable metal roof overview**

**Useful Life:** Up to 30 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **Walls, Siding, Metal**

---

**Line Item:** 1.825

**Quantity:** The maintenance building comprises of approximately 3,100 square feet of metal siding

**History:** Constructed around 1996

**Condition:** The siding is in fair overall with damage evident



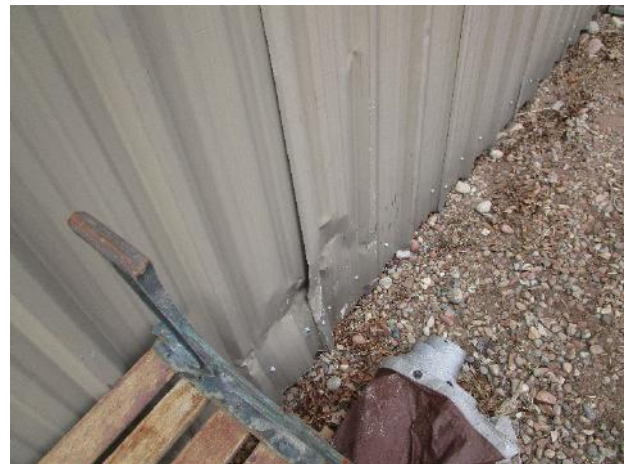
**Maintenance building overview**



**Siding damage**



**Siding damage**



**Siding damage**

**Useful Life:** Up to 35 years

**Component Detail Notes:** Consideration of appearance largely governs the decision to replace the aluminum siding, in whole or partially, prior to the end of its useful life. Maintenance and partial replacements of the siding may extend the useful life. Normal deterioration mainly relates to fading of the exterior finish from exposure to sunlight, weathering and air pollutants. Aluminum siding gets damaged from forces which cause it to warp and dent, such as rocks thrown from lawn mowers, wind-driven objects, etc. The lack of a water impermeable barrier wrap underneath the siding can result in premature loosening of the siding fasteners from water damage to the substrate sheathing. The lack of replacement pieces matching the color and profile of the existing siding may result in the need for a premature replacement.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. Vinyl siding is the predominant replacement



material for aluminum siding. For purposes of this Reserve Study, we assume replacement with .048-inch thick vinyl siding.

## Walls, Siding, Plywood

---

**Line Item:** 1.855

**Quantity:** Approximately 1,580 square feet of the exterior walls of the Golf Shop and Office Building

**History:** Unknown

**Condition:** Not linked overall with no visible deterioration evident



**Siding damage and finish deterioration at the Golf Shop**



**Siding damage and finish deterioration at the Golf Shop**



**Siding damage and finish deterioration at the Office Building**



**Siding damage and finish deterioration at the Office Building**

**Useful Life:** Up to 35 years. However, failure to conduct paint applications and repairs in a timely manner will reduce the remaining useful life of the siding.

**Component Detail Notes:** We understand the Association funds paint applications to the siding through the operating budget. We recommend Ranch at Roaring Fork consider fiber cement siding as a replacement material.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## Windows and Doors

---

**Line Item:** 1.980

**Quantity:** 550 square feet of windows and doors at the golf shop and office building

**History:** Unknown

**Condition:** Good overall with no visible deterioration evident



Golf shop window and door overview



Office building window and door overview

**Useful Life:** Up to 40 years

**Component Detail Notes:** Construction includes the following:

- Wood frames
- Single pane glass
- Double hung windows
- Hinged doors
- Decorative muntins

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## Interior Building Elements

### Equestrian Barn, Renovations

---

**Line Item:** 2.180

**History:** Constructed in 2017

**Condition:** Good overall



**Equestrian barn interior overview**

**Useful Life:** Complete interior renovation every 20 years

**Component Detail Notes:** The clubhouse interior comprises approximately 300 square feet of finished area which includes:

- Concrete floor coverings
- Paint finishes
- Light fixtures
- Cabinets and countertops
- Furnishings
- Various appliances including a sink

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

### Golf Shop, Renovations

---

**Line Items:** 2.680 and 2.685

**History:** Unknown



**Condition:** Fair overall with carpet stains and floor finish deterioration evident



**Golf shop common interior**



**Golf shop common interior**



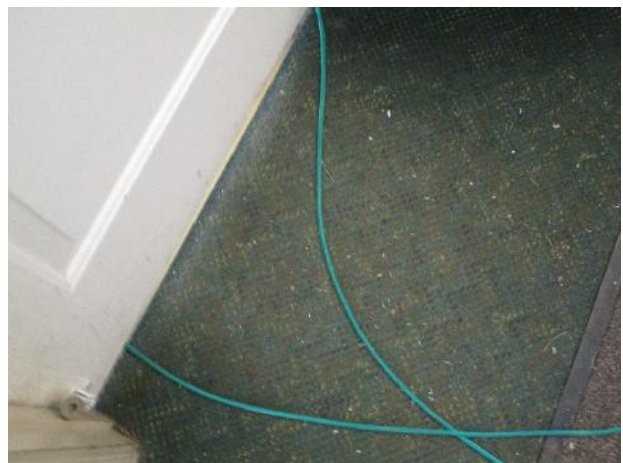
**Golf shop common interior; Floor finish deterioration**



**Golf shop common interior**



**Carpet stain**



**Carpet stain**



**Useful Life:** Complete interior renovation every 20 years and partial interior renovations every 10 years

**Component Detail Notes:** The clubhouse interior comprises approximately 0 square feet of finished area which includes:

- Carpet and concrete floor coverings
- Paint finishes on the walls and ceilings
- Plumbing fixtures
- Light fixtures
- Garage benches and tools (We recommend the Association fund replacement of these items through the operating budget as needed)
- Furnishings
- Various appliances including a stove, refrigerator and microwave

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. The complete renovation should include replacement of all the interior components listed above and the partial renovations should include the following:

- Application of paint finish to all surfaces
- Replacement of the carpet
- Replacement of up to fifty percent (50%) of the appliances and furnishings

## Office Building, Renovations

---

**Line Items:** 2.780 and 2.785

**History:** Unknown

**Condition:** Fair overall with carpet frays and paint finish deterioration evident





Office building interior overview



Office building interior overview



Office building interior overview



Office building interior overview



Carpet frays



Paint finish deterioration

**Useful Life:** Complete interior renovation every 20 years and partial interior renovations every 10 years

**Component Detail Notes:** The clubhouse interior comprises approximately 0 square feet of finished area which includes:

- Carpet and vinyl tile floor coverings
- Paint finishes on the walls and ceilings
- Plumbing fixtures
- Light fixtures
- Kitchen cabinets and countertops
- Furnishings
- Various appliances including a refrigerator and microwave

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. The complete renovation should include replacement of all the interior components listed above and the partial renovations should include the following:

- Application of paint finish to all surfaces
- Replacement of the carpet
- Replacement of up to fifty percent (50%) of the appliances and furnishings

## Building Services Elements

### Pumps

---

**Line Items:** 3.700

**Quantity:** Three 7.5-HP domestic well pumps. Two of the pumps are currently in use and the third pump is a back-up pump in case one of the two pumps fails

**History:** Unknown

**Condition:** Reported satisfactory

**Useful Life:** Up to 20 years

**Component Detail Notes:** Major pumps included in this Reserve Study are those with a motor drive of at least five-HP. The Association should replace or repair all pumps with motor drives less than five-HP as needed and fund this ongoing maintenance activity through the operating budget. The Association may choose to rebuild pumps prior to complete replacement. However, this activity becomes less desirable as pumps age due to the scarcity of parts. We regard interim replacements of motors and component parts as normal maintenance and base our estimates on complete replacements. An exact replacement time for each individual pump is difficult, if not impossible, to estimate.

**Preventative Maintenance Notes:** We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
  - Check/adjust controls
  - Check/adjust pressure levels
  - Check for leaks
  - Conduct churn tests
- Quarterly:
  - Inspect/clean motors
  - Inspect mountings and connections for proper alignment, torque and condition
  - Inspect/replace pump packing as needed, consider replacement with mechanical seals
  - Check for appropriate oil levels
- Semi-annually:
  - Lubricate pumps, motors and motor bearings
- Annually:
  - Inspect belts for wear and/or replace belts
  - Clean filters if present
  - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
  - Access temperature and vibration performance of motors in accordance with the intended design

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Water Treatment Reserve Expenditures** table in Section 3. Our costs include an allowance for replacement of the variable frequency drives (VFD) and controls.

## Property Site Elements

### Asphalt Pavement, Crack Repair, Patch and Seal Coat

---

**Line Item:** 4.020

**Quantity:** Approximately 30,650 square yards



**History:** Unknown

**Condition:** Various conditions ranging from good to poor overall

**Useful Life:** Three- to five-years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. Our cost includes an allowance for crack repairs and patching of up to two percent (2%) of the pavement.

## **Asphalt Pavement, Repaving**

---

**Line Items:** 4.041 and 4.046

**Quantity:** Approximately 30,650 square yards

**History:** The pavement is reported to be original. The Association plans to replace approximately 5,700 square yards of Stagecoach Lane from the entrance to the eastern end of the street, not including the cul-de-sac, Golf Course and office building parking areas or condominium responsibility of pavement in 2020. See “**2020 Common Reserve Expenditures**” for our inclusion of this cost. The following image depicts the location of these replacements:



**Condition:** Varying conditions ranging from good to poor overall with cracks and pot holes evident





**Pavement cracks at Stagecoach Drive**



**Pavement cracks at Rainbow Court**



**Pavement cracks at Surrey Street**



**Pavement cracks at Stagecoach Lane**



**Pavement cracks at Stagecoach Lane**



**Pavement cracks at Stagecoach Lane**





**Pavement cracks and deterioration at Building 287-293**



**Pavement cracks at Building 271-274**



**Pavement deterioration at Building 119-125**



**Pavement cracks and deterioration at Building 119-125**



**Pavement deterioration at Building 135-138**

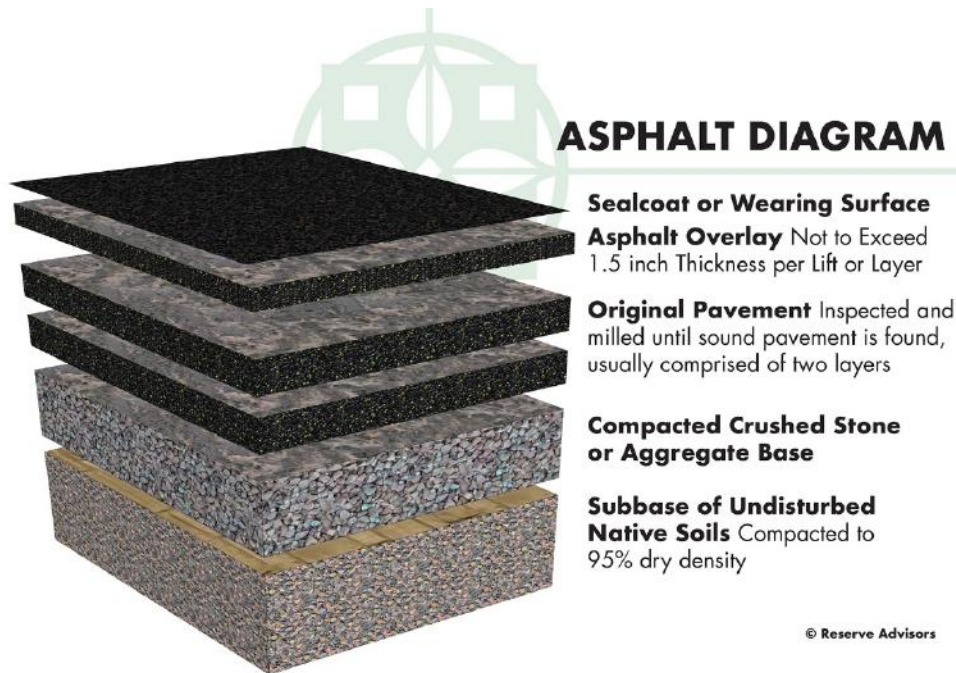


**Pavement deterioration at Building 285-288**

***Useful Life:*** 15- to 20-years with the benefit of timely crack repairs and patching



**Component Detail Notes:** The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Ranch at Roaring Fork:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlay method for initial repaving followed by the total replacement method for subsequent repaving at Ranch at Roaring Fork.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. Our cost for milling and overlayment is based on historical information provided by the Association.

## Fence, Chain Link

---

**Line Item:** 4.220

**Quantity:** 700 linear feet surrounding the trailer storage area

**History:** Unknown

**Condition:** Good overall



Trailer storage area chain link fence overview



Trailer storage area chain link fence overview

**Useful Life:** Up to 25 years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## Fence, Split Rail and Metal

---

**Line Item:** 4.286

**Quantity:** 8,950 linear feet surrounding the horse pastures

**History:** Likely at various ages

**Condition:** Good overall





**Split rail fence section overview**



**Split rail fence section overview**



**Metal fence section overview**



**Metal fence section overview**

**Useful Life:** Up to 25 years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **Gate and Operator**

---

**Line Items:** 4.320 and 4.330

**Quantity:** One gate and operator near Brown Court

**History:** Unknown

**Condition:** Good overall



Gate overview



Gate operator and solar panel

**Useful Life:** Up to 10 years for the operator and up to 20 years for the gate

**Priority/Criticality:** Not recommended to defer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. Our estimate of cost for replacement of the gate operator includes replacement of the gate solar panel.

## Irrigation System, Pumps

---

**Line Item:** 5.412

**Quantity:** Two 50-HP pumps

**History:** Installed in 2017

**Condition:** Reported satisfactory

**Useful Life:** Up to 20 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. The general common elements is responsible for approximately seventeen (17%) of the irrigation system pumps.

## Irrigation System, Replacement

---

**Line Item:** 4.421

**History:** Unknown



**Condition:** Good overall and Management and the Board do not report any deficiencies

**Useful Life:** Up to 40 years

**Component Detail Notes:** Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Pumps
- Valves

Ranch at Roaring Fork should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **Pavilions, Wood**

---

**Line Items:** 4.630 and 4.631

**Quantity:** One pavilion located near the waterways and one pavilion located near the equestrian area to cover the hay

**History:** The waterways pavilion was constructed around 2015 and the equestrian hay barn is at an unknown age

**Condition:** Good overall





**Equestrian hay barn pavilion overview**



**Waterways pavilion overview**

**Useful Life:** Up to 25 years with periodic maintenance

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. We recommend the Association budget for paint applications and repairs through the operating budget.

## **Pipes, Subsurface Utilities**

---

**Line Item:** 4.650

**Condition:** Reported satisfactory

**Useful Life:** Up to and likely beyond 85 years

**Component Detail Notes:** The Association maintains the subsurface utility pipes throughout the property. The exact amounts and locations of the subsurface utility pipes were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. At this time we do not anticipate replacement of continuous lengths of subsurface utility pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Ranch at Roaring Fork could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study

would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.

## Playground Equipment

---

**Line Item:** 4.660

**History:** The playground equipment was replaced between 2011 and 2015

**Condition:** Good overall



Playground equipment overview



Playground equipment overview

**Useful Life:** 15- to 20-years

**Component Detail Notes:** Safety is the major purpose for maintaining playground equipment. We recommend an annual inspection of the playground equipment to identify and repair as normal maintenance loose connections and fasteners or damaged elements. We suggest the Association learn more about the specific requirements of playground equipment at [PlaygroundSafety.org](http://PlaygroundSafety.org). We recommend the use of a specialist for the design or replacement of the playground equipment environment.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. We include an allowance in the unit cost for replacement of the safety surface and border.

## Signage

---

**Line Item:** 4.810

**Quantity:** One entrance monument sign



**History:** Likely installed in the five last year

**Condition:** Good overall



**Entrance monument signage**

**Useful Life:** 15- to 20-years

**Component Detail Notes:** The community signs contribute to the overall aesthetic appearance of the property to owners and potential buyers. Replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific time for replacement of the signs is discretionary.

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **Tennis Courts, Fence**

---

**Line Item:** 4.840

**Quantity:** 480 linear feet

**History:** Unknown

**Condition:** Good overall



**Tennis court fence overview**

**Useful Life:** Up to 25 years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **Tennis Courts, Surface**

---

**Line Item:** 4.860

**Quantity:** 1,600 square yards of interlocking sports court surfacing comprising two tennis courts

**History:** Unknown

**Condition:** Good overall with isolated scuffs evident



**Tennis courts overview**



**Court scuffs**

**Useful Life:** Up to 25 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## Golf Course Property Site Elements



Ranch at Roaring Fork golf course overview

### Bunkers

---

**Line Item:** 5.080

**Quantity:** 12 each

**History:** Unknown

**Condition:** Good to fair overall





**Sand bunker overview**



**Sand bunker overview**

**Useful Life:** Replenishment every 10- to 15-years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. We recommend the Association fund for general maintenance of the bunkers through the operating budget as needed.

## **Greens, Renovation**

---

**Line Item:** 5.081

**Quantity:** 10 each, including the practice green

**History:** Unknown

**Condition:** Good overall



**Green overview**





**Useful Life:** Renovations to the greens every 20- to 25-years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## **Irrigation System, Pumps**

---

**Line Item:** 5.412

**Quantity:** Two 50-HP pumps

**History:** Installed in 2017

**Condition:** Reported satisfactory

**Useful Life:** Up to 20 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. The Golf Course is responsible for approximately fifty-one (51%) of the irrigation system pumps.

## **Landscape**

---

**Line Item:** 5.500

**Component Detail Notes:** The Association contains a large quantity of trees, shrubbery and other landscape elements. Replacement of these elements is an ongoing need. Many associations budget for these replacements as normal maintenance. Other associations fund ongoing replacements from reserves. Large amounts of landscape may need replacement due to disease, drought or other forces of nature. If the cost of removal and replacement is substantial, funding from reserves is logical. The Association may also desire to periodically update the appearance of the community through major improvements to the landscape.

**Useful Life:** At the request of Management and the Board, we include a landscape allowance for partial replacements every five years.

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **Pavilion, Wood**

---

**Line Item:** 5.631

**Quantity:** One wood pavilion with a metal roof

**History:** Likely built between 2006 and 2010

**Condition:** Good overall



**Pavilion overview**

**Useful Life:** Up to 25 years with periodic maintenance

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. We recommend the Association budget for paint applications and repairs through the operating budget.

## **Ponds, Erosion Control**

---

**Line Item:** 5.711

**Quantity:** Two ponds which comprise of approximately 2,300 linear feet of natural vegetation. The Association informs us the ponds water level naturally changes throughout the year, and at times the ponds are completely empty.

**Condition:** Good overall



**Pond overview; note the pond level naturally changes and at the time of our inspection the ponds were completely empty**



**Pond overview; note the pond level naturally changes and at the time of our inspection the ponds were completely empty**

**Useful Life:** Shorelines are subject to fluctuations in water levels, increased plant growth and migrating storm and ground water resulting in the need for erosion control measures up to every 15 years.

**Component Detail Notes:** The steep shoreline embankments are likely to exacerbate soil movement and erosion. The use and maintenance of landscape, natural vegetation and/or stone rip rap along the pond shoreline will help maintain an attractive appearance and prevent soil erosion.

Shoreline plantings are referred to as buffer zones. Buffer zones provide the following advantages:

- Control insects naturally
- Create an aesthetically pleasing shoreline
- Enhance water infiltration and storage
- Filter nutrients and pollutants
- Increase fish and wildlife habitat
- Reduce lawn maintenance
- Stabilize shoreline and reduce erosion
- Trap sediments

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. We recommend the Association plan to install a combination of plantings and rip rap around the pond along 690 linear feet, or approximately thirty percent (30%), of the shoreline per event.

## **Shed, Wood**

---

**Line Item:** 5.821

**Quantity:** One each located near the third hole green and the eastern pond

**History:** Unknown

**Condition:** Good overall



**Shed overview**

**Useful Life:** Up to 30 years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. We recommend the Association apply paint finish applications to the exterior of the shed through the operating budget as needed.

## Waterways Elements

### Bridges, Wood

---

**Line Item:** 6.200

**Quantity:** 14 wood vehicular and pedestrian bridges which comprise a total of 3,450 square feet

**History:** Various ages

**Condition:** Various conditions ranging from good to poor overall with wood rot and split deck boards evident





Wood bridge overview



Wood bridge overview



Wood rot and split deck boards



Wood rot and split deck boards



Wood rot and split deck boards



Wood rot and split deck boards

**Useful Life:** 15- to 25-years



**Component Detail Notes:** Proper maintenance should include the following activities funded through the operating budget:

- Annual inspections to identify and correct any unsafe conditions
- Securing of loose fasteners and replacement of deteriorated fasteners
- Replacement of deteriorated wood components
- Power washing with an algaecide and application of a sealer/stain

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## Head Gates, Concrete

---

**Line Item:** 6.500

**Quantity:** The Association maintains the head gates located at the south east corner of the property

**History:** Original

**Condition:** Reported in satisfactory condition



Head gate overview



Head gate overview



**Head gate catwalk**

**Useful Life:** The useful life of the head gates is indeterminate. However, achieving this useful life usually requires interim capital repairs up to every 5- to 10-years.

**Component Detail Notes:** We note various trees, shrubbery and other landscape elements at the downstream embankment of the head gates. Under normal best management practices which include periodic independent condition assessments and related repairs, we do not foresee the need for replacement/re-building of the head gates during the next 30 years. However, the Association should plan for periodic inspections and capital repairs to the head gates and we recommend the Association inspect the upstream and downstream sides of the head gates. More frequent inspections as normal maintenance may be necessary depending on the findings of invasive condition assessments and state/local regulations.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## **Ponds, Sediment Removal**

---

**Line Item:** 6.730

**Quantity:** Approximately 83,700 square yards of water surface area

**History:** The Association periodically conducts sediment removal at the ponds, and the time of last sediment removal varies from 1- to 20-years

**Condition:** Reported in good to fair condition



Common pond overview



Common pond overview

**Useful Life:** Based on the visual condition, construction, adjacent deciduous trees and visibly apparent erosion, we recommend the Association anticipate the need to remove pond sediment up to every 20 years.

**Component Detail Notes:** The gradual build-up of natural debris, including tree leaves, branches and silt, may eventually change the topography of areas of the pond. Silt typically accumulates at inlets, outlets and areas of shoreline erosion. Sediment removal of ponds becomes necessary if this accumulation alters the quality of pond water or the functionality of the ponds as storm water management structures. Sediment removal is the optimal but also the most capital intensive method of pond management.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3. For reserve budgeting purposes, we estimate the need to remove an average depth of one yard from approximately thirty-three percent (33%) of the surface area. However, the actual volume of material to remove may vary dependent upon an invasive analysis at the time of removal. A visual inspection of a body of water cannot reveal the amount of accumulated silt. This is especially true on larger bodies of water. It is therefore inaccurate to assume an entire body of water will require sediment removal. It is more cost effective to spot remove in areas of intense silt accumulation as noted through bathymetric surveys. The amount or depth of silt is determined through prodding into the silt until a relatively solid base is found or through bathymetric surveys. A bathymetric survey establishes a base of data about the depth of the body of water over many locations against which the data of future surveys is compared. These invasive procedures are beyond the scope of a Reserve Study and require multiple visits to the site. We recommend Ranch at Roaring Fork contract with a local engineer for periodic bathymetric surveys. Future updates of the Reserve Study can incorporate future anticipated expenditures based on the results of the bathymetric surveys.



Unit costs per cubic yard to remove can vary significantly based on the type of equipment used, quantity of removed material and disposal of removed material. Sediment removal costs must also include mobilization, or getting the equipment to and from the site. Also, the portion of the overall cost to remove associated with mobilization varies based on the volume removed. Costs for sediment disposal also vary depending on the site. Compact sites will require hauling and in some cases disposal fees.

## River, Roaring Fork

---

**Line Item:** 6.731

**Quantity:** The Association is responsible for approximately 11,500 linear feet or 2.18 miles of shoreline of the Roaring Fork River, located along the south perimeter of the community

**History:** The Association last conducted shoreline remediation to the Roaring Fork River in 2020. See “**2020 Common Reserve Expenditures**” for our inclusion of this cost.

**Condition:** Good overall



**Roaring Fork River overview**



**Roaring Fork River overview**

**Useful Life:** Historically the Association conducts shoreline remediation every five years

**Component Detail Notes:** We recommend all capital repairs and shoreline remediation projects adhere to local and state standards governing such work including storm water best management practices, erosion and sediment control planning and design manuals and the Colorado Department of Environment and Natural Resources best practice standards when applicable. Adherence to these state and local standards will help to minimize sedimentary runoff and its immediate watershed and mitigate the annual and periodic costs of erosion control maintenance.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost is based on historical information provided by the Association

## Streams

---

**Line Item:** 6.732

**Quantity:** The Association is responsible for approximately 31,000 linear feet or 5.87 miles of streams throughout the community

**History:** The Association plans to fund shoreline remediation of the streams in 2020. See “**2020 Common Reserve Expenditures**” for our inclusion of this cost.

**Condition:** Various conditions ranging from good to fair



**Stream shoreline overview**

**Useful Life:** Shoreline remediation up to every two years

**Component Detail Notes:** We recommend all capital repairs and shoreline remediation projects adhere to local and state standards governing such work including storm water best management practices, erosion and sediment control planning and design manuals and the Colorado Department of Environment and Natural Resources best practice standards when applicable. Adherence to these state and local standards will help to minimize sedimentary runoff and its immediate watershed and mitigate the annual and periodic costs of erosion control maintenance.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## Vehicle and Equipment Elements

### Vehicles and Equipment

---

**Line Items:** 8.100 through 8.115

**Quantity, History and Condition:** Ranch at Roaring Fork maintains the following vehicles and equipment:

- 8.100: Honda Foreman All-Terrain Vehicle, At an unknown age and reported to be in fair condition
- 8.101: Caterpillar 420 Backhoe, At an unknown age and reported to be in good condition
- 8.102: DR Brush Mower, Reported to be at an older age and in fair condition
- 8.103: Club Car Golf Cart, Reported to be at an older age and in fair condition
- 8.104: Yanmar Mini BiO40 Excavator, At an unknown age and reported to be in fair condition
- 8.105: Case 60 XT Skid-Steer Loader, At an unknown age and reported to be in good condition
- 8.106: Kubota M-7040 Tractor, At an unknown age and reported to be in good condition
- 8.107: 16' Utility Truck Trailer, At an unknown age and reported to be in fair condition
- 8.108: PJ 22' Flatbed Truck Trailer, At an unknown age and reported to be in good condition
- 8.109: Dodge 2500 Pick-Up Truck, Reported to be a 1998 model and in fair condition
- 8.110: Chevrolet 3500 Dump Truck, Reported to be a 2005 model and in good condition
- 8.111: GMC C-7500 Water Truck, Reported to be a 1997 model and in fair condition
- 8.112: Ford F-700 Dump Truck, Reported to be a 2003 model and in fair condition
- 8.113: Club Car Utility Vehicle, At an unknown age and reported to be in fair condition
- 8.114: Kubota RTV-900 Utility Vehicle, Reported to be at an older age and in fair condition
- 8.115: Vermeer BC-100 Wood Chipper, Reported to be at an older age and in fair condition





**Caterpillar Backhoe and Case 60 XT Skid-Steer Loader**



**Club Car Golf Cart**



**Yanmar Mini Bio40 Excavator**



**Kubota M-7040 Tractor**



**GMC C-7500 Water Truck**



**Ford F-700 Dump Truck**

***Useful Lives:*** Various ages ranging from 5- to 20-years depending on the type of vehicle and equipment





**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **2020 Common Reserve Expenditures**

---

**Line Item:** Last line item on the **Common Reserve Expenditures** table in Section 3

**Component Detail Notes:** Ranch at Roaring Fork will expend \$831,000 in reserve expenditures in 2020. These expenditures relate to the following:

- \$12,000: Building Maintenance – Concrete repairs at the maintenance building and replacement of water pumps and hoses
- \$4,000: Playground, Fencing, Misc. – Staining of the swing sets, irrigation replacements around the playground and electrical installations to the power pump
- \$180,000: Capital Expenditures – Asphalt pavement replacement (approximately \$140,000) and condominium irrigation repairs (approximately \$40,000)
- \$600,000: Ranch Irrigation System – Golf Course irrigation system replacement project
- \$35,000: Waterways Repairs & Maintenance – Remediation of the Roaring Fork River, including flood damage repairs and road replacement (approximately \$25,000) and stream remediation, including horse pasture water diversion (approximately \$10,000)

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Common Reserve Expenditures** table in Section 3.

## **Water Treatment Expenditures**

### **Exterior Building Elements**

#### **Roofs, Cedar Shakes**

---

**Line Item:** 1.320

**Quantity:** Approximately 10 squares

**History:** Unknown

**Condition:** Fair to poor overall with damaged and curled shingles evident from our visual inspection from the ground.



**Cedar shake roof overview**



**Damaged and curled shingles**



**Damaged and curled shingles**

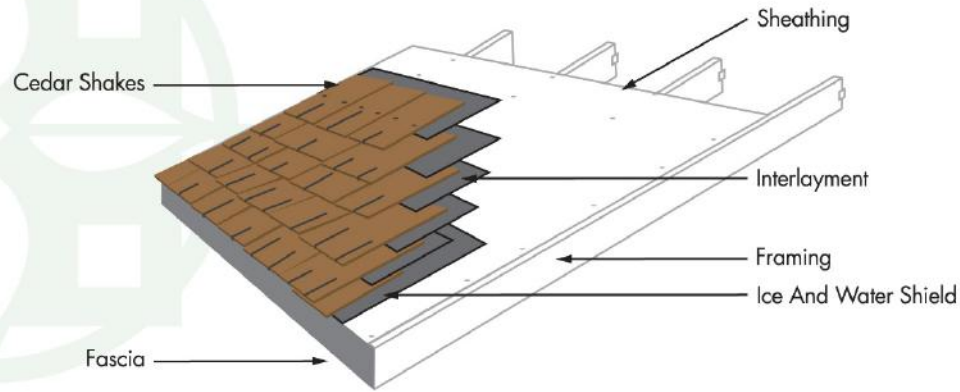


**Damaged and curled shingles**

***Useful Life:*** Up to 25 years

***Component Detail Notes:*** The following cross-sectional schematic illustrates a typical cedar shake roof system although it may not reflect the actual configuration at Ranch at Roaring Fork:

## CEDAR SHAKE ROOF DETAIL



© Reserve Advisors

The Association should install new cedar shakes to meet the requirements of *Cedar Shake and Shingle Bureau*. Once replacement is complete, the Association must develop a maintenance policy for the new cedar shake roofs. Ranch at Roaring Fork should fund all maintenance to the roofs through the operating budget.

The Association should plan to coordinate the replacement of gutters and downspouts with the adjacent roofs. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3. We base our cost on replacement with 16-inch No. 1 red cedar shakes with a five-inch exposure.

### Roof, Coal Tar

---

**Line Item:** 1.321

**Quantity:** 11 squares

**History:** Installed around 2000

**Condition:** Good overall condition





Coal tar roof overview



Coal tar roof overview

**Useful Life:** Up to 25 years

**Component Detail Notes:** Coal tar built-up roofing provides a durable system due to its inherent waterproofing and weathering characteristics. Some advantages of a coal tar roof include its resistance to water, air and water vapor penetration, and its ability to self-heal. Coal tar has a natural ability to resist water penetration, oxidation and many of the common chemicals found in the environment due to the materials tight molecular structure. Coal tar roofs have an ability to self-heal hairline cracks because coal tar has a property known as “cold flow,” which permits the roof to slowly heal hairline cracks when roof temperatures reach certain levels. The gravel surface provides added protection from foot traffic, wind lift, ultraviolet rays from the sun and varied surface temperatures.

Contractors can install a new coal tar roof in one of two ways: *tear-off* or an *overlay*. An *overlay* is the application of a new roof membrane over an existing roof. This method, although initially more economical, often covers up problems with the deck, flashing and saturated insulation. The *tear-off* method of replacement includes removal of the existing roofing, flashings and insulation, and installation of a new roofing system.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3.

## Interior Building Elements

### Chemical Room

---

**Line Item:** 2.520

**History:** Components date to 2000

**Condition:** Good overall





**Chemical room overview**

**Useful Life:** Renovation up to every 25 years

**Component Detail Notes:** Components of the kitchen include:

- Vinyl tile floor covering
- Paint finishes
- Appliances
- Cabinets and countertops
- Light fixtures

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3.

## Building Services Elements

### Pumps

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**Line Items:** 3.701 and 3.702

**Quantity, History and Conditions:**

- Water Treatment - 5-HP, one each, likely date to 2000, reported satisfactory
- Water Treatment - 20-HP, two each, likely date to 2000, reported satisfactory



**Water treatment 5-HP pump**



**Water treatment 20-HP pump**

***Useful Lives:***

- Water Treatment: 5-HP, useful life of 15- to 20-years
- Water Treatment: 20-HP, useful life of up to 25 years

***Component Detail Notes:*** Major pumps included in this Reserve Study are those with a motor drive of at least five-HP. The Association should replace or repair all pumps with motor drives less than five-HP as needed and fund this ongoing maintenance activity through the operating budget. The Association may choose to rebuild pumps prior to complete replacement. However, this activity becomes less desirable as pumps age due to the scarcity of parts. We regard interim replacements of motors and component parts as normal maintenance and base our estimates on complete replacements. An exact replacement time for each individual pump is difficult, if not impossible, to estimate.

***Preventative Maintenance Notes:*** We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
  - Check/adjust controls
  - Check/adjust pressure levels
  - Check for leaks
  - Conduct churn tests
- Quarterly:
  - Inspect/clean motors
  - Inspect mountings and connections for proper alignment, torque and condition

- Inspect/replace pump packing as needed, consider replacement with mechanical seals
  - Check for appropriate oil levels
- Semi-annually:
  - Lubricate pumps, motors and motor bearings
- Annually:
  - Inspect belts for wear and/or replace belts
  - Clean filters if present
  - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
  - Assess temperature and vibration performance of motors in accordance with the intended design

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3. Our costs include an allowance for replacement of the variable frequency drives (VFD) and controls.

## Property Site Elements

### Fence, Chain Link

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**Line Item:** 4.221

**Quantity:** 360 linear feet surrounding the water treatment pond

**History:** Likely installed around 2000

**Condition:** Good overall



Chain link fence overview

**Useful Life:** Up to 30 years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3.

## Lift Station

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**Line Items:** 4.540 and 4.550

**History:** Installed in 2000, the pump is at an unknown age

**Condition:** Reported good overall without any reports of service interruptions



**Lift station overview**

**Useful Life:** Up to 10 years for replacement of the pump and up to 30 years for rebuilding of the lift station

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3. Rebuilding of the station includes replacement of pumps, motors, guide rails and electrical components including controls. The Association should fund interim repairs and replacements through the operating budget.

## Pond, Liner

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**Line Item:** 4.720

**Quantity:** Beneath approximately 9,230 square yards of water surface area



**History:** Likely installed around 2000

**Condition:** Good to fair overall with folds and debris evident



**Pond overview**



**Folds and debris on liner**

**Useful Life:** Up to 20 years

**Component Detail Notes:** Synthetic pond liners prevent the exchange of nutrients from the bottom of a pond into the above water and therefore decrease the ability of algae to grow. A pond liner can trap air or other dissolved gases beneath the liner. This can cause the liner to float to the surface, although liners are available with pores for gas migration. The use of a pond liner offers good temporary control, but requires the periodic removal and clearing of any growth.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3.

## Shed, Wood

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**Line Item:** 4.720

**Quantity:** One each comprising of doors, wood siding and a metal roof

**History:** Unknown

**Condition:** Good to fair overall with siding finish deterioration and damage evident



**Shed overview**



**Siding finish deterioration and damage**

**Useful Life:** Up to 30 years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3.

## Storage Tanks

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**Line Item:** 4.900

**Quantity:** Two each

**History:** Unknown

**Condition:** Good to fair overall with minor rust evident



**Storage tank overview**



**Rust**



**Useful Life:** The metal storage tanks have an indeterminately long useful life with proper maintenance. Paint finish applications to metal storage tanks have a useful life of up to 20 years.

**Preventative Maintenance:** The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to conduct on an annual basis to maximize the remaining useful life:

- Inspect for leakage and corrosion
- Inspect and repair/replace valves including any pressure relief valves

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## 2020 Condominiums Reserve Expenditures

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**Line Item:** Last line item on the **Water Treatment Reserve Expenditures** table in Section 3

**Component Detail Notes:** Ranch at Roaring Fork will expend \$60,000 in reserve expenditures in 2020. These expenditures relate to the following:

- Sewer mixer motor repair
- General electrical updates
- Water treatment supplies and testing
- Contingency fund

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Water Treatment Reserve Expenditures** table in Section 3.

## Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the local construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions



- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.



## 5.METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Ranch at Roaring Fork can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Homeowners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards<sup>1</sup> set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level I Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local<sup>2</sup> costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long term future inflation for construction costs in Carbondale,

<sup>1</sup> Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

<sup>2</sup> See Credentials for additional information on our use of published sources of cost data.

Colorado at an annual inflation rate<sup>3</sup>. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Ranch at Roaring Fork and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.

<sup>3</sup> Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.



## 6. CREDENTIALS

### HISTORY AND DEPTH OF SERVICE

**Founded in 1991**, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our principals are founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our principals is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

**No Conflict of Interest** - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

### TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

### OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

### VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to the 2,600,000-square foot 98-story Trump International Hotel and Tower in Chicago. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

### OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.



**NICHOLAS M. JOHANNING, E.I.T., RS**  
**Responsible Advisor**

**CURRENT CLIENT SERVICES**

Nicholas M. Johanning, a Civil Engineer, is an Advisor for Reserve Advisors. Mr. Johanning is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services on townhomes, homeowners associations, planned unit developments and recreational associations.



The following is a partial list of clients served by Nicholas Johanning demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

**Pronghorn Meadows Homeowners Association** Situated in Colorado Springs, Colorado, this 223 single family home homeowners Association features perimeter walls, entrance signage, concrete flatwork and an irrigation system.

**Hampden Terrace Homeowners Association** Built in 2002, this community of 50 units in seven buildings is located in Aurora, CO. These uniquely shaped buildings feature masonry veneer walls, balconies, patios and asphalt shingle roofs. The property includes concrete access streets and sidewalks, masonry retaining walls and an inviting entrance monument.

**Lorian at Prospect Creek Owners Association, Inc.** Located in picturesque Mountain Village, Colorado, this condominium style development of 20 units features an outdoor pool, concrete plaza deck and two common underground garages.

**Oakdale Stone Ridge Court Homes Association, Inc.** This townhome style development of 110 units in 16 buildings and is located in Oakdale, Minnesota. Exterior features of the buildings include vinyl siding and asphalt shingle roofs and the site contains asphalt pavement streets.

**Cornerstone Lake Condominium Association, Inc.** This townhome style development of 122 units in 16 buildings is located in Farmington, Minnesota. Exterior features of the buildings include vinyl siding, brick masonry and asphalt shingle roofs. The site consists of a pond, asphalt pavement, concrete flatwork, vinyl fences and an irrigation system.

**Blue Water Keyes Horizontal Property Regime** Built in 2006, this 14-story mid-rise in Myrtle Beach, South Carolina includes stucco exterior finishes, a modified bitumen roof, indoor and outdoor poles, and concrete breezeways and balconies. The building also utilizes two elevators, and various pool mechanical equipment, including a dehumidifier.

**PRIOR RELEVANT EXPERIENCE**

Before joining Reserve Advisors, Mr. Johanning attended the University of Toledo in Toledo, Ohio where he attained his Bachelor of Science degree in Civil Engineering. During his time at the University of Toledo, Mr. Johanning helped his senior design group develop a water reduction plan for the buildings on the University of Toledo's campus. This project included designs for improving fixture efficiencies within selected buildings and estimations of water reduction and financial savings. Mr. Johanning also interned for The Douglas Company and R.A. Plumbing and Heating as an estimating engineer.

**EDUCATION**

University of Toledo - B.S. Civil Engineering

**PROFESSIONAL AFFILIATIONS / DESIGNATIONS**

*Engineer In Training (E.I.T.) Registration*

*Reserve Specialist (RS) - Community Associations Institute*

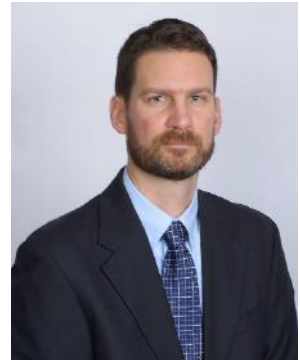


**ALAN M. EBERT, P.E., PRA, RS**  
**Director of Quality Assurance**

**CURRENT CLIENT SERVICES**

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.



**Brownsville Winter Haven** Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

**Rosemont Condominiums** This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

**Stillwater Homeowners Association** Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

**Birchfield Community Services Association** This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

**Oakridge Manor Condominium Association** Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

**Memorial Lofts Homeowners Association** This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

**PRIOR RELEVANT EXPERIENCE**

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

**EDUCATION**

University of Wisconsin-Madison - B.S. Geological Engineering

**PROFESSIONAL AFFILIATIONS/DESIGNATIONS**

*Professional Engineering License* – Wisconsin, North Carolina, Illinois, Colorado

*Reserve Specialist (RS)* - Community Associations Institute

*Professional Reserve Analyst (PRA)* - Association of Professional Reserve Analysts



## RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

**Association of Construction Inspectors**, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at [www.iami.org](http://www.iami.org).

**American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc.**, (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at [www.ashrae.org](http://www.ashrae.org). Reserve Advisors actively participates in its local chapter and holds individual memberships.

**Community Associations Institute**, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

**Marshall & Swift / Boeckh**, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at [www.marshallswift.com](http://www.marshallswift.com).

**R.S. Means CostWorks**, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at [www.rsmeans.com](http://www.rsmeans.com).

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

## 7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

**Cash Flow Method** - A method of calculating Reserve Contributions 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 Method** - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

**Current Cost of Replacement** - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

**Fully Funded Balance** - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

**Funding Goal (Threshold)** - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

**Future Cost of Replacement** - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

**Long-Lived Property Component** - Property component of Ranch at Roaring Fork responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

**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 Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life** - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

**Reserve Component** - Property elements with: 1) Ranch at Roaring Fork responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

**Reserve Component Inventory** - Line Items in *Reserve Expenditures* that identify a *Reserve Component*.

**Reserve Contribution** - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

**Reserve Expenditure** - Future Cost of Replacement of a Reserve Component.

**Reserve Fund Status** - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

**Reserve Funding Plan** - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

**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.

**Useful Life** - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.



## 8. PROFESSIONAL SERVICE CONDITIONS

**Our Services** - Reserve Advisors, LLC (RA) performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan to create reserves for anticipated future replacement expenditures of the property.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in our report. The inspection is made by employees generally familiar with real estate and building construction but in the absence of invasive testing RA cannot opine on, nor is RA responsible for, the structural integrity of the property including its conformity to specific governmental code requirements for fire, building, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the report. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services; nor does RA investigate water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions. RA assumes no responsibility for any such conditions. The Report contains opinions of estimated costs and remaining useful lives which are neither a guarantee of the actual costs of replacement nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

**Report** - RA completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations and is deemed complete. RA, however, considers any additional information made available to us within 6 months of issuing the Report if a timely request for a revised Report is made. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit.

**Your Obligations** - You agree to provide us access to the subject property for an on-site visual inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

**Use of Our Report and Your Name** - Use of this Report is limited to only the purpose stated herein. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and you shall hold RA harmless from any consequences of such use. Use by any unauthorized third party is unlawful. The Report in whole or in part **is not and cannot be used as a design specification for design engineering purposes or as an appraisal**. You may show our Report in its entirety to the following third parties: members of your organization, your accountant, attorney, financial institution and property manager who need to review the information contained herein. Without the written consent of RA, you shall not disclose the Report to any other third party. The Report contains intellectual property developed by RA and **shall not be reproduced or distributed to any party that conducts reserve studies without the written consent of RA**.

RA will include your name in our client lists. RA reserves the right to use property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

**Payment Terms, Due Dates and Interest Charges** - Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court for the State of Wisconsin.