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Planning For The Inevitable™

The Overlook Land Owners Association

Evergreen, CO

BRYAN FARLEY CAI-RS 00260 DESIGNATION RESERVE SPECIALIST

Report #: 57381-0
Beginning: January 1, 2026
Expires: December 31, 2026

RESERVE STUDY

"Full"

February 11, 2026

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is " predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**
  Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**
  A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**
  A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.

ASSOCIATION RESERVES®
Planning For The Inevitable

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Reserve Study Executive Summary — Full

The Overlook Land Owners Association
Evergreen, CO
Level of Service: **"Full"**

Report #: **57381-0**
# of Units: 30
January 1, 2026 through **December 31, 2026**

Findings & Recommendations — as of January 1, 2026

Starting Reserve Balance	**$285,283**
Fully Funded Reserve Balance	**$300,392**
Annual Rate (Cost) of Deterioration	**$32,241**
Percent Funded	**95.0 %**
Recommended 2026 Annual "Fully Funding" Reserve Transfers	**$32,700**
Alternate/Baseline Annual Minimum Transfers to Keep Reserves Above $0	**$30,700**
Recommended 2026 Special Assessments for Reserves	**$0**
Most Recent Annual Reserve Transfer Rate	**$22,000**

Reserve Fund Strength: 95.0%

Weak	Fair	Strong
< 30%	< 70%	> 130%
	X	

Risk of Special Assessment: High | Medium | Low

Economic Assumptions:

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

• This "Full", (original, created “from scratch”), is based on our site inspection on 11/21/2025.

• The Reserve Study was reviewed by a credentialed Reserve Specialist (RS).

• Your Reserve Fund is currently 95.0 % Funded. This means the client’s special assessment & deferred maintenance risk is currently Low.

• Based on this starting point and your anticipated future expenses, our recommendation is to budget the Annual Reserve transfers at $32,700 with 3% annual increases in order to be within the 70% to 130% level as noted above. 100% “Full” transfer rates are designed to achieve these funding objectives by the end of our 30-year report scope.

• The goal of the Reserve Study is to help the client offset the inevitable annual deterioration of the common area components. The Reserve Study will guide the client to establish an appropriate Reserve transfer rate that offsets the annual deterioration of the components and 'keeps pace' with the rate of ongoing deterioration. No assets appropriate for Reserve designation were excluded. See the appendix for component details; the basis of our assumptions.

• We recommend that this Reserve Study be updated annually, with a With-Site-Visit Reserve Study every three years. Clients that update their Reserve Study annually with a No-Site-Visit Reserve Study reduce their risk of special assessment by ~ 35%.

• Please watch this 5-minute video to understand the key results of a Reserve Study - https://youtu.be/I5B24oNLTYY

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Sites & Grounds			
21190	Asphalt - Seal/Repair	4	0	$32,439
21200	Asphalt - Resurface	25	4	$270,325
21210	Asphalt - Crack Fill/Repair	2	1	$20,000
21600	Mailbox Kiosks - Replace	30	25	$12,000
21610	Sign/Monument - Refurbish	30	10	$10,000
	Mechanicals			
21380	Entry Gates - Replace	30	10	$10,350
25010	Push Button Entry System - Replace	15	13	$1,100
25060	Entrance Gate Operator – Replace	12	5	$5,500
25060	Exit Gate Operator – Replace	12	5	$5,500
25090	Loop Detectors – Replace	8	1	$10,000
10	**Total Funded Components**			

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.

Reserve funding is not "for the future". Ongoing Reserve transfers are intended to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology

For this Full Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard three-part test to determine which projects should appear in a Reserve Component List. First, it must be a common area maintenance obligation. Second, both the need and schedule of a component's project can be reasonably anticipated. Third, the project's total cost is material to the client, can be reasonably anticipated, and includes all direct and related costs. A project cost is commonly considered *material* if it is more than 0.5% to 1% of the total annual budget. This limits Reserve components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to natural disasters and/or insurable events), and expenses more appropriately handled from the Operational budget.

How do we establish Useful Life and Remaining Useful Life estimates?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client History (install dates & previous life cycle information)
4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order…

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

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
2) Compare that to the Reserve Fund Balance, and express as a percentage.

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we transfer to Reserves?

RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable rate of ongoing Reserve transfers is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve transfers that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Board members to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Board members invite liability exposure when Reserve transfers are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*

FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, recommended Reserve transfers for Baseline Funding average only 10% to 15% less than Full Funding recommendations. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 11/21/2025 we visually inspected the common area assets and were able to see a majority of the common areas. Please see photo appendix for component details; the basis of our assumptions.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections. The figure below summarizes the projected future expenses as defined by your Reserve Component List. A summary of these expenses are shown in the 30-Year Reserve Plan Summary Table, while details of the projects that make up these expenses are shown in the 30-Year Income/Expense Detail.

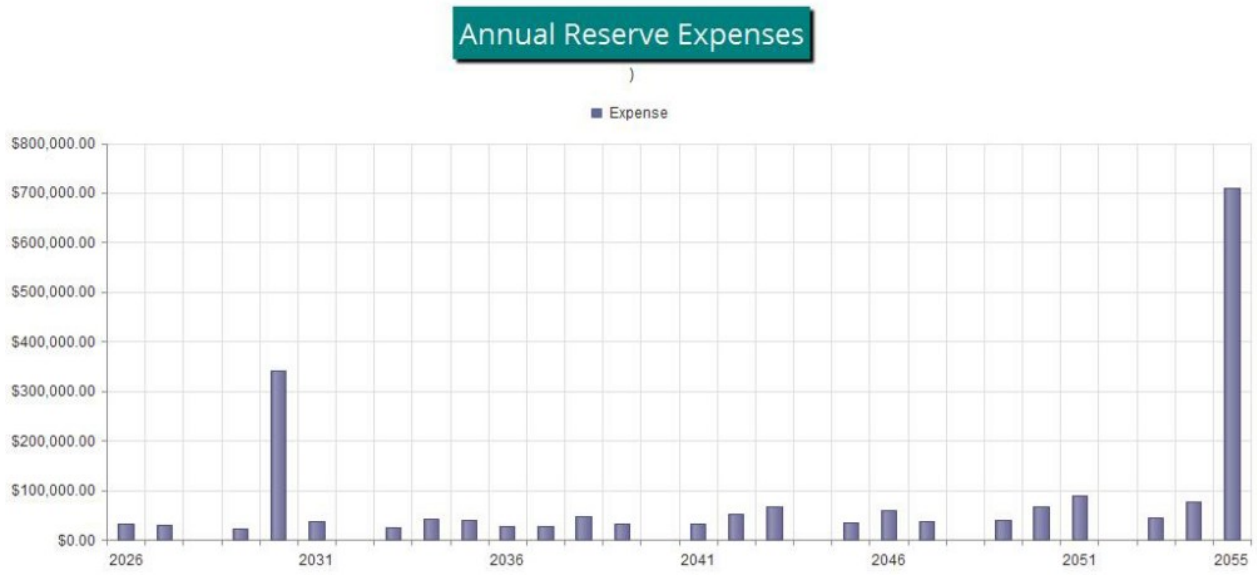

Figure 1

Reserve Fund Status

As of 1/1/2026 your Reserve Fund balance is projected to be $285,283 and your Fully Funded Balance is computed to be $300,392 (see the Fully Funded Balance Table). The Fully Funded Balance represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 95.0 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending Annual budgeted transfers of $32,700. The overall 30-Year Plan, in perspective, is shown below in the Annual Reserve Funding (Fig. 2). This same information is shown numerically in both the 30-Year Reserve Plan Summary Table and the 30-Year Income/Expense Detail.

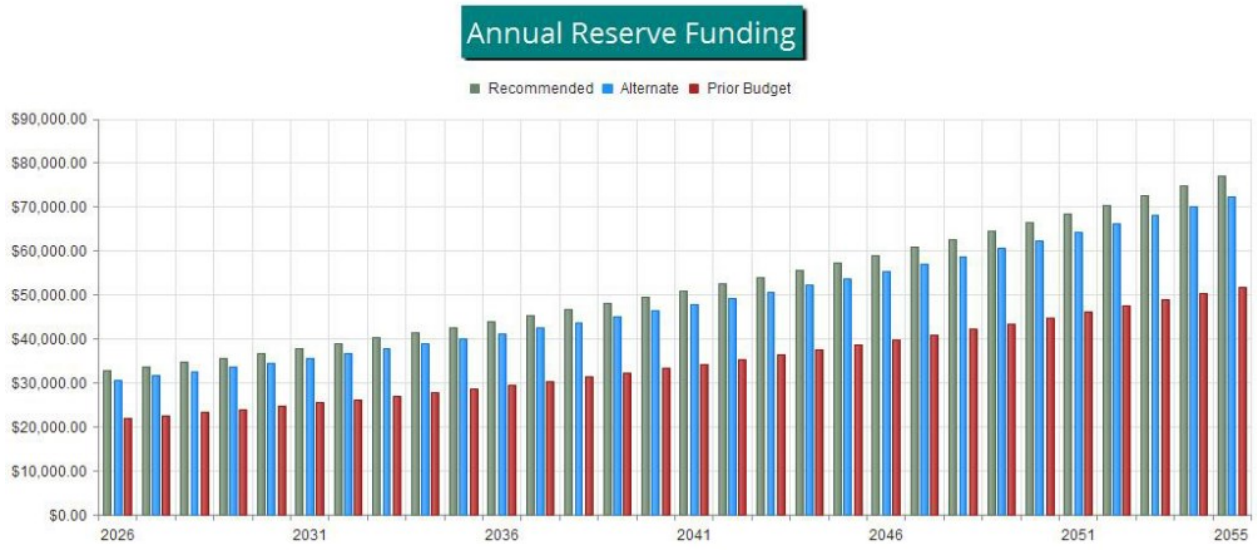

Figure 2

The reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted transfer rate, compared to your always—changing Fully Funded Balance target is shown in the 30-Yr Cash Flow (Fig. 3).

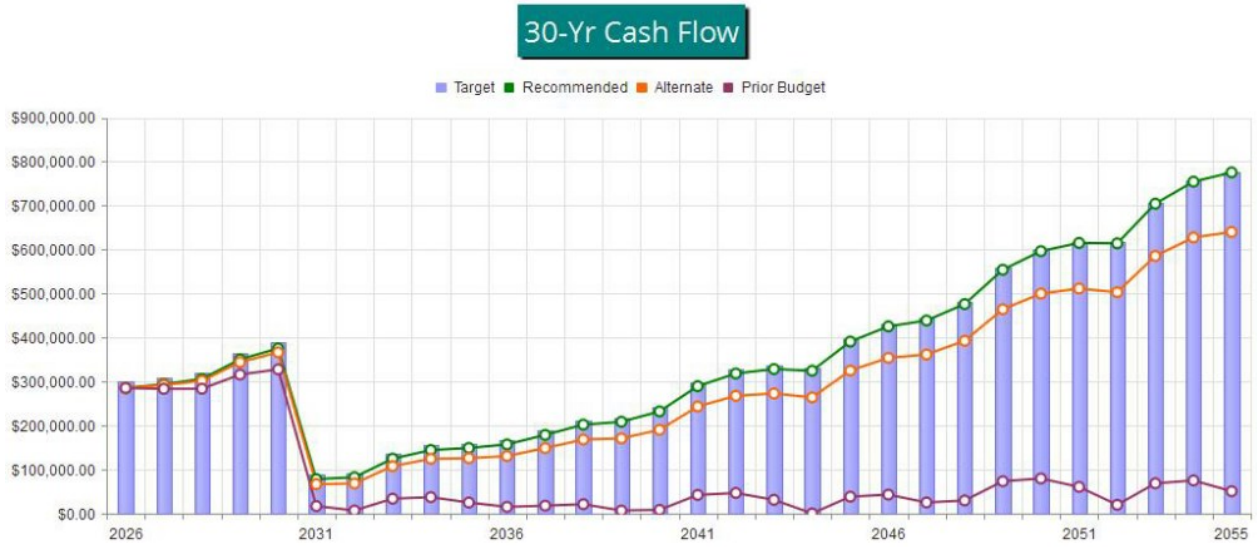

Figure 3

The information from Figure 3 is plotted on a Percent Funded scale in Figure 4. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan. A client that has a percent funded level of <30% may experience an ~ 20%-60% chance risk of special assessment. A client that is between 30% and 70% may experience an ~ 20%-5% chance risk of special assessment. A client that has a percent funded of >70% may experience an ~ <1% chance risk of special assessment.

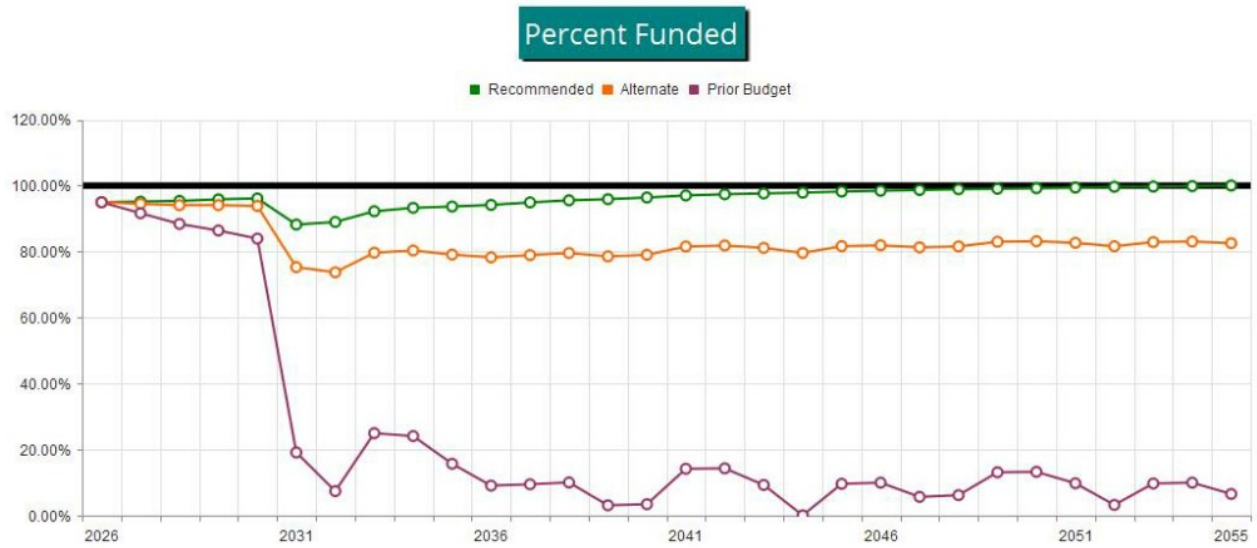

Figure 4

Table Descriptions

Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their specific proportion related to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve funding requirements. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Approx Quantity		Useful Life	Rem. Useful Life	Current Cost Estimate Lower Estimate	Current Cost Estimate Higher Estimate
	Sites & Grounds						
21190	Asphalt - Seal/Repair	98,300	GSF	4	0	$29,200	$35,700
21200	Asphalt - Resurface	98,300	GSF	25	4	$243,000	$297,000
21210	Asphalt - Crack Fill/Repair	98,300	GSF	2	1	$18,000	$22,000
21600	Mailbox Kiosks - Replace	4	CBUs	30	25	$10,800	$13,200
21610	Sign/Monument - Refurbish	3	Monuments	30	10	$9,000	$11,000
	Mechanicals						
21380	Entry Gates - Replace	1	Set	30	10	$9,320	$11,400
25010	Push Button Entry System - Replace	1	Unit	15	13	$990	$1,210
25060	Entrance Gate Operator – Replace	1	Unit	12	5	$4,950	$6,050
25060	Exit Gate Operator – Replace	1	Unit	12	5	$4,950	$6,050
25090	Loop Detectors – Replace	4	Detectors	8	1	$9,000	$11,000
10	Total Funded Components						

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Sites & Grounds							
21190	Asphalt - Seal/Repair	$32,439	X	4	/	4	=	$32,439
21200	Asphalt - Resurface	$270,325	X	21	/	25	=	$227,073
21210	Asphalt - Crack Fill/Repair	$20,000	X	1	/	2	=	$10,000
21600	Mailbox Kiosks - Replace	$12,000	X	5	/	30	=	$2,000
21610	Sign/Monument - Refurbish	$10,000	X	20	/	30	=	$6,667
	Mechanicals							
21380	Entry Gates - Replace	$10,350	X	20	/	30	=	$6,900
25010	Push Button Entry System - Replace	$1,100	X	2	/	15	=	$147
25060	Entrance Gate Operator – Replace	$5,500	X	7	/	12	=	$3,208
25060	Exit Gate Operator – Replace	$5,500	X	7	/	12	=	$3,208
25090	Loop Detectors – Replace	$10,000	X	7	/	8	=	$8,750
								$300,392

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Sites & Grounds				
21190	Asphalt - Seal/Repair	4	$32,439	$8,110	25.15 %
21200	Asphalt - Resurface	25	$270,325	$10,813	33.54 %
21210	Asphalt - Crack Fill/Repair	2	$20,000	$10,000	31.02 %
21600	Mailbox Kiosks - Replace	30	$12,000	$400	1.24 %
21610	Sign/Monument - Refurbish	30	$10,000	$333	1.03 %
	Mechanicals				
21380	Entry Gates - Replace	30	$10,350	$345	1.07 %
25010	Push Button Entry System - Replace	15	$1,100	$73	0.23 %
25060	Entrance Gate Operator – Replace	12	$5,500	$458	1.42 %
25060	Exit Gate Operator – Replace	12	$5,500	$458	1.42 %
25090	Loop Detectors – Replace	8	$10,000	$1,250	3.88 %
10	Total Funded Components			$32,241	100.00 %

30-Year Reserve Plan Summary

Report # 57381-0
Full

Fiscal Year Start: 2026	Net After Tax Interest: 3.00 %	Avg 30-Yr Inflation: 3.00 %

Reserve Fund Strength (as-of Fiscal Year Start)					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2026	$285,283	$300,392	95.0 %	Low	48.64 %	$32,700	$0	$8,681	$32,439
2027	$294,225	$309,200	95.2 %	Low	3.00 %	$33,681	$0	$8,991	$30,900
2028	$305,998	$320,853	95.4 %	Low	3.00 %	$34,691	$0	$9,835	$0
2029	$350,524	$365,710	95.8 %	Low	3.00 %	$35,732	$0	$10,873	$21,855
2030	$375,274	$390,459	96.1 %	Low	3.00 %	$36,804	$0	$6,792	$340,764
2031	$78,106	$88,562	88.2 %	Low	3.00 %	$37,908	$0	$2,406	$35,937
2032	$82,483	$92,701	89.0 %	Low	3.00 %	$39,046	$0	$3,103	$0
2033	$124,631	$135,134	92.2 %	Low	3.00 %	$40,217	$0	$4,028	$24,597
2034	$144,279	$154,695	93.3 %	Low	3.00 %	$41,423	$0	$4,393	$41,093
2035	$149,003	$159,078	93.7 %	Low	3.00 %	$42,666	$0	$4,586	$39,143
2036	$157,111	$166,862	94.2 %	Low	3.00 %	$43,946	$0	$5,031	$27,349
2037	$178,740	$188,328	94.9 %	Low	3.00 %	$45,264	$0	$5,704	$27,685
2038	$202,023	$211,430	95.6 %	Low	3.00 %	$46,622	$0	$6,150	$46,250
2039	$208,546	$217,483	95.9 %	Low	3.00 %	$48,021	$0	$6,602	$30,986
2040	$232,183	$240,859	96.4 %	Low	3.00 %	$49,462	$0	$7,814	$0
2041	$289,459	$298,315	97.0 %	Low	3.00 %	$50,946	$0	$9,105	$31,159
2042	$318,350	$326,908	97.4 %	Low	3.00 %	$52,474	$0	$9,689	$52,055
2043	$328,458	$336,388	97.6 %	Low	3.00 %	$54,048	$0	$9,782	$67,767
2044	$324,521	$331,568	97.9 %	Low	3.00 %	$55,670	$0	$10,717	$0
2045	$390,908	$398,050	98.2 %	Low	3.00 %	$57,340	$0	$12,229	$35,070
2046	$425,406	$432,101	98.5 %	Low	3.00 %	$59,060	$0	$12,946	$58,588
2047	$438,824	$444,696	98.7 %	Low	3.00 %	$60,832	$0	$13,707	$37,206
2048	$476,156	$481,492	98.9 %	Low	3.00 %	$62,657	$0	$15,436	$0
2049	$554,248	$559,567	99.0 %	Low	3.00 %	$64,536	$0	$17,239	$39,472
2050	$596,552	$601,237	99.2 %	Low	3.00 %	$66,472	$0	$18,153	$65,942
2051	$615,235	$618,860	99.4 %	Low	3.00 %	$68,467	$0	$18,417	$87,939
2052	$614,180	$616,380	99.6 %	Low	3.00 %	$70,521	$0	$19,753	$0
2053	$704,454	$706,488	99.7 %	Low	3.00 %	$72,636	$0	$21,856	$44,426
2054	$754,520	$755,690	99.8 %	Low	3.00 %	$74,815	$0	$22,920	$76,735
2055	$775,521	$775,302	100.0 %	Low	3.00 %	$77,060	$0	$13,961	$710,092

	Fiscal Year	2026	2027	2028	2029	2030
	Starting Reserve Balance	$285,283	$294,225	$305,998	$350,524	$375,274
	Annual Reserve Funding	$32,700	$33,681	$34,691	$35,732	$36,804
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$8,681	$8,991	$9,835	$10,873	$6,792
	Total Income	$326,664	$336,898	$350,524	$397,129	$418,870
#	Component					
	Sites & Grounds					
21190	Asphalt - Seal/Repair	$32,439	$0	$0	$0	$36,510
21200	Asphalt - Resurface	$0	$0	$0	$0	$304,253
21210	Asphalt - Crack Fill/Repair	$0	$20,600	$0	$21,855	$0
21600	Mailbox Kiosks - Replace	$0	$0	$0	$0	$0
21610	Sign/Monument - Refurbish	$0	$0	$0	$0	$0
	Mechanicals					
21380	Entry Gates - Replace	$0	$0	$0	$0	$0
25010	Push Button Entry System - Replace	$0	$0	$0	$0	$0
25060	Entrance Gate Operator – Replace	$0	$0	$0	$0	$0
25060	Exit Gate Operator – Replace	$0	$0	$0	$0	$0
25090	Loop Detectors – Replace	$0	$10,300	$0	$0	$0
	Total Expenses	$32,439	$30,900	$0	$21,855	$340,764
	Ending Reserve Balance	$294,225	$305,998	$350,524	$375,274	$78,106

	Fiscal Year	2031	2032	2033	2034	2035
	Starting Reserve Balance	$78,106	$82,483	$124,631	$144,279	$149,003
	Annual Reserve Funding	$37,908	$39,046	$40,217	$41,423	$42,666
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,406	$3,103	$4,028	$4,393	$4,586
	Total Income	$118,420	$124,631	$168,876	$190,095	$196,254
#	Component					
	Sites & Grounds					
21190	Asphalt - Seal/Repair	$0	$0	$0	$41,093	$0
21200	Asphalt - Resurface	$0	$0	$0	$0	$0
21210	Asphalt - Crack Fill/Repair	$23,185	$0	$24,597	$0	$26,095
21600	Mailbox Kiosks - Replace	$0	$0	$0	$0	$0
21610	Sign/Monument - Refurbish	$0	$0	$0	$0	$0
	Mechanicals					
21380	Entry Gates - Replace	$0	$0	$0	$0	$0
25010	Push Button Entry System - Replace	$0	$0	$0	$0	$0
25060	Entrance Gate Operator – Replace	$6,376	$0	$0	$0	$0
25060	Exit Gate Operator – Replace	$6,376	$0	$0	$0	$0
25090	Loop Detectors – Replace	$0	$0	$0	$0	$13,048
	Total Expenses	$35,937	$0	$24,597	$41,093	$39,143
	Ending Reserve Balance	$82,483	$124,631	$144,279	$149,003	$157,111

	Fiscal Year	2036	2037	2038	2039	2040
	Starting Reserve Balance	$157,111	$178,740	$202,023	$208,546	$232,183
	Annual Reserve Funding	$43,946	$45,264	$46,622	$48,021	$49,462
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,031	$5,704	$6,150	$6,602	$7,814
	Total Income	$206,088	$229,708	$254,796	$263,169	$289,459
#	Component					
	Sites & Grounds					
21190	Asphalt - Seal/Repair	$0	$0	$46,250	$0	$0
21200	Asphalt - Resurface	$0	$0	$0	$0	$0
21210	Asphalt - Crack Fill/Repair	$0	$27,685	$0	$29,371	$0
21600	Mailbox Kiosks - Replace	$0	$0	$0	$0	$0
21610	Sign/Monument - Refurbish	$13,439	$0	$0	$0	$0
	Mechanicals					
21380	Entry Gates - Replace	$13,910	$0	$0	$0	$0
25010	Push Button Entry System - Replace	$0	$0	$0	$1,615	$0
25060	Entrance Gate Operator – Replace	$0	$0	$0	$0	$0
25060	Exit Gate Operator – Replace	$0	$0	$0	$0	$0
25090	Loop Detectors – Replace	$0	$0	$0	$0	$0
	Total Expenses	$27,349	$27,685	$46,250	$30,986	$0
	Ending Reserve Balance	$178,740	$202,023	$208,546	$232,183	$289,459

	Fiscal Year	2041	2042	2043	2044	2045
	Starting Reserve Balance	$289,459	$318,350	$328,458	$324,521	$390,908
	Annual Reserve Funding	$50,946	$52,474	$54,048	$55,670	$57,340
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$9,105	$9,689	$9,782	$10,717	$12,229
	Total Income	$349,509	$380,513	$392,288	$390,908	$460,476
#	Component					
	Sites & Grounds					
21190	Asphalt - Seal/Repair	$0	$52,055	$0	$0	$0
21200	Asphalt - Resurface	$0	$0	$0	$0	$0
21210	Asphalt - Crack Fill/Repair	$31,159	$0	$33,057	$0	$35,070
21600	Mailbox Kiosks - Replace	$0	$0	$0	$0	$0
21610	Sign/Monument - Refurbish	$0	$0	$0	$0	$0
	Mechanicals					
21380	Entry Gates - Replace	$0	$0	$0	$0	$0
25010	Push Button Entry System - Replace	$0	$0	$0	$0	$0
25060	Entrance Gate Operator – Replace	$0	$0	$9,091	$0	$0
25060	Exit Gate Operator – Replace	$0	$0	$9,091	$0	$0
25090	Loop Detectors – Replace	$0	$0	$16,528	$0	$0
	Total Expenses	$31,159	$52,055	$67,767	$0	$35,070
	Ending Reserve Balance	$318,350	$328,458	$324,521	$390,908	$425,406

	Fiscal Year	2046	2047	2048	2049	2050
	Starting Reserve Balance	$425,406	$438,824	$476,156	$554,248	$596,552
	Annual Reserve Funding	$59,060	$60,832	$62,657	$64,536	$66,472
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$12,946	$13,707	$15,436	$17,239	$18,153
	Total Income	$497,412	$513,362	$554,248	$636,024	$681,177
#	Component					
	Sites & Grounds					
21190	Asphalt - Seal/Repair	$58,588	$0	$0	$0	$65,942
21200	Asphalt - Resurface	$0	$0	$0	$0	$0
21210	Asphalt - Crack Fill/Repair	$0	$37,206	$0	$39,472	$0
21600	Mailbox Kiosks - Replace	$0	$0	$0	$0	$0
21610	Sign/Monument - Refurbish	$0	$0	$0	$0	$0
	Mechanicals					
21380	Entry Gates - Replace	$0	$0	$0	$0	$0
25010	Push Button Entry System - Replace	$0	$0	$0	$0	$0
25060	Entrance Gate Operator – Replace	$0	$0	$0	$0	$0
25060	Exit Gate Operator – Replace	$0	$0	$0	$0	$0
25090	Loop Detectors – Replace	$0	$0	$0	$0	$0
	Total Expenses	$58,588	$37,206	$0	$39,472	$65,942
	Ending Reserve Balance	$438,824	$476,156	$554,248	$596,552	$615,235

	Fiscal Year	2051	2052	2053	2054	2055
	Starting Reserve Balance	$615,235	$614,180	$704,454	$754,520	$775,521
	Annual Reserve Funding	$68,467	$70,521	$72,636	$74,815	$77,060
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$18,417	$19,753	$21,856	$22,920	$13,961
	Total Income	$702,119	$704,454	$798,946	$852,256	$866,541
#	Component					
	Sites & Grounds					
21190	Asphalt - Seal/Repair	$0	$0	$0	$74,218	$0
21200	Asphalt - Resurface	$0	$0	$0	$0	$637,039
21210	Asphalt - Crack Fill/Repair	$41,876	$0	$44,426	$0	$47,131
21600	Mailbox Kiosks - Replace	$25,125	$0	$0	$0	$0
21610	Sign/Monument - Refurbish	$0	$0	$0	$0	$0
	Mechanicals					
21380	Entry Gates - Replace	$0	$0	$0	$0	$0
25010	Push Button Entry System - Replace	$0	$0	$0	$2,517	$0
25060	Entrance Gate Operator – Replace	$0	$0	$0	$0	$12,961
25060	Exit Gate Operator – Replace	$0	$0	$0	$0	$12,961
25090	Loop Detectors – Replace	$20,938	$0	$0	$0	$0
	Total Expenses	$87,939	$0	$44,426	$76,735	$710,092
	Ending Reserve Balance	$614,180	$704,454	$754,520	$775,521	$156,449

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Bryan Farley, R.S., president of the Colorado LLC, is a credentialed Reserve Specialist (#260). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation. Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified. Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing. Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
UOM	Unit of Measure
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

- Client's obligation to maintain/replace existing elements.

- Schedule/need for projects can be reasonably anticipated. A component must have a “reasonably anticipated” limited useful life (this includes a component with an estimated life of greater than 30 years). The useful life limit does not have to be due to physical deterioration but may reach the end of its useful life due to esthetics (out of style), economic obsolescence (no longer energy efficient), or other reasons.

- The total cost for the project is material to the association, can be reasonably estimated, and includes direct/related costs. The next occurrence of the expense must be above a minimum threshold, reasonably estimated, and include all related costs. Material to the association because typically an expense less than ~1%-.5% of the total annual budget is best categorized by expensing the cost to the operating account. Reasonable estimated because unsupported “guesses” are inappropriate (it is random or unknowable), estimating what the expense will be can be valid if the estimate is provided by a qualified outside expert, based on the association’s history (i.e., historical frequency or patterns of repairs), manufacture recommendations, etc.

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed “Best Case” and “Worst Case” below the photo. Many factors can result in a wide variety of potential costs; we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component is deemed inappropriate for the Reserve Fund.

Comp #: 21190 Asphalt - Seal/Repair **Approx Quantity: 98,300 GSF**
Location: Common Areas
Funded?: Yes.
History:
Comments: Asphalt seal was observed to be in fair condition with no major issues noted at the time of the inspection. Regular cycles of seal coating (along with any needed repair) has proven to be the best program in our opinion for the long term care of lower traffic asphalt areas such as these. The primary reason to seal coat asphalt pavement is to protect the pavement from the deteriorating effects of sun and water. When asphalt pavement is exposed the asphalt oxidizes or hardens which causes the pavement to become more brittle. As a result the pavement will be more likely to crack because it is unable to bend and flex when subjected to traffic and temperature changes. A seal coat combats this situation by providing a waterproof membrane which not only slows down the oxidation process but also helps the pavement to shed water preventing it from entering the base material. Seal coat also provides uniform appearance concealing the inevitable patching and repairs which accumulate over time. Seal coat ultimately extends useful life of asphalt postponing the asphalt resurfacing which can be one of the larger cost items in this study (see component #21200 for asphalt resurfacing costs). Repair asphalt before seal coating. Surface preparation and dry weather during and following application is key to lasting performance. The ideal conditions are a warm sunny day with low humidity. Rain can cause major problems when seal coating and should never be done when showers are threatening. Incorporate any striping and curb repair into this project. Fill cracks and clean oil stains promptly in between cycles as routine maintenance. Prior to a seal coat application the areas will be cleaned with push blowers and wire brooms.Be aware that sealcoat will not adhere to heavily saturated oil spots. Vendors typically recommend infrared patching on areas with saturated oil spots to ensure adherence of sealcoat.

Useful Life:
4 years

Remaining Life:
0 years

Lower Estimate:	$ 29,200	**Higher Estimate:**	$ 35,700

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 21200 Asphalt - Resurface **Approx Quantity: 98,300 GSF**
Location: Common Areas
Funded?: Yes.
History:
Comments: Includes approximately (20,785 GSF) Overlook Trail (entrance to first roundabout), (22,157 GSF) Overlook Trail (West Fork), (26,556 GSF) Spring Valley Trail (Middle Fork), and (28,794 GSF) Mountainside Trail (East Fork). It was reported there is an estimated 3-5 years left. Asphalt pavement determined to be in fair condition typically exhibits a mostly uniform surface but with minor to moderate raveling and surface wear. If present crack patterns are normal for the age of the asphalt and not extreme and there are no signs of advanced deterioration such as large block cracking patterns “alligatoring” or potholes. Overall appears to be aging normally and still up to an appropriate aesthetic standard. Useful life below assumes regular seal coating and repairs. The lack of seal coating and repairs can greatly decrease the asphalt’s useful life. Resurfacing is typically one of the larger expense items in a Reserve Study. When need to resurface is apparent within a couple of years consult with geotechnical engineer for recommendations specifications / scope of work and project oversight. As routine maintenance keep surfaces clean and free of debris ensure that drains are free flowing repair cracks and clean oil stains promptly. Assuming proactive maintenance plan to resurface at roughly the time frame below. If regular maintenance and sealing is deferred client may need more extensive repair and replacement projects. Funding below assumes that asphalt has adequate subgrade as well as asphalt fill depth. If fill depth is less than 2" client may need to consider a remove and replacement project which can increase costs by 50% or more. Further resources: Pavement Surface Condition Field Rating Manual for Asphalt Pavement. https://www.co-asphalt.com/maintenance-and-preservation

Useful Life:
25 years

Remaining Life:
4 years

Lower Estimate:	$ 243,000	**Higher Estimate:**	$ 297,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 21210 Asphalt - Crack Fill/Repair **Approx Quantity: 98,300 GSF**
Location: Common Areas
Funded?: Yes.
History: Reapairs in 2025.
Comments: Minor cracking or separation observed at the time of our inspection. This line item allows the client to budget for predictable crack fill and sealing on a periodic basis.

Useful Life:
2 years

Remaining Life:
1 years

Lower Estimate: $ 18,000 **Higher Estimate:** $ 22,000

Cost Source: Estimate Provided by Client

Comp #: 21340 Site Fencing: Wood Rail - Replace **Approx Quantity: 20 LF**
Location: Common Areas
Funded?: No.
History:
Comments: As routine maintenance inspect regularly for any damage repair as needed and avoid contact with ground and surrounding vegetation wherever possible. Regular cycles of uniform professional sealing/painting will help to maintain appearance and maximize life. In general costs related to this component are expected to be included in the client's Operating budget. No recommendation for Reserve funding at this time. However any repair and maintenance or other related expenditures should be tracked and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 21600 Mailbox Kiosks - Replace **Approx Quantity: 4 CBUs**
Location: Common Areas
Funded?: Yes.
History: Installed in 2021.
Comments: Includes approximately (32) mail slots and (8) parcel boxes. Mailbox kiosks determined to be in good condition typically exhibit a uniform appearance without much surface wear. Hardware appears to be in good condition and boxes/panels appear to close and lock properly. Appearance and style are consistent with the aesthetic standards of the development. Inspect regularly and clean by wiping down exterior surfaces. If necessary change lock cylinders lubricate hinges and repair as an Operating expense. Best to plan for total replacement at roughly the time frame below due to constant exposure usage and wear over time. Note USPS has a limited budget for replacement and should not be relied upon for purposes of long term planning.

Useful Life:
30 years

Remaining Life:
25 years

Lower Estimate: $ 10,800 **Higher Estimate:** $ 13,200

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 21600 Mailbox Structure - Refurbish **Approx Quantity: 1 Structure**
Location: Common Areas
Funded?: No.
History: Updated in 2021.
Comments: Includes (1) 18'x4' structure of wood and stone, plastic shingles, 18' gutters, and 10' downspouts. Inspect regularly. At this time costs related to this component are expected to be included in the client's Operating budget. No recommendation for Reserve funding at this time. However any repair and maintenance or other related expenditures should be tracked and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 21610 Sign/Monument - Refurbish **Approx Quantity: 3 Monuments**
Location: Common Areas
Funded?: Yes.
History:
Comments: Includes (1) 4'x4.5' high stone monument with light and (2) 3'x3.5' high stone monuments. Monument signage determined to be in fair condition typically exhibits acceptable appearance and aesthetics in keeping with local area but with more weathering and wear showing on surfaces. If present landscaping and lighting are still in serviceable condition. At this stage signage may be becoming more dated and diminishing in appeal. As routine maintenance inspect regularly clean/touch-up and repair as an Operating expense. Plan to refurbish or replace at the interval below. Timing and scope of refurbishing or replacement projects is subjective but should always be scheduled in order to maintain good curb appeal. In our experience most clients choose to refurbish or replace signage periodically in order to maintain good appearance and aesthetics in keeping with local area often before signage is in poor physical condition. If present concrete walls are expected to be painted and repaired as part of refurbishing but not fully replaced unless otherwise noted. Costs can vary significantly depending on style/type desired and may include additional costs for design work landscaping lighting water features etc. Reserve Study updates should incorporate any estimates or information collected regarding potential projects.

Useful Life:
30 years

Remaining Life:
10 years

Lower Estimate: $ 9,000 **Higher Estimate:** $ 11,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 21640 Informational Signs - Replace **Approx Quantity: 47 Signs**
Location: Common Areas
Funded?: No.
History:
Comments: Includes approximately (17) Misc. Street and Traffic Signs, and (30) Home Address Signs. Maintain repair and replace as needed as an Operating expense. However any repair and maintenance or other related expenditures should be tracked and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 21720 Landscaping - Refurbish **Approx Quantity: 1 Property**
Location: Common Areas
Funded?: No.
History:
Comments: In general costs related to this component are expected to be included in the client's Operating budget. No recommendation for Reserve funding at this time. However any repair and maintenance or other related expenditures should be tracked and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Mechanicals

Comp #: 21380 Entry Gates - Replace **Approx Quantity: 1 Set**
Location: Common Areas
Funded?: Yes.
History: Painted and repaired in 2024.
Comments: Gate(s) determined to be in fair condition typically exhibit minor to moderate corrosion or rust hardware may show some wear and corrosion but gate(s) operate properly and connections and supports appear to be secure. It was reported that the gates were recently repaired. Fair appearance overall. We strongly recommend regular inspections maintenance and repairs to help extend useful life cycles. Clean for appearance and paint/touch-up as needed within general maintenance/Operating funds. Although metal gates are typically durable we recommend setting aside funding for regular intervals of replacement due to constant wear/usage exposure and vehicle damage. Replacement can also be warranted for aesthetic changes over time. Plan to replace at roughly the time frame shown below.

Useful Life:
30 years

Remaining Life:
10 years

Lower Estimate:	$ 9,320	**Higher Estimate:**	$ 11,400

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 25010 Push Button Entry System - Replace **Approx Quantity: 1 Unit**
Location: Entry
Funded?: Yes.
History: Replaced in 2024.
Comments: Access/intercom system was not inspected internally during site inspection. Should be checked and repaired as needed by servicing vendor as routine maintenance. Individual components can often be replaced for relatively low cost as an Operating expense. Plan for complete replacement at the approximate interval shown here for functional and aesthetic considerations.

Useful Life:
15 years

Remaining Life:
13 years

Lower Estimate: $ 990 **Higher Estimate:** $ 1,210

Cost Source: Client Cost History

Comp #: 25060 Entrance Gate Operator – Replace **Approx Quantity: 1 Unit**
Location: Common Area
Funded?: Yes.
History: Maintenance in 2024.
Comments: Includes (1) Entrance Gate, Lift Master, M/N CSW24UL, 02/04/25. The cover was replaced in 2025 due to damage, but the operator was not fully replaced. Minimal or no subjective/aesthetic value for this component. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted remaining useful life expectancy is based primarily on original installation or last replacement/purchase date our experience with similar systems/components and assuming normal amount of usage and good preventive maintenance. We recommend regular inspections (including service and repair as needed) be paid through the Operating budget. Even with ongoing maintenance plan for replacement at typical life expectancy indicated below. Useful life can vary greatly depending on level of use exposure to the elements etc. Monitor actual expenses closely for future Reserve Study updates. Unless otherwise noted funding to replace with similar units.

Useful Life:
12 years

Remaining Life:
5 years

Lower Estimate: $ 4,950 **Higher Estimate:** $ 6,050

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 25060 Exit Gate Operator – Replace **Approx Quantity: 1 Unit**
Location: Common Area
Funded?: Yes.
History: Maintenance in 2024.
Comments: Includes (1) Exit Gate, Lift Master, M/N CSW24UL, S/N 2419N7818, 06/13/19. Minimal or no subjective/aesthetic value for this component. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted remaining useful life expectancy is based primarily on original installation or last replacement/purchase date our experience with similar systems/components and assuming normal amount of usage and good preventive maintenance. We recommend regular inspections (including service and repair as needed) be paid through the Operating budget. Even with ongoing maintenance plan for replacement at typical life expectancy indicated below. Useful life can vary greatly depending on level of use exposure to the elements etc. Monitor actual expenses closely for future Reserve Study updates. Unless otherwise noted funding to replace with similar units.

Useful Life:
12 years

Remaining Life:
5 years

Lower Estimate:	$ 4,950	**Higher Estimate:**	$ 6,050

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 25090 Loop Detectors – Replace **Approx Quantity: 4 Detectors**
Location: Common Area
Funded?: Yes.
History:
Comments: Minimal or no subjective/aesthetic value for this component. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted remaining useful life expectancy is based primarily on original installation or last replacement/purchase date our experience with similar systems/components and assuming normal amount of usage and good preventive maintenance. Loop detectors are wires under the asphalt or concrete (usually a rectangular pattern in asphalt) and are used to detect vehicles passing over the area which in turn signals the gate operator to open or close once the vehicle has passed. Wires are susceptible to moisture penetration through asphalt/concrete. Cycle replacing this component with asphalt/concrete work.

Useful Life:
8 years

Remaining Life:
1 years

Lower Estimate: $ 9,000 **Higher Estimate:** $ 11,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 25330 Surveillance System - Upgrade **Approx Quantity: 1 Camera**
Location: Common Areas
Funded?: No.
History:
Comments: In general, costs related to this component are expected to be included in the client's Operating budget. No recommendation for Reserve funding at this time. However any repair and maintenance or other related expenditures should be tracked and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:
