

Alpine Condominiums

1895 Alpine
Boulder, CO 80308



Level 1 Reserve Analysis

Report Period – 03/01/07 – 12/31/07

Client Reference Number – 5012-06

Property Type – Condominiums

Number of Units – 38

Fiscal Year End – December 31

Date of Property Inspection – January 10, 2007 and March 8, 2007

Report Prepared by – G. Michael Kelsen

Property Inspected by - G. Michael Kelsen

Main Contact Person -

Dan Flack
Mr. Dan Bunt
Community Manager

Final
Version

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Introduction to the Reserve Analysis –

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

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

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

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

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

General Information and Answers to Frequently Asked Questions –

Why is it important to perform a Reserve Study?

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

Now that we have “it”, what do we do with “it”?

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

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

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

How often do we update or review “It”?

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

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 states. Even if it is not currently governed by your state, the chances are very good that the documents of the association require the association to have a Reserve fund established. This doesn't mean a Reserve Analysis is required, but how are you going to know you have enough funds in the account if you don't have the proper information? Hypothetically, some associations look at the Reserve fund and think that \$50,000 is a lot of money and they are in good shape. What they don't know is that the roof is going to need to be replaced within 5 years, and the cost of the roof is going to exceed \$75,000. So while \$50,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.

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

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

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

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

The Property Inspection –

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

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

The Reserve Fund Analysis –

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

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

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

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

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

Summary of Alpine Condominiums -**Association ID # - 05012-06**

Reported Starting Balance as of April 1, 2007 -	\$12,323
Ideal Reserve Balance as of April 1, 2007 -	\$157,408
Percent Funded as of April 1, 2007 -	8%
Recommended Reserve Allocation (per month) -	\$1,950
Minimum Reserve Allocation (per month) -	\$1,740
Recommended Special Assessment (2007) -	\$28,500 (\$750 per unit)
Recommended Special Assessment (2008 - 2011) -	\$19,000 (\$500 per unit)

Information to complete this Reserve Analysis was gathered during an inspection of the common areas on January 10, 2007 and again March 8, 2007 (once the majority of the snow melted). In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representative (Community Manager). To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property contains 38 condominiums units contained within 2 buildings, with approximately 10 separate corridors, or entrances to the interior common areas. The property is approximately 28 years old, with several major components showing their age and nearing the end of the life expectancy. The association's maintenance responsibilities include building exterior surfaces, private streets/driveways, a pool area in the central courtyard, interior hallways/corridors, mechanical equipment, and landscaping. Reserve projects completed recently include repairing and painting the wood surfaces, replacing the boilers and replacing one of the upper unit balconies. Projects addressed in 2007 include replacing the pool deck and replacing the fence around the pool. Based on the age of the community, there will be several major projects that will need to be addressed over the next couple years, These include, but are not limited to, replacing the carpeting, replacing the balcony decks, repainting all interior hallways, and resurfacing the parking lot. Please refer to page 11 – 13 of the financial analysis section for a more detailed list of when projects are scheduled.

In comparing the projected balance of \$12,323 versus the ideal Reserve Balance of \$157,408, we find the association Reserve fund to be in a severe deficit at this time (only 8% funded of ideal). Associations in this position are typically susceptible to Special Assessments and deferred maintenance, which can lead to lower property values. Based on the information contained in this report, we find no alternative but to recommend a multi-year Special Assessment, starting with \$28,500 in 2007, followed by \$19,000 (\$500 per unit) from 2008 through 2011. In addition, we find the current Reserve allocation (\$715 per month) to be less than sufficient in strengthening the account for future Reserve projects. Therefore, we recommend substantially increasing the Reserve contribution to \$1,950 per month (representing an increase of \$32.50 per unit per month), followed by nominal annual increases of 3.35% thereafter to help offset the effects of inflation. By following the recommendation, the plan will gradually strengthen the Reserve account to a fully funded position within the thirty-year period.

In the percent Funded graph, you will see that we have also suggested a minimum Reserve contribution of \$1,740 per month. If the Reserve contribution falls below this rate, then the Reserve fund will fall into a situation where Special Assessments, deferred maintenance, and lower property values are possible at some point in the future. The minimum Reserve allocation follows the "threshold" theory of Reserve funding where the "percent funded" status is not allowed to dip below 30% funded at any point during the thirty-year period. This was provided for one purpose only, to show the association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money (approximately \$5.50 per unit per month in this case) to the Reserve fund to only stay above a certain threshold. As you can see, the difference between the two scenarios is considered to be extremely minimal, and based on the risk involved, we strongly suggest the recommended Reserve Allocation is followed.

Comp #: 105 Comp Shingle Roof - Replace



Observations:

There was some loss of granules and other general signs of deterioration, such as minor curling. These are the beginning stages of the roof material nearing the end of the life expectancy. This roof appears to be a "25-year" rated shingle. Despite this rating, replacement typically needs to occur within 15 - 20 years due to weather elements such as hail, wind, and temperature fluctuations. It is not recommended that an overlay is applied when a roof needs to be replaced. With overlays, it may cause further damage from hailstones due to being a softer surface and wind due to uneven surfaces. Therefore, Reserve funding includes complete tearoff and replacement. Based on condition, we believe replacement will need to occur within the next 5 years.

Location: Buildings (A) & (B)

General Notes:

Quantity: Approx. 325 squares

Building (A) - 158 Squares
Building (B) - 167 Squares

Life Expectancy: 15 Remaining Life: 4

Best Cost: \$48,750

\$150/square; Estimate to replace

Worst Cost: \$55,250

\$170/square; Higher estimate for more labor costs

Source of Information: Cost Database

Comp #: 120 Gutters/Downspouts - Replace



Observations:

Conditions varied throughout the community with the majority of lines older and nearing the end of their life expectancy. The average replacement cycle for gutters and downspouts ranges between 20 - 25 years, depending on maintenance. Keep gutters and downspouts free from debris which can cause corrosion of metal materials or blockage which can cause the downspouts to freeze and expand during winter months. Due to the varying conditions and per the request of the client, we have included Reserve funding for periodic replacement to 20% of area (400 LF) every 5 years. In addition, when replacement is required, we suggest increasing the lines to 5" for better drainage. Coordinate with roof replacement cycles.

Location: Building (A) & (B)

Quantity: Approx. 1,940 LF

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

Best Cost: \$1,600
\$4.00/LF; Estimate to replace 20% every 5 years

Worst Cost: \$1,800
\$4.50/LF: Higher estimate for larger lines

Source of Information: Cost Database

General Notes:

Building (A) - 995 LF

Building (B) - 945 LF

Comp #: 202 Wood Surfaces - Repaint



Observations:

All wood surfaces between the brick (above the doors) and the trim was repainted in 2005 and is in good condition. In this climate, these surfaces should be repainted approximately every 3 to 5 years to maintain appearance and protect wood. Remaining life based on current condition and age of painted surface.

Location: Buildings (A) & (B)

Quantity: Approx. 6,135 GSF

Life Expectancy: 5 **Remaining Life:** 3

Best Cost: \$7,500

Estimate to repaint wood surfaces only

Worst Cost: \$8,500

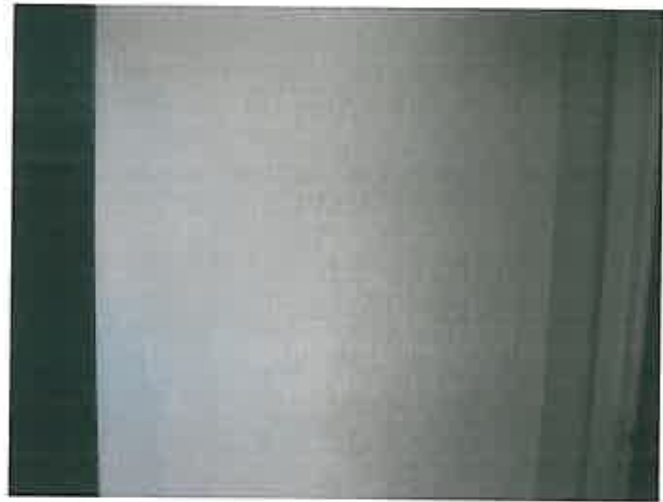
Higher estimate for more prep work

Source of Information: Past client cost

General Notes:

Building (A) - 3,195 GSF
Building (B) - 2,940 GSF

Comp #: 216 Interior Surfaces - Repaint



Observations:

Interior painted surfaces are in fair condition. Some local marking noted but no significant appearance concerns observed. Expect to repaint these surfaces approximately every 8 - 10 years to maintain appearance. Per the request of the client, we have established a 10 year painting cycle with 4 years remaining.

Location: Building Corridors

Quantity: Approx. 16,985 GSF

Life Expectancy: 10 Remaining Life: 4

Best Cost: \$8,500
\$.50/GSF; Estimate to repaint

Worst Cost: \$11,050
\$.65/GSF; Higher estimate

Source of Information: Cost Database

General Notes:

- Building A - 1,470 GSF
- Building B - 1,740 GSF
- Building C - 2,415 GSF
- Building D - 1,740 GSF
- Building E - 1,740 GSF
- Building F - 1,730 GSF
- Building G - 1,310 GSF
- Building H - 1,800 GSF
- Building I - 1,310 GSF
- Building J - 1,730 GSF

Comp #: 303 Wood Siding - Repair



Observations:

Any wood work that needed to be repaired was done in 2005 as part of prep work before painting. We recommend Reserving a small allowance for periodic repair to wood trim and panels before each painting cycle every 5 years. The estimated cost of repairs was based on the last amount of repairs in 2007.

Location: Buildings (A) & (B)

Quantity: Approx. 6,135 GSF

Life Expectancy: 5 Remaining Life: 3

Best Cost: \$1,000

Allowance for wood repairs

Worst Cost: \$1,200

Higher allowance for more repairs

Source of Information: Past client cost

General Notes:

Building (A) - 3,195 GSF
Building (B) - 2,940 GSF

Comp #: 306 Brick - Replace



Observations:

Bricks appeared to be attached to the sides of the building well with no loose or missing material noted. Typically, bricks have an extended life expectancy and complete replacement is unlikely. There are times where minor repairs may become necessary, but this is unpredictable when and how much would occur. Repairs should be handled as a maintenance issue on an as needed basis. Reserve funding is not required for this component at this time. If it later turns out that frequent repairs are necessary, then funding could be added in future Reserve Study updates.

Location: Buildings (A) & (B)

Quantity: Approx. 21,600 GSF

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

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Building (A) - 10,380 GSF
Building (B) - 11,220 GSF

Comp #: 401 Asphalt - Overlay



Observations:

The asphalt is generally in poor condition with severe cracking, and other signs of age and deterioration. The average life expectancy for asphalt surfaces ranges between 20 - 27 years for surfaces that are maintained on a regular schedule. Maintenance includes crack fill and repairing small potholes annually as an operating expense. In addition, asphalt should be seal coated every 2 -3 years, depending on the level of traffic and snow removing techniques. Based on observed condition, we suggest resurfacing with a 2" overlay this next year.

Location: Parking Areas (not alley)

Quantity: Approx. 17,985 GSF

Life Expectancy: 24 **Remaining Life:** 0

Best Cost: \$22,500

\$1.25/GSF; Estimate for an overlay

Worst Cost: \$26,100

\$1.45/GSF; Higher estimate for local repairs

Source of Information: Cost Database

General Notes:

[Empty box for General Notes]

Comp #: 402 Asphalt - Seal Coat/crack fill



Observations:

Current conditions are extremely dry, with severe cracking noted throughout. Based on current conditions, we believe an overlay is needed. Industry professionals recommend seal coating within 12 months of application of a new surface. In this environment, expect to seal asphalt every 2 - 3 years, depending on traffic levels and effects from weather. Sealcoating is applied to protect the asphalt from ultra-violet rays and water. This helps in slowing the process of oxidation and raveling. While acting as a protective barrier, it also maintains the appearance of the community to maintain or improve property values.

Location: Parking Areas (not alley)

Quantity: Approx. 17,985 GSF

Life Expectancy: 3 **Remaining Life:** 0

Best Cost: \$1,980
\$.11/GSF; Estimate for seal coat only

Worst Cost: \$2,500
\$.14/GSF; Higher estimate includes repairs

Source of Information: Cost Database

General Notes:

Comp #: 405 Flagstone Path - Repair/Replace



Observations:

No unusual conditions observed at time of inspections. We suggest handling repairs on an as needed basis using operating funds. Therefore, at this time, Reserve funding is not required for this component.

Location: Courtyard

Quantity: Extensive GSF

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

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Comp #: 501 Common Doors - Replace



Observations:

Along the bottom of some of the doors, the wood is beginning to delaminate and peel away. In order to maintain a consistent appearance, we recommend replacing all doors at the same time. Future life expectancies will depend on the quality of the door installed and the level of maintenance over the years.

Location: Building (A) & (B)

Quantity: Approx. (18) 3x7 Doors

Life Expectancy: 28 **Remaining Life:** 1

Best Cost: \$6,300
\$350/door; Estimate to replace with new doors

Worst Cost: \$7,200
\$400/door; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Building (A) -
3x7 Doors - 8

Building (B) -
3x7 Doors - 10

Comp #: 502 Interior Doors - Replace



Observations:

Doors are dated in appearance, but functional. Replacement will depend on the aesthetic importance of bringing the style up to current trends. At this time, we suggest treating replacement on an as needed basis as a separate issue from Reserves.

Location: Laundry Closets
Quantity: (9) 3x7 Wood Doors
Life Expectancy: N/A **Remaining Life:**
Best Cost: \$0

Worst Cost: \$0

General Notes:

Source of Information:

Comp #: 506 Windows - Replace



Observations:

There was evidence of single pane windows on majority of corridors. These are less efficient when it comes to energy savings. The windows are functional and there were no broken windows or other problems observed. As reported by the Client, windows will be replaced on an as needed basis, therefore, reserve funding is not required at this time. The sooner the windows are replaced, the more energy savings the association can expect to receive. The exact cost of window replacement will depend on the quality of window installed.

Location: Building Corridors

Quantity: Approx. (73) Windows

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

Best Cost:

Worst Cost:

Source of Information: Cost Database

General Notes:

Building A - (2) 2x7, (2) 2x8, (2) 1.5x3, (4) 3x6, (1) 1.5x10, (1) 4x10
 Building B - (2) 5x5, (2) 3x7
 Building C - (5) 3x7, (2) 2x6, (1) 2x5, (1) 2x7, (2) 3x5, (2) 3x6, (2) .5x6, (3) 3x8,
 Building D - (2) 5x5, (2) 3x7
 Building E - (2) 5x5, (2) 3x7
 Building F - (1) 4x6, (1) 4x8
 Building G - (2) 3x6, (2) 3x8
 Building H - (2) 4x4, (6) 3x6, (1) 6x6 Slider, (2) 2.5x6, (2) 5x10, (2) 3x10, (2) 3x1, (2) 1.5x5,
 Building I - (2) 3x6, (2) 3x8
 Building J - (1) 4x6, (1) 4x8

Comp #: 601 Concrete Sidewalks/Patios/Pool Deck - Repair



Observations:

The concrete pad in the courtyard is in poor condition and does not appear to be used frequently. There were many trip hazards noted throughout the community at time of inspections. Sidewalks are older and have spalling throughout and have settled and cracked in numerous areas. Unit "D" sidewalk is in better shape than the others. While it is unlikely that all concrete surfaces will fail and need to be replaced at the same time, frequent repairs and replacement to a percentage of the area (10% or 565 GSF), should be anticipated. Per the request of the client, we have included an allowance to replace 1/10th of the area every year starting in 4 years (2011).

Location: Community Walks
Quantity: Approx. 5,650 GSF
Life Expectancy: 1 **Remaining Life:** 4
Best Cost: \$4,800
 Est. to replace 10% of area every year starting '11

Worst Cost: \$5,350
 Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

Sidewalks -
 Building (A) - 1,565 GSF
 Building (B) - 1,365 GSF

 Patios -
 Building (A) - 170 GSF
 Building (B) - 500 GSF

 Pool Deck -
 Estimate - 1,575 GSF
 Courtyard -
 Concrete Pad - 225 GSF

 Trash Enclosures - 250 GSF

Comp #: 606 Wood Bridges - Replace



Observations:

Bridges are older and nearing the end of the life expectancy. Since the association is currently replacing the pool deck with a synthetic material, expect similar material to be used on the bridges. Based on the current conditions, expect to replace within the next year. Synthetic decking material typically carries a 5 year warranty in a commercial setting. With proper maintenance and use, we would expect this product to have a replacement cycle of 15 - 20 years under normal conditions (shorter than pool deck due to expected higher foot traffic volume).

Location: Front of buildings

Quantity: (2) Decks (approx. 175 GSF)

Life Expectancy: 18 Remaining Life: 1

Best Cost: \$2,625
\$15/GSF; Estimate to replace

Worst Cost: \$3,150
\$18/GSF; Higher estimate for more labor

Source of Information: Cost Database

General Notes:

Wood Walk Bridges - 175 GSF total
Unit (A) - Bridge - 5x25, Handrail 5' Tall by 20 LF
Unit (B) - Bridge - 5x10, Handrail 5' Tall by 34 LF

Comp #: 607 Pool Deck - Replace



Observations:

At time of second inspection, the pool decks was weathered and deteriorated in appearance, According to the client, the deck was in process of being replaced with a composite material in May 2007. This material typically has a 5 year warranty in a commercial setting. With proper maintenance and use, we would expect this product to have a replacement cycle of 20 - 25 years under normal conditions.

Location: Adjacent to pool

Quantity: Approx. 750 GSF

Life Expectancy: 22 **Remaining Life:** 0

Best Cost: \$3,500

Estimate to replace

Worst Cost: \$4,500

Higher estimate for more labor

Source of Information: Past client cost (\$3500)

General Notes:

Pool Deck - Approx. 750 GSF
 (1) 15x50 Wood Deck

also included in replacement were benches, the pool equipment enclosure, and steps.

Comp #: 607 Wood Balconies - Replace (A)



Observations:

Buildings (A) & (B) balconies could use repairs and new paint. One balcony on building (A) has been replaced recently (reported cost was \$3400). In general, the conditions of the balconies are poor and should be addressed soon. Reserve funding to address the siding is included in component #302, so additional funding is not required. This line item is for the deck material only. Due to the financial situation of the association, we have deferred this project a few years to allow the Reserve fund to strengthen. When replacement is required, we recommend using an alternative product that has a longer life expectancy and won't require maintenance as frequently.

Location: Unit balconies Building A

General Notes:

Quantity: (8) 6 x 15 decks

Life Expectancy: 25 **Remaining Life:** 1

Best Cost: \$25,600
\$3200/deck; Estimate to replace

Worst Cost: \$28,800
Higher estimate for better quality materials

Source of Information: Past client cost



Comp #: 608 Wood Balconies - Replace (B)



Observations:

Buildings (A) & (B) balconies could use repairs and new paint. In general, the conditions of the balconies are poor and should be addressed soon. Reserve funding to address the siding is included in component #302, so additional funding is not required. This line item is for the deck material only. Due to the financial situation of the association, we have deferred this project a few years to allow the Reserve fund to strengthen. When replacement is required, we recommend using an alternative product that has a longer life expectancy and won't require maintenance as frequently.

Location: Unit balconies Building B

Quantity: (9) 6 x 15 decks

Life Expectancy: 25 **Remaining Life:** 2

Best Cost: \$28,800
\$3200/deck; Estimate to replace

Worst Cost: \$32,400
Higher estimate for better quality materials

Source of Information: Past client cost

General Notes:

Building (B) - 810 GSF
Wood Balconies

Comp #: 701 Large Boiler - Replace (A)



Observations:

Boiler is new within the past few years and appears to be in very good working condition. According to manufacturer, these units typically do not require complete replacement. However, parts eventually become obsolete after numerous years and with advances in technology, replacement may become necessary at some point in the next 25 - 30 years.

Location: Building (A)

Quantity: (1) Laars, 999,000 BTU

Life Expectancy: 25 **Remaining Life:** 22

Best Cost: \$10,000

Estimate to replace with similar size unit

Worst Cost: \$12,500

Higher estimate for more labor

Source of Information: Cost Database

General Notes:

Building (A), Unit (C) -
(1) Laars Pennant Boiler, Model -
PNCH1000NACNJCJX, Serial # C04106342, Input
999,000 BTU, Mfg Date: 09.07.04
Installed by: H & M Mechanical, 303.664.9865,
Lafayette, CO

Comp #: 701 Large Boiler - Replace (B)

Picture Unavailable

Picture Unavailable

Observations:

Unit (H) boiler door was locked and inaccessible. Reported the unit was replaced within the last few years. According to manufacturer, these units typically do not require complete replacement. However, parts eventually become obsolete after numerous years and with advances in technology, replacement may become necessary at some point in the next 25 - 30 years.

Location: Building (B) - adjacent to H corridor

General Notes:

Quantity: (1) 1,000,000 BTU boiler

Life Expectancy: 25 *Remaining Life:* 23

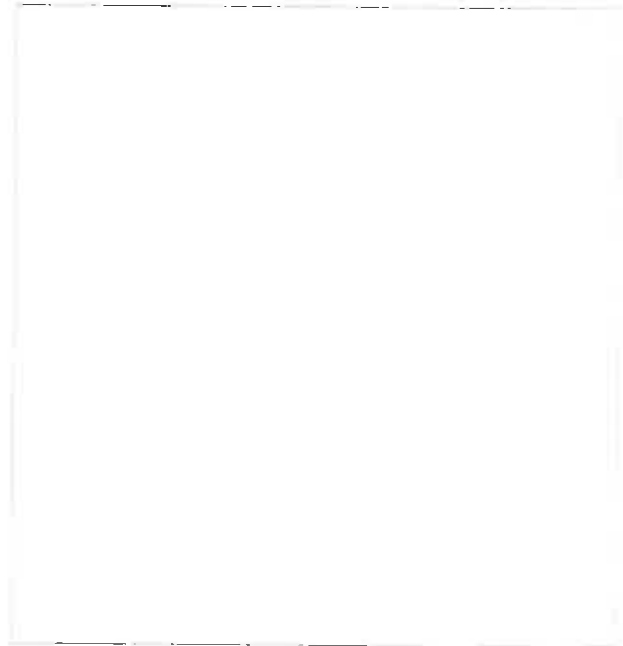
Best Cost: \$10,000

Estimate to replace with similar unit to bldg A

Worst Cost: \$12,500

Higher estimate for more installation cost

Source of Information: Cost Database



Comp #: 702 Small Boilers - Replace



Observations:

These are most likely used for the baseboard heaters in the building corridors. These appear to be older and nearing the end of the life expectancy. There was evidence of rust and corrosion noted on the base of the heaters. Replacement cycle will depend on the level of use, maintenance, and quality of water running through the system.

Location: Boiler rooms in buildings

Quantity: (2) Raypak boilers

Life Expectancy: 20 **Remaining Life:** 2

Best Cost: \$5,000
\$2500/unit; Estimate to replace

Worst Cost: \$6,000
\$3000/unit; Higher estimate

Source of Information: Cost database

General Notes:

Comp #: 703 Hot Water Storage Tank - Replace



Observations:

Unable to access the boiler in building B (adjacent to unit H) due to a locked door. Assume both storage tanks were replaced at the same time. The average replacement cycle for storage tanks ranges between 12 - 15 years, depending on the quality of tank and the quality of the water in the system.

Location: Boiler rooms

Quantity: (2) 120 gallon tanks

Life Expectancy: 15 **Remaining Life:** 13

Best Cost: \$3,600
\$1800/tank; Estimate to replace

Worst Cost: \$4,000
\$2000/tank; Higher estimate

Source of Information: Cost Database

General Notes:

Building A -
(1) Storage Tank - AO Smith, Model TJV120M000,
Serial #G05M009542, 119 Gallons

Comp #: 704 Solar Panels - Replace



Observations:

It is unknown whether this system is still operable today. Reported these have not been used in many years and there are no plans to reinstate the unit. Therefore, at this time, Reserve funding is not required for this component.

Location: Building (A) & (B) Roofs

Quantity: (14) 7x8 Panels

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

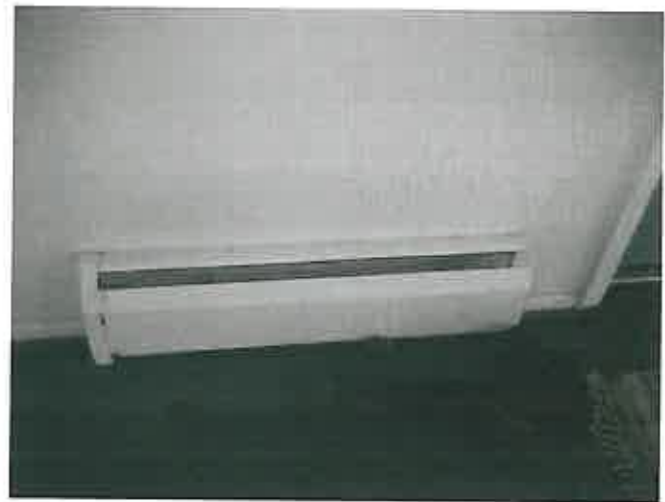
Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Comp #: 705 Baseboard Heaters - Replace



Observations:

No unusual conditions reported or observed during inspection. These units have an extended life expectancy and should be replaced on an as needed basis with operating funds. At this time, separate Reserve funding is not necessary for this component.

Location: Building Corridors

Quantity: Approx. 200 LF

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

Best Cost: \$0

Worst Cost: \$0

General Notes:

Building A - 6 LF
Building B - 14 LF
Building C - 56 LF
Building D - 14 LF
Building E - 14 LF
Building F - 15 LF
Building G - 16 LF
Building H - 31 LF
Building I - 16 LF
Building J - 15 LF

Source of Information:

Comp #: 801 Monument - Rebuild



Observations:

Sign is unstable with general signs of weathered wood and some rot was observed. Despite these conditions, the client has requested the remaining life of this component to be extended out to 7 years. The cost of replacement and future life expectancies will depend on the style and materials used when replacement occurs. The life expectancy can be adjusted in future Reserve Study updates depending on material selected for the new sign.

Location: 1895 Alpine Ave

Quantity: (1) Monument Structure

Life Expectancy: 20 **Remaining Life:** 7

Best Cost: \$2,000

Estimate for a new sign

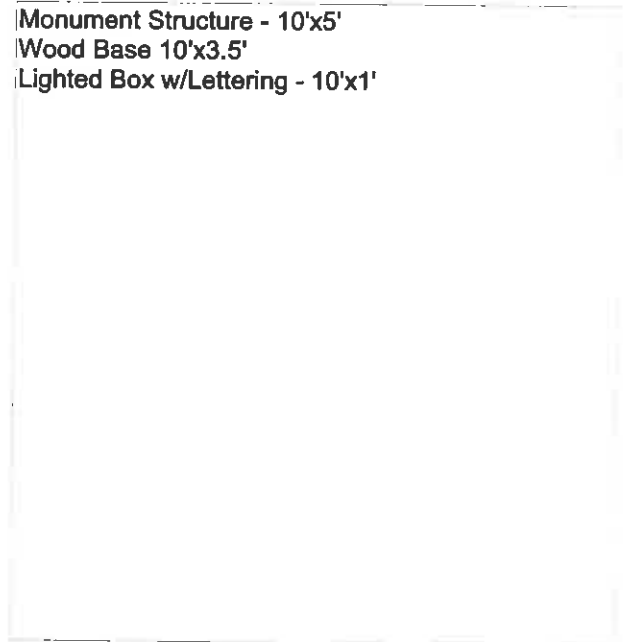
Worst Cost: \$2,500

Higher estimate for better quality/more elaborate

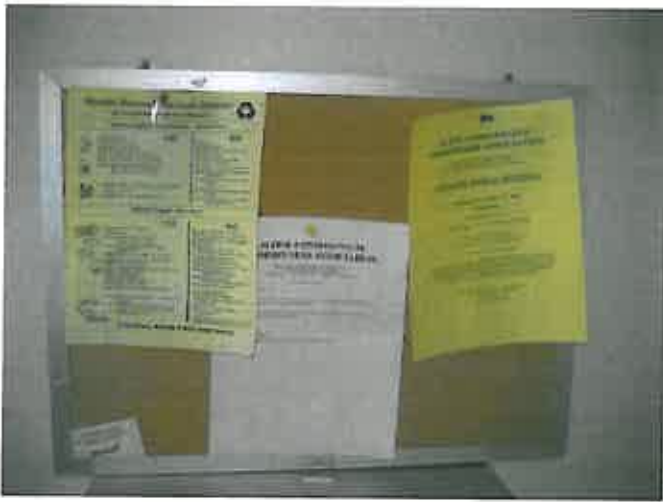
Source of Information: Cost Database

General Notes:

Monument Structure - 10'x5'
 Wood Base 10'x3.5'
 Lighted Box w/Lettering - 10'x1'



Comp #: 802 Bulletin Boards - Replace



Picture Unavailable

Observations:

Inexpensive to replace on an individual basis. Replace on an as needed basis with operating funds, not Reserves.

Location: Building Corridors
Quantity: Approx. (10) Boards
Life Expectancy: N/A **Remaining Life:**
Best Cost: \$0

Worst Cost: \$0

General Notes:

Source of Information:

Comp #: 803 Mailboxes - Replace



Observations:

No unusual conditions observed at time of inspection. These are installed inside and protected from the elements. According to the manufacturer, these boxes will have a life expectancy of 18 - 20 years due to location and quality. Remaining life is based on age and observed condition.

Location: Building Corridors

Quantity: (9) 4-Box, (1) 3-Box

Life Expectancy: 20 **Remaining Life:** 12

Best Cost: \$1,365

\$35/box; Estimate to replace boxes

Worst Cost: \$1,755

\$45/box; Higher estimate

Source of Information: Cost Database

General Notes:

- Building A - (1) 3-Box CBU
- Building B - (1) 4-Box CBU
- Building C - (1) 4-Box CBU, (2) Box Parcel
- Building D - (1) 4-Box CBU
- Building E - (1) 4-Box CBU
- Building F - (1) 4-Box Parcel
- Building G - (1) 4-Box Parcel
- Building H - (1) 4-Box Parcel
- Building I - (1) 4-Box Parcel
- Building J - (1) 4-Box Parcel

Comp #: 1001 Wood Fencing - Replace



Observations:

Fencing connecting E/J has been replaced recently, but paint is peeling in areas. The fencing connecting A/F is in fair condition and could also use paint. Trash enclosures are in poor condition with boards coming loose and paint peeling. One of the courtyard wood fence enclosure is new and one is old and in need of replacement. Per clients request, we have established a 10 year replacement cycle with 4 years remaining.

Location: Connecting Buildings/Trash Enclosures

General Notes:

Quantity: Approx. 180 LF

Privacy Fencing -
 Connecting Units E & J - 6' Tall by 40 LF
 Connecting Units A & F - 6' Tall by 25 LF

Life Expectancy: 10 Remaining Life: 4

Best Cost: \$4,500
 \$25/LF; Estimate to replace 115 LF every 5 years

Trash Enclosures -
 At Unit J - 6' Tall by 20 LF
 At Unit F - 6' Tall by 28 LF

Worst Cost: \$5,050
 Higher estimate for better quality fence

Patio Fence -
 Building (A) - 36 LF
 Building (B) - 28 LF

Source of Information: Cost Database

Comp #: 1002 Interior Iron Hand Rails - Replace



Observations:

Iron Handrails are not to code because of distance between pickets. We suggest replacing immediately due to safety concerns. Despite this suggestion, the association wants to replace these on an as needed basis with general operating funds. It should be noted that this is strongly against our recommendation. If the association decides to do this as needed, we suggest replacement begins immediately. .

Location: Interior corridors/hallways

Quantity: Approx. 255 LF

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

Best Cost: \$0

Worst Cost: \$0

General Notes:

- Building A - 21 LF
- Building B - 21 LF
- Building C - 50 LF
- Building D - 21 LF
- Building E - 21 LF
- Building F - 20 LF
- Building G - 22 LF
- Building H - 35 LF
- Building I - 22 LF
- Building J - 20 LF

Source of Information:

Comp #: 1002 Ironwork Fencing - Replace

Picture Unavailable

Picture Unavailable

Observations:

Pictures unavailable because association was replacing the old wood fence with an iron fence May, 2007. The replacement cycle of iron fences should range between 25 - 30 years as long as the materials are painted every 3 - 4 years. Due to a small area, the expense of painting the fence (\$600) should be handled as a general maintenance expense.

Location: Pool perimeter

Quantity: Approx. 210 LF

Life Expectancy: 30 **Remaining Life:** 0

Best Cost: \$6,300

\$30/LF: Estimate to replace

Worst Cost: \$7,350

\$35/LF: Higher estimate for more labor

Source of Information: Cost Database

General Notes:

Around Swimming Pool - 4' Tall by 210 LF

Comp #: 1005 Rock Wall - Replace



Observations:

No significant cracking or structural problems noted at the time of inspection. As long as wall was installed conforming to county code this wall should have an extended useful life. This type of material has an indefinite life expectancy and complete replacement is unlikely. Therefore, Reserve funding is not required for this component.

Location: Building (A)

Quantity: Approx. 335 GSF

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

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Comp #: 1007 Wood Retaining Wall - Replace



Observations:

Wood retaining wall is leaning badly and in poor condition. We recommend that the wall be replaced with a block retaining wall. Per the clients request, we have extended the remaining life out 5 years to be replaced in 2012. Future funding requirements can be deleted if the association replaces with block. If association replaces with wood, then expect to replace every 15 - 18 years.

Location: By Unit (A)

Quantity: Approx. 180 GSF

Life Expectancy: 18 **Remaining Life:** 5

Best Cost: \$3,250

\$18/GSF; Estimate to replace with block wall

Worst Cost: \$3,800

\$21/GSF; Higher estimate for more labor

Source of Information: Cost Database

General Notes:

Comp #: 1009 Split Rail Fencing - Replace



Observations:

Split rail fencing is in poor condition and falling apart. Due to the small area, this fence should be replaced on an as needed basis with general operating funds.

Location: By Unit (E)

Quantity: Approx. 65 LF

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

Best Cost: \$0

Worst Cost: \$0

General Notes:

Source of Information:

Comp #: 1101 Fiberglass Pool - Gel Coat



Observations:

Pool appears to be older but still structurally in good condition. Acrylic pools have a limited warranty of 25 years, but according to local representative, the life should be indefinite (pools installed in 1950's are still in existence without any problems). The major maintenance requirements is to gel coat the surface every 3 - 5 years, depending on the chemical levels and the amount of use. Based on observed condition, we recommend performing a gel coat application before next pool season in 2008.

Location: Pool Area

Quantity: Approx. 695 GSF

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

Best Cost: \$4,500

Estimate to re-gel coat surface

Worst Cost: \$5,500

Higher estimate for more labor

Source of Information: Research with contractor

General Notes:

Any plumbing that may be required should be handled as a separate expense from the Reserve account due to unpredictability and the difficulty in establishing an exact cost.

Comp #: 1104 Pool Heater - Replace



Observations:

Heater appears to have been replaced within the past 2- 3 years and is in good condition. No significant carbon build-up or rust noted at inside base of unit. This type of pool heater typically has a useful life of approximately 10 to 12 years. Remaining life based on current age and condition.

Location: Pool Area

Quantity: (1) Laars Lite 2

Life Expectancy: 12 **Remaining Life:** 9

Best Cost: \$2,000

Estimate to replace with similar type heater

Worst Cost: \$2,500

Higher estimate for more efficient unit

Source of Information: Research with contractor

General Notes:

(1) Laars Lite 2, Approx. 175,000 BTU -

Empty rectangular box for additional notes.

Comp #: 1107 Pool Filter - Replace



Observations:

Pool was winterized at time of inspection, so we were unable to inspect for leaking. Reported that the filter is original (or very old) and nearing the end of its life expectancy. There were no signs of past leaks or any other unusual conditions during inspection. Plastic filter tanks typically have a life expectancy of 12 - 15 years under normal conditions and with proper maintenance. The remaining life is based on age and current condition.

Location: Pool Area

Quantity: (1) Triton II, TR60

Life Expectancy: 15 **Remaining Life:** 1

Best Cost: \$800

Estimate to replace with similar size

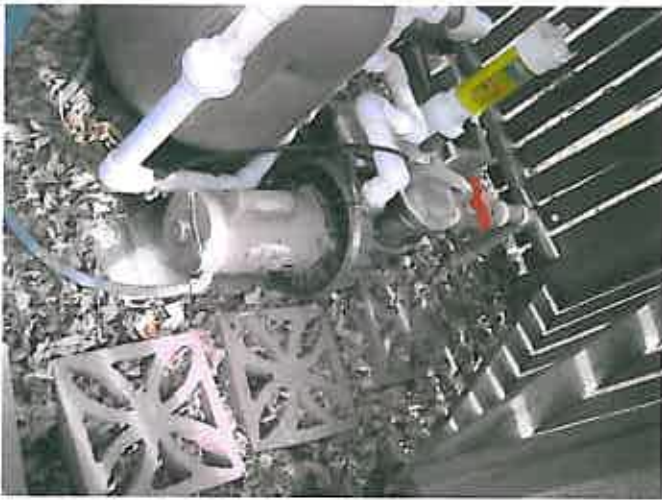
Worst Cost: \$1,000

Higher estimate for larger filters

Source of Information: Cost Database

General Notes:

Comp #: 1110 Pool Pump - Replace



Observations:

No unusual conditions observed during inspections. Pool was winterized at time of both inspections, so unable to observe in operating condition. According to service company, there were no problems toward the end of last year. Due to the minimal cost (less than \$600) to replace individual pumps we recommend repairing/replacing pumps as necessary as an operating issue. No reserve funding necessary for this component.

Location: Pool Area

Quantity: (1) 1 HP Pump

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

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Comp #: 1309 Bicycle Rack - Replace



Observations:

Due to the minimal cost to replace these racks, we recommend replacing these on an as needed basis using operating funds. Therefore, reserve funding is not necessary at this time.

Location: At Units (A), (C), (H), and (E/J)

Quantity: (4) Bicycle Racks

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

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Comp #: 1401 Laundry Equipment - Replace



Observations:

These machines are leased through Automatic Laundry Company (303) 371 9274 and are not the responsibility of the association. Therefore, separate Reserve funding is not required for this component.

Location: All building hallways, corridors

General Notes:

Quantity: (10) Washers, (10) dryers

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

Best Cost: \$0

Worst Cost: \$0

Source of Information:

Comp #: 1415 Interior Lobby - Remodel



Observations:

Older furniture in fair condition. Based on observed condition, we recommend updating and replacing furniture within the next couple years. Replacement cycles depend on level of use and care.

Location: Lobby (C)

Quantity: (1) Interior Lobby

Life Expectancy: 15 **Remaining Life:** 2

Best Cost: \$2,500

Allowance for basic remodel

Worst Cost: \$3,000

Higher allowance for more elaborate décor

Source of Information: Cost Database

General Notes:

Wood Paneling - 7' Tall by 80 LF, Couches - 3,
Square Coffee Table - 1, Square End Table - 1,
Floor Lamp - 1, Table Lamp - 1
Linoleum - 35 GSF

Comp #: 1501 Carpet - Replace



Observations:

In general, the carpeting is worn and in poor condition. Based on observed condition, we recommend replacing in near future. However, per the clients request, we have extended the replacement cycle out to occur in 5 years, or 2012. Future life expectancy depends on the level of foot traffic and quality of carpet.

Location: All building corridors, hallways

Quantity: Approx. 530 GSY

Life Expectancy: 8 **Remaining Life:** 5

Best Cost: \$9,550
\$18/GSY; Estimate for average quality

Worst Cost: \$11,150
\$21/GSY; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

- Building A - 34 YDS
- Building B - 43 YDS
- Building C - 144 YDS
- Building D - 43 YDS
- Building E - 43 YDS
- Building F - 38 YDS
- Building G - 40 YDS
- Building H - 67 YDS
- Building I - 40 YDS
- Building J - 38 YDS

Comp #: 1502 Linoleum - Replace



Observations:

Flooring is old and dated in appearance. There were several areas where the edges were curling, which could cause water damage if a leak occurred. We recommend replacing in near future based on condition. Typically, this is replaced at the same time as carpeting. However, it was requested to extend the remaining life on this component to 2 years.

Location: Laundry rooms in each corridor

Quantity: Approx. 440 GSF

Life Expectancy: 16 **Remaining Life:** 2

Best Cost: \$5,300
\$12/GSF; Estimate to replace

Worst Cost: \$6,600
\$15/GSF; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Linoleum
Building A - 45 GSF
Building B - 45 GSF
Building C - 35 GSF
Building D - 45 GSF
Building E - 45 GSF
Building F - 45 GSF
Building G - 45 GSF
Building H - 45 GSF
Building I - 45 GSF
Building J - 45 GSF

Comp #: 1601 Interior Hallway - Replace



Observations:

All interior lights were functional and in good condition at time of inspection. Typically, associations prefer to upgrade and modernize lighting every 15 - 20 years, depending on changes in trends. Suggest replacing all fixtures at same time to get best cost estimate and match décor throughout all buildings.

Location: Building Interior Corridors

Quantity: Approx. (57) Lights

Life Expectancy: 16 **Remaining Life:** 8

Best Cost: \$2,850
\$50/light; Estimate to replace and install new

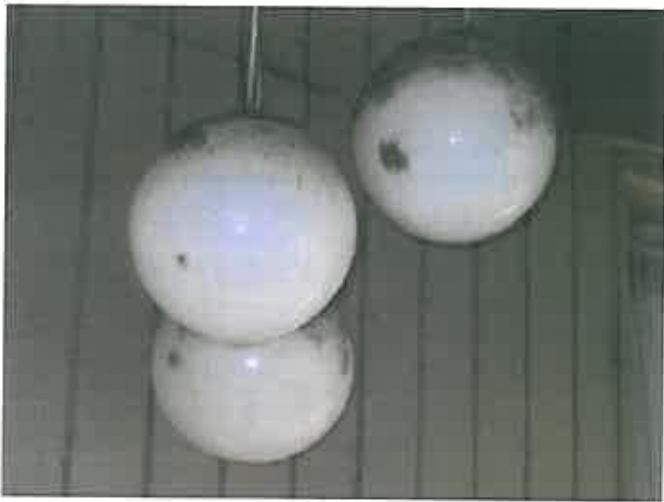
Worst Cost: \$3,700
\$65/fixture; Higher estimate

Source of Information: Cost Database

General Notes:

- Building A - 4 Lights
- Building B - 5 Lights
- Building C - 13 Lights
- Building D - 5 Lights
- Building E - 5 Lights
- Building F - 5 Lights
- Building G - 5 Lights
- Building H - 5 Lights
- Building I - 5 Lights
- Building J - 5 Lights

Comp #: 1602 Exterior Lights - Replace



Observations:

Lights are older, but no reported problems. We were unable to inspect the condition due to inspection taking place during daylight hours. Due to the minimal cost to replace these lights individually, reserve funding is not appropriate. Repair and replace as necessary as an operating expense.

Location: Building Exteriors

Quantity: Approx. (56) Lights

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

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Building (A) -
Wall Lights - 21

Building (B) -
Wall Globe Lights - 28
Flood Lights - 7

Comp #: 1703 Irrigation Timeclock - Replace



Observations:

No problems noted with irrigation clock at the time of inspection. Due to the minimal replacement cost associated with this clock reserve funding is not appropriate. Replace as necessary as an operating expense.

Location: By Unit (4C)
Quantity: (1) Rainbird ESP 16 LX
Life Expectancy: N/A **Remaining Life:**
Best Cost: \$0

Worst Cost: \$0

General Notes:

Source of Information:

Comp #: 1706 Backflow Devices - Replace



Observations:

No problems noted at the time of inspection. Due to the minimal replacement cost (\$500 - \$800 each) and unpredictable useful life associated with this component, reserve funding is not appropriate. Make repairs and replacements as necessary as an operating expense.

Location: By Unit (4C)

Quantity: (1) Backflow Device

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

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Comp #: 2001 Bicycle Shelter - Replace



Observations:

The structure is currently in good condition with no signs of instability noted at time of inspection. It appears the structure was built within the past 5 years. Depending on the effects of the weather and the level of maintenance, we expect the shelter will need to be replaced every 12 - 15 years. The remaining life is based on the assumed age and current condition.

Location: At Unit (E)

Quantity: (1) 9x10 Shelter

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

Best Cost: \$3,150
\$35/GSF; Estimate to replace

Worst Cost: \$3,600
Higher estimate for better quality construction

Source of Information: Cost Database

General Notes:

(1) 9x10 Wood Structure with Steel Roof

Funding Summary For Alpine Condominium HOA

Beginning Assumptions

Financial Information Source	Research With Client
# of units	38
Fiscal Year End	December 31, 2007
Budgeted Monthly Dues	\$8,160.00
Budgeted Monthly Reserve Allocation	\$715.00
Reported Starting Reserve Balance (April 1, 2007)	\$12,323
Ideal Starting Reserve Balance	\$157,408

Economic Factors

Current Inflation Rate	3.00%
Reported After-Tax Interest Rate	2.50%

Current Reserve Status

Current Balance as a % of Ideal Balance	8%
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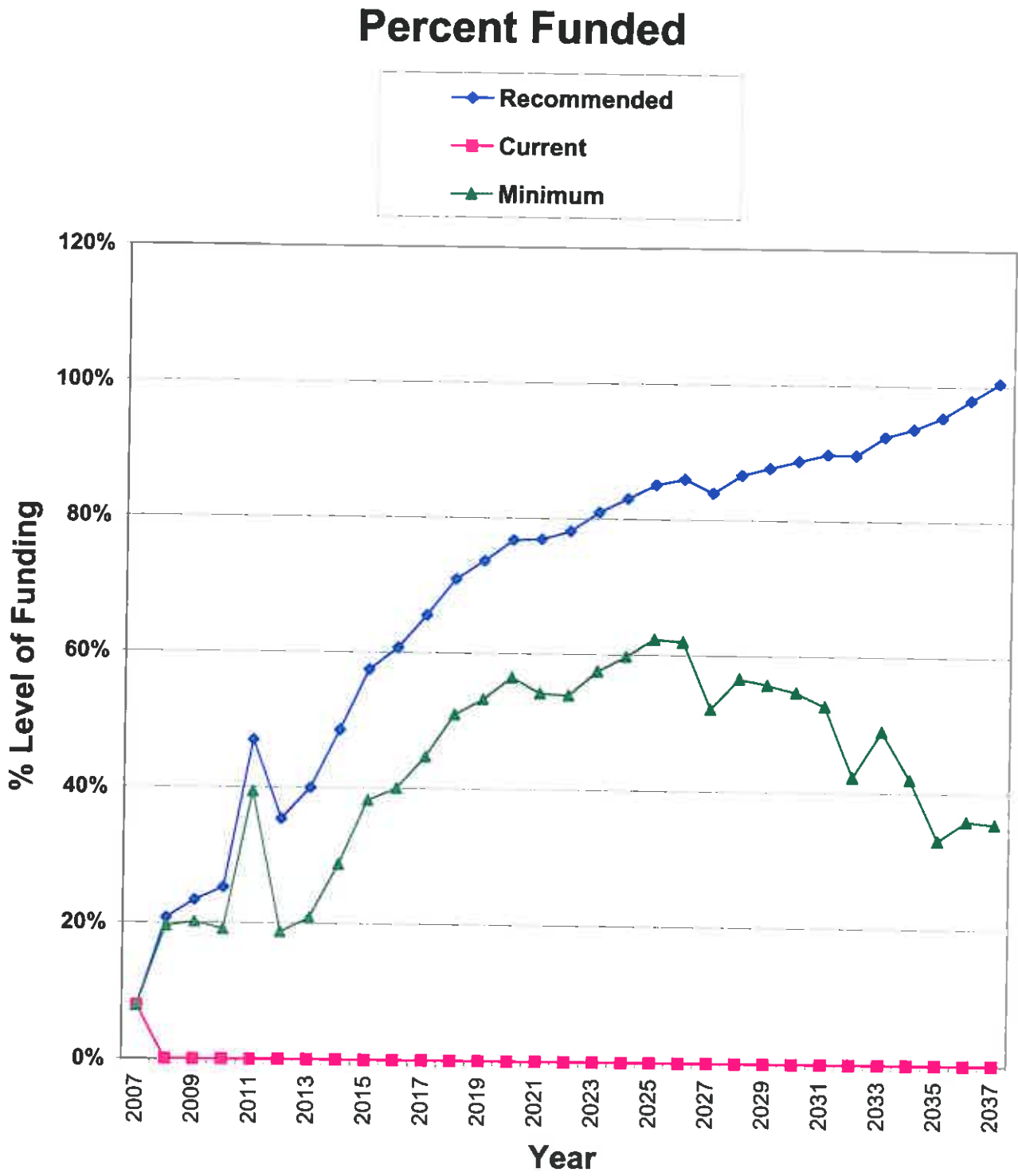
Recommendations

Monthly Reserve Allocation	\$1,950
Per Unit	\$51.32
Minimum Monthly Reserve Allocation	\$1,740
Per Unit	\$45.79
Nominal Annual Increases	3.35%
# of Years	30
Special Assessment (2007)	\$28,500
Per Unit	\$750
Special Assessment (2008 - 2011)	\$19,000
Per Unit	\$500

Changes From Prior Year

Increase/Decrease to Reserve Allocation	\$1,235
as Percentage	173%
Per Unit	\$32.50

Percent Funded Graph For Alpine Condominium HOA



Component Inventory for Alpine Condominiums

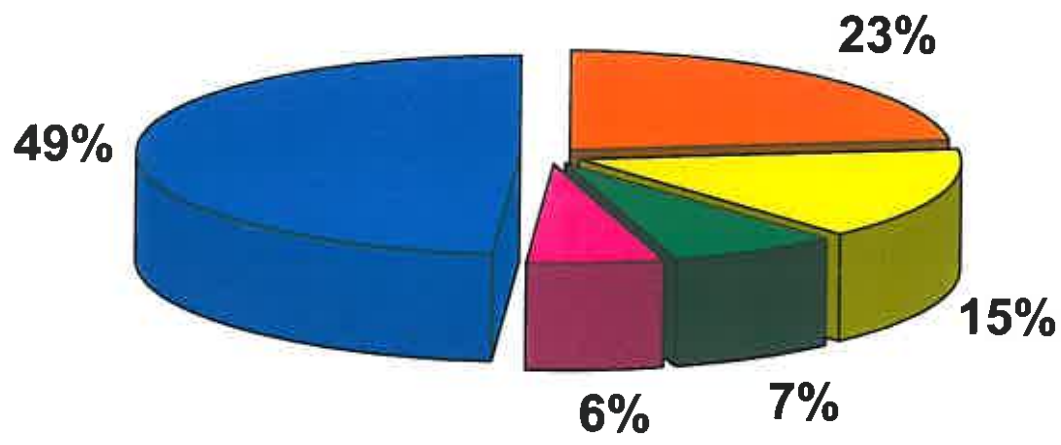
Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	105	Comp Shingle Roof - Replace	15	4	\$48,750	\$55,250
	120	Gutters/Downspouts - Replace	5	4	\$1,600	\$1,800
Painted Surfaces	202	Wood Surfaces - Repaint	5	3	\$7,500	\$8,500
	216	Interior Surfaces - Repaint	10	4	\$8,500	\$11,050
Siding Materials	303	Wood Siding - Repair	5	3	\$1,000	\$1,200
	306	Brick - Replace	N/A		\$0	\$0
Drive Materials	401	Asphalt - Overlay	24	0	\$22,500	\$26,100
	402	Asphalt - Seal Coat/crack fill	3	0	\$1,980	\$2,500
	405	Flagstone Path - Repair/Replace	N/A		\$0	\$0
Property Access	501	Common Doors - Replace	28	1	\$6,300	\$7,200
	502	Interior Doors - Replace	N/A		\$0	\$0
	506	Windows - Replace	N/A			
Decking	601	Concrete Sidewalks/Patios/Pool Deck -	1	4	\$4,800	\$5,350
	606	Wood Bridges - Replace	18	1	\$2,625	\$3,150
	607	Pool Deck - Replace	22	0	\$3,500	\$4,500
	607	Wood Balconies - Replace (A)	25	1	\$25,600	\$28,800
	608	Wood Balconies - Replace (B)	25	2	\$28,800	\$32,400
Mechanical Equip.	701	Large Boiler - Replace (A)	25	22	\$10,000	\$12,500
	701	Large Boiler - Replace (B)	25	23	\$10,000	\$12,500
	702	Small Boilers - Replace	20	2	\$5,000	\$6,000
	703	Hot Water Storage Tank - Replace	15	13	\$3,600	\$4,000
	704	Solar Panels - Replace	N/A		\$0	\$0
	705	Baseboard Heaters - Replace	N/A		\$0	\$0
Prop. Identification	801	Monument - Rebuild	20	7	\$2,000	\$2,500
	802	Bulletin Boards - Replace	N/A		\$0	\$0
	803	Mailboxes - Replace	20	12	\$1,365	\$1,755
Fencing/Walls	1001	Wood Fencing - Replace	10	4	\$4,500	\$5,050
	1002	Interior Iron Hand Rails - Replace	N/A		\$0	\$0
	1002	Ironwork Fencing - Replace	30	0	\$6,300	\$7,350
	1005	Rock Wall - Replace	N/A		\$0	\$0
	1007	Wood Retaining Wall - Replace	18	5	\$3,250	\$3,800
	1009	Split Rail Fencing - Replace	N/A		\$0	\$0
Pool/Spa	1101	Fiberglass Pool - Gel Coat	5	1	\$4,500	\$5,500
	1104	Pool Heater - Replace	12	9	\$2,000	\$2,500
	1107	Pool Filter - Replace	15	1	\$800	\$1,000
	1110	Pool Pump - Replace	N/A		\$0	\$0
Recreation Equip.	1309	Bicycle Rack - Replace	N/A		\$0	\$0
Interiors	1401	Laundry Equipment - Replace	N/A		\$0	\$0
	1415	Interior Lobby - Remodel	15	2	\$2,500	\$3,000
Flooring	1501	Carpet - Replace	8	5	\$9,550	\$11,150
	1502	Linoleum - Replace	16	2	\$5,300	\$6,600
Light Fixtures	1601	Interior Hallway - Replace	16	8	\$2,850	\$3,700
	1602	Exterior Lights - Replace	N/A		\$0	\$0
Irrig. System	1703	Irrigation Timeclock - Replace	N/A		\$0	\$0
	1706	Backflow Devices - Replace	N/A		\$0	\$0
Miscellaneous	2001	Bicycle Shelter - Replace	15	11	\$3,150	\$3,600

Significant Components For Alpine Condominium HOA

ID	Asset Name	UL	RUL	Significance:		
				Ave Curr Cost	(Curr Cost/UL) As \$	As %
105	Comp Shingle Roof - Replace	15	4	\$52,000	\$3,467	15.4904%
120	Gutters/Downspouts - Replace	5	4	\$1,700	\$340	1.5193%
202	Wood Surfaces - Repaint	5	3	\$8,000	\$1,600	7.1494%
216	Interior Surfaces - Repaint	10	4	\$9,775	\$978	4.3678%
303	Wood Siding - Repair	5	3	\$1,100	\$220	0.9830%
401	Asphalt - Overlay	24	0	\$24,300	\$1,013	4.5242%
402	Asphalt - Seal Coat/crack fill	3	0	\$2,240	\$747	3.3364%
501	Common Doors - Replace	28	1	\$6,750	\$241	1.0772%
601	Concrete Sidewalks/Patios/Pool Deck - Rep	1	4	\$5,075	\$5,075	22.6771%
606	Wood Bridges - Replace	18	1	\$2,888	\$160	0.7168%
607	Pool Deck - Replace	22	22	\$4,000	\$182	0.8124%
607	Wood Balconies - Replace (A)	25	1	\$27,200	\$1,088	4.8616%
608	Wood Balconies - Replace (B)	25	2	\$30,600	\$1,224	5.4693%
701	Large Boiler - Replace (A)	25	22	\$11,250	\$450	2.0108%
701	Large Boiler - Replace (B)	25	23	\$11,250	\$450	2.0108%
702	Small Boilers - Replace	20	2	\$5,500	\$275	1.2288%
703	Hot Water Storage Tank - Replace	15	13	\$3,800	\$253	1.1320%
801	Monument - Rebuild	20	7	\$2,250	\$113	0.5027%
803	Mailboxes - Replace	20	12	\$1,560	\$78	0.3485%
1001	Wood Fencing - Replace	10	4	\$4,775	\$478	2.1337%
1002	Ironwork Fencing - Replace	30	30	\$6,825	\$228	1.0166%
1007	Wood Retaining Wall - Replace	18	5	\$3,525	\$196	0.8751%
1101	Fiberglass Pool - Gel Coat	5	1	\$5,000	\$1,000	4.4684%
1104	Pool Heater - Replace	12	9	\$2,250	\$188	0.8378%
1107	Pool Filter - Replace	15	1	\$900	\$60	0.2681%
1415	Interior Lobby - Remodel	15	2	\$2,750	\$183	0.8192%
1501	Carpet - Replace	8	5	\$10,350	\$1,294	5.7810%
1502	Linoleum - Replace	16	2	\$5,950	\$372	1.6617%
1601	Interior Hallway - Replace	16	8	\$3,275	\$205	0.9146%
2001	Bicycle Shelter - Replace	15	11	\$3,375	\$225	1.0054%

Significant Components Graph For Alpine Condominium HOA

- 601 Concrete Sidewalks/Patios/Pool Deck - Repair
- 105 Comp Shingle Roof - Replace
- 202 Wood Surfaces - Repaint
- 1501 Carpet - Replace



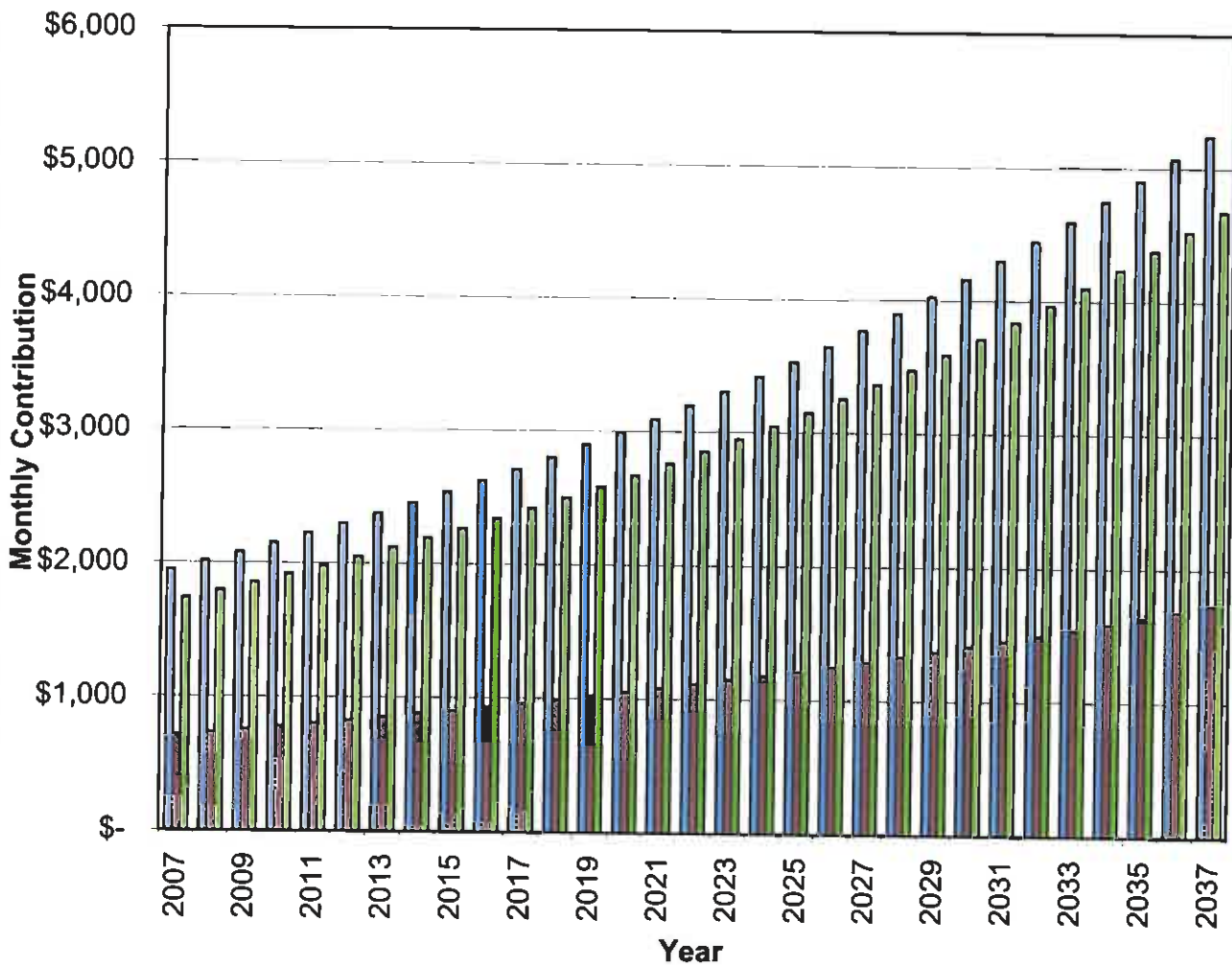
Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL)	
					As \$	As %
601	Concrete Sidewalks/Patios/Pool Deck -	1	4	\$5,075	\$5,075	23%
105	Comp Shingle Roof - Replace	15	4	\$52,000	\$3,467	15%
202	Wood Surfaces - Repaint	5	3	\$8,000	\$1,600	7%
1501	Carpet - Replace	8	5	\$10,350	\$1,294	6%
All Other	See Expanded Table For Breakdown				\$10,944	49%

Yearly Summary For Alpine Condominium HOA

Year	Fully Funded Balance	Starting Reserve Balance	Percent Funded	Annual Reserve Contribs	Rec. Special Ass'mnt	Interest Income	Reserve Expenses
2007	\$157,408	\$12,323	8%	\$17,550	\$28,500	\$993	\$26,540
2008	\$157,845	\$32,826	21%	\$24,184	\$19,000	\$1,060	\$44,020
2009	\$140,983	\$33,050	23%	\$24,994	\$19,000	\$1,031	\$47,528
2010	\$120,712	\$30,547	25%	\$25,831	\$19,000	\$1,423	\$12,392
2011	\$136,759	\$64,410	47%	\$26,697	\$19,000	\$1,403	\$82,528
2012	\$81,802	\$28,982	35%	\$27,591	\$0	\$804	\$21,968
2013	\$88,351	\$35,408	40%	\$28,515	\$0	\$1,070	\$14,705
2014	\$103,379	\$50,289	49%	\$29,471	\$0	\$1,530	\$9,009
2015	\$125,551	\$72,281	58%	\$30,458	\$0	\$1,933	\$22,105
2016	\$135,750	\$82,568	61%	\$31,478	\$0	\$2,300	\$14,698
2017	\$154,759	\$101,648	66%	\$32,533	\$0	\$2,896	\$6,820
2018	\$183,355	\$130,256	71%	\$33,623	\$0	\$3,484	\$18,618
2019	\$201,587	\$148,744	74%	\$34,749	\$0	\$4,041	\$12,654
2020	\$227,466	\$174,880	77%	\$35,913	\$0	\$4,351	\$41,596
2021	\$225,297	\$173,548	77%	\$37,116	\$0	\$4,450	\$32,256
2022	\$233,699	\$182,858	78%	\$38,360	\$0	\$4,965	\$11,397
2023	\$264,884	\$214,786	81%	\$39,645	\$0	\$5,710	\$17,612
2024	\$291,680	\$242,529	83%	\$40,973	\$0	\$6,488	\$12,934
2025	\$325,209	\$277,056	85%	\$42,345	\$0	\$7,060	\$38,075
2026	\$334,990	\$288,387	86%	\$43,764	\$0	\$6,479	\$108,126
2027	\$274,090	\$230,504	84%	\$45,230	\$0	\$6,285	\$9,166
2028	\$314,505	\$272,853	87%	\$46,745	\$0	\$6,905	\$46,349
2029	\$319,081	\$280,154	88%	\$48,311	\$0	\$7,070	\$49,483
2030	\$321,854	\$286,051	89%	\$49,929	\$0	\$7,143	\$57,135
2031	\$318,153	\$285,988	90%	\$51,602	\$0	\$6,570	\$103,957
2032	\$267,479	\$240,203	90%	\$53,331	\$0	\$6,614	\$10,626
2033	\$312,822	\$289,523	93%	\$55,117	\$0	\$6,910	\$87,665
2034	\$281,623	\$263,884	94%	\$56,964	\$0	\$6,265	\$89,218
2035	\$249,379	\$237,896	95%	\$58,872	\$0	\$6,240	\$41,125
2036	\$267,240	\$261,883	98%	\$60,844	\$0	\$6,681	\$56,263

Reserve Contributions For Alpine Condominium HOA

Reserve Contributions



Component Funding Information For Alpine Condominium HOA

ID	Component Name	Ave Current Cost	Future Cost	Ideal Balance	Current Fund Balance	Monthly
105	Comp Shingle Roof - Replace	\$52,000	\$58,526	\$38,133	\$0	\$302.06
120	Gutters/Downspouts - Replace	\$1,700	\$1,913	\$340	\$0	\$29.63
202	Wood Surfaces - Repaint	\$8,000	\$8,742	\$3,200	\$0	\$139.41
216	Interior Surfaces - Repaint	\$9,775	\$11,002	\$5,865	\$0	\$85.17
303	Wood Siding - Repair	\$1,100	\$1,202	\$440	\$0	\$19.17
401	Asphalt - Overlay	\$24,300	\$49,397	\$24,300	\$12,323	\$88.22
402	Asphalt - Seal Coat/crack fill	\$2,240	\$2,448	\$2,240	\$0	\$65.06
501	Common Doors - Replace	\$6,750	\$6,953	\$6,509	\$0	\$21.01
601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$5,075	\$5,712	\$0	\$0	\$442.20
606	Wood Bridges - Replace	\$2,888	\$2,974	\$2,727	\$0	\$13.98
607	Pool Deck - Replace	\$4,000	\$7,664	\$0	\$0	\$15.84
607	Wood Balconies - Replace (A)	\$27,200	\$28,016	\$26,112	\$0	\$94.80
608	Wood Balconies - Replace (B)	\$30,600	\$32,464	\$28,152	\$0	\$106.65
701	Large Boiler - Replace (A)	\$11,250	\$21,556	\$1,350	\$0	\$39.21
701	Large Boiler - Replace (B)	\$11,250	\$22,203	\$900	\$0	\$39.21
702	Small Boilers - Replace	\$5,500	\$5,835	\$4,950	\$0	\$23.96
703	Hot Water Storage Tank - Replace	\$3,800	\$5,580	\$507	\$0	\$22.07
801	Monument - Rebuild	\$2,250	\$2,767	\$1,463	\$0	\$9.80
803	Mailboxes - Replace	\$1,560	\$2,224	\$624	\$0	\$6.80
1001	Wood Fencing - Replace	\$4,775	\$5,374	\$2,865	\$0	\$41.61
1002	Ironwork Fencing - Replace	\$6,825	\$16,566	\$0	\$0	\$19.82
1007	Wood Retaining Wall - Replace	\$3,525	\$4,086	\$2,546	\$0	\$17.06
1101	Fiberglass Pool - Gel Coat	\$5,000	\$5,150	\$4,000	\$0	\$87.13
1104	Pool Heater - Replace	\$2,250	\$2,936	\$563	\$0	\$16.34
1107	Pool Filter - Replace	\$900	\$927	\$840	\$0	\$5.23
1415	Interior Lobby - Remodel	\$2,750	\$2,917	\$2,383	\$0	\$15.97
1501	Carpet - Replace	\$10,350	\$11,998	\$3,881	\$0	\$112.73
1502	Linoleum - Replace	\$5,950	\$6,312	\$5,206	\$0	\$32.40
1601	Interior Hallway - Replace	\$3,275	\$4,149	\$1,638	\$0	\$17.84
2001	Bicycle Shelter - Replace	\$3,375	\$4,672	\$900	\$0	\$19.61

Yearly Cash Flow For Alpine Condominium HOA

Year	2007	2008	2009	2010	2011
Starting Balance	\$12,323	\$32,826	\$33,050	\$30,547	\$64,410
<i>Reserve Income</i>	\$17,550	\$24,184	\$24,994	\$25,831	\$26,697
<i>Interest Earnings</i>	\$993	\$1,060	\$1,031	\$1,423	\$1,403
<i>Special Assessments</i>	\$28,500	\$19,000	\$19,000	\$19,000	\$19,000
Funds Available	\$59,366	\$77,069	\$78,075	\$76,801	\$111,510
Reserve Expenditures	\$26,540	\$44,020	\$47,528	\$12,392	\$82,528
Ending Balance	\$32,826	\$33,050	\$30,547	\$64,410	\$28,982

Year	2012	2013	2014	2015	2016
Starting Balance	\$28,982	\$35,408	\$50,289	\$72,281	\$82,568
<i>Reserve Income</i>	\$27,591	\$28,515	\$29,471	\$30,458	\$31,478
<i>Interest Earnings</i>	\$804	\$1,070	\$1,530	\$1,933	\$2,300
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$57,377	\$64,994	\$81,290	\$104,673	\$116,346
Reserve Expenditures	\$21,968	\$14,705	\$9,009	\$22,105	\$14,698
Ending Balance	\$35,408	\$50,289	\$72,281	\$82,568	\$101,648

Year	2017	2018	2019	2020	2021
Starting Balance	\$101,648	\$130,256	\$148,744	\$174,880	\$173,548
<i>Reserve Income</i>	\$32,533	\$33,623	\$34,749	\$35,913	\$37,116
<i>Interest Earnings</i>	\$2,896	\$3,484	\$4,041	\$4,351	\$4,450
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$137,076	\$167,362	\$187,534	\$215,144	\$215,114
Reserve Expenditures	\$6,820	\$18,618	\$12,654	\$41,596	\$32,256
Ending Balance	\$130,256	\$148,744	\$174,880	\$173,548	\$182,858

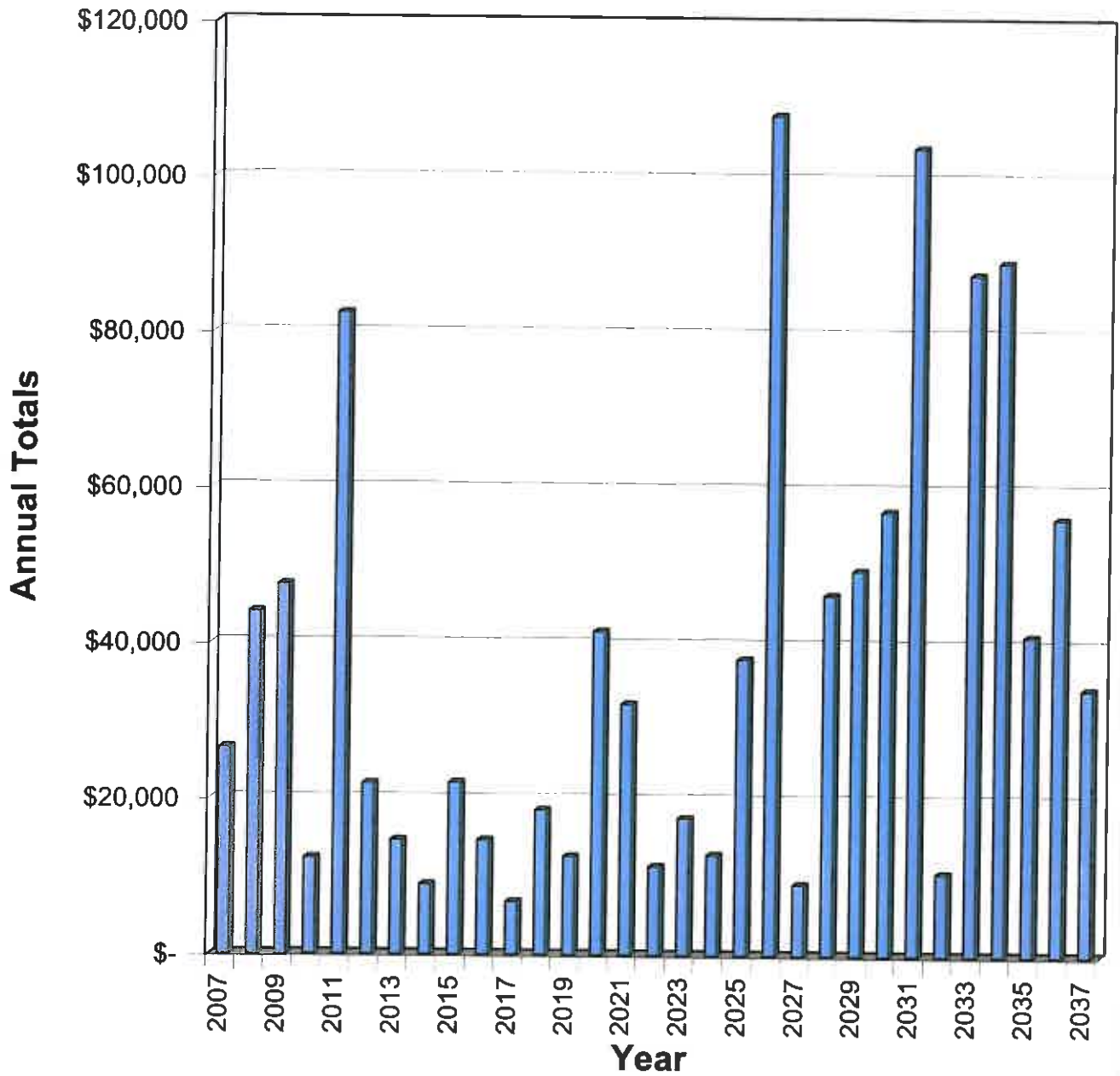
Year	2022	2023	2024	2025	2026
Starting Balance	\$182,858	\$214,786	\$242,529	\$277,056	\$288,387
<i>Reserve Income</i>	\$38,360	\$39,645	\$40,973	\$42,345	\$43,764
<i>Interest Earnings</i>	\$4,965	\$5,710	\$6,488	\$7,060	\$6,479
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$226,183	\$260,141	\$289,990	\$326,462	\$338,630
Reserve Expenditures	\$11,397	\$17,612	\$12,934	\$38,075	\$108,126
Ending Balance	\$214,786	\$242,529	\$277,056	\$288,387	\$230,504

Year	2027	2028	2029	2030	2031
Starting Balance	\$230,504	\$272,853	\$280,154	\$286,051	\$285,988
<i>Reserve Income</i>	\$45,230	\$46,745	\$48,311	\$49,929	\$51,602
<i>Interest Earnings</i>	\$6,285	\$6,905	\$7,070	\$7,143	\$6,570
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$282,019	\$326,503	\$335,535	\$343,123	\$344,160
Reserve Expenditures	\$9,166	\$46,349	\$49,483	\$57,135	\$103,957
Ending Balance	\$272,853	\$280,154	\$286,051	\$285,988	\$240,203

Year	2032	2033	2034	2035	2036
Starting Balance	\$240,203	\$289,523	\$263,884	\$237,896	\$261,883
<i>Reserve Income</i>	\$53,331	\$55,117	\$56,964	\$58,872	\$60,844
<i>Interest Earnings</i>	\$6,614	\$6,910	\$6,265	\$6,240	\$6,681
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$300,148	\$351,550	\$327,114	\$303,008	\$329,407
Reserve Expenditures	\$10,626	\$87,665	\$89,218	\$41,125	\$56,263
Ending Balance	\$289,523	\$263,884	\$237,896	\$261,883	\$273,144

Yearly Expenditures Graph For Alpine Condominium HOA

Reserve Expenditures



Projected Reserve Expenditures For Alpine Condominium HOA

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2007	401	Asphalt - Overlay	\$24,300	\$26,540
	402	Asphalt - Seal Coat/crack fill	\$2,240	
2008	501	Common Doors - Replace	\$6,953	\$44,020
	606	Wood Bridges - Replace	\$2,974	
	607	Wood Balconies - Replace (A)	\$28,016	
	1101	Fiberglass Pool - Gel Coat	\$5,150	
	1107	Pool Filter - Replace	\$927	
2009	608	Wood Balconies - Replace (B)	\$32,464	\$47,528
	702	Small Boilers - Replace	\$5,835	
	1415	Interior Lobby - Remodel	\$2,917	
	1502	Linoleum - Replace	\$6,312	
2010	202	Wood Surfaces - Repaint	\$8,742	\$12,392
	303	Wood Siding - Repair	\$1,202	
	402	Asphalt - Seal Coat/crack fill	\$2,448	
2011	105	Comp Shingle Roof - Replace	\$58,526	\$82,528
	120	Gutters/Downspouts - Replace	\$1,913	
	216	Interior Surfaces - Repaint	\$11,002	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$5,712	
	1001	Wood Fencing - Replace	\$5,374	
2012	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$5,883	\$21,968
	1007	Wood Retaining Wall - Replace	\$4,086	
	1501	Carpet - Replace	\$11,998	
2013	402	Asphalt - Seal Coat/crack fill	\$2,675	\$14,705
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$6,060	
	1101	Fiberglass Pool - Gel Coat	\$5,970	
2014	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$6,242	\$9,009
	801	Monument - Rebuild	\$2,767	
2015	202	Wood Surfaces - Repaint	\$10,134	\$22,105
	303	Wood Siding - Repair	\$1,393	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$6,429	
	1601	Interior Hallway - Replace	\$4,149	
2016	120	Gutters/Downspouts - Replace	\$2,218	\$14,698
	402	Asphalt - Seal Coat/crack fill	\$2,923	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$6,622	
	1104	Pool Heater - Replace	\$2,936	
2017	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$6,820	\$6,820
2018	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$7,025	\$18,618
	1101	Fiberglass Pool - Gel Coat	\$6,921	
	2001	Bicycle Shelter - Replace	\$4,672	
2019	402	Asphalt - Seal Coat/crack fill	\$3,194	\$12,654
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$7,236	
	803	Mailboxes - Replace	\$2,224	
2020	202	Wood Surfaces - Repaint	\$11,748	\$41,596
	303	Wood Siding - Repair	\$1,615	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$7,453	
	703	Hot Water Storage Tank - Replace	\$5,580	
	1501	Carpet - Replace	\$15,199	
2021	120	Gutters/Downspouts - Replace	\$2,571	\$32,256
	216	Interior Surfaces - Repaint	\$14,786	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$7,676	
	1001	Wood Fencing - Replace	\$7,223	
2022	402	Asphalt - Seal Coat/crack fill	\$3,490	\$11,397
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$7,907	

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2023	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$8,144	\$17,612
	1101	Fiberglass Pool - Gel Coat	\$8,024	
	1107	Pool Filter - Replace	\$1,444	
2024	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$8,388	\$12,934
	1415	Interior Lobby - Remodel	\$4,545	
2025	202	Wood Surfaces - Repaint	\$13,619	\$38,075
	303	Wood Siding - Repair	\$1,873	
	402	Asphalt - Seal Coat/crack fill	\$3,813	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$8,640	
	1502	Linoleum - Replace	\$10,129	
2026	105	Comp Shingle Roof - Replace	\$91,182	\$108,126
	120	Gutters/Downspouts - Replace	\$2,981	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$8,899	
	606	Wood Bridges - Replace	\$5,063	
2027	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$9,166	\$9,166
2028	402	Asphalt - Seal Coat/crack fill	\$4,167	\$46,349
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$9,441	
	1101	Fiberglass Pool - Gel Coat	\$9,301	
	1104	Pool Heater - Replace	\$4,186	
	1501	Carpet - Replace	\$19,254	
2029	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$9,724	\$49,483
	607	Pool Deck - Replace	\$7,664	
	701	Large Boiler - Replace (A)	\$21,556	
	702	Small Boilers - Replace	\$10,539	
2030	202	Wood Surfaces - Repaint	\$15,789	\$57,135
	303	Wood Siding - Repair	\$2,171	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$10,016	
	701	Large Boiler - Replace (B)	\$22,203	
	1007	Wood Retaining Wall - Replace	\$6,957	
2031	120	Gutters/Downspouts - Replace	\$3,456	\$103,957
	216	Interior Surfaces - Repaint	\$19,871	
	401	Asphalt - Overlay	\$49,397	
	402	Asphalt - Seal Coat/crack fill	\$4,553	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$10,316	
	1001	Wood Fencing - Replace	\$9,707	
	1601	Interior Hallway - Replace	\$6,657	
2032	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$10,626	\$10,626
2033	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$10,945	\$87,665
	607	Wood Balconies - Replace (A)	\$58,659	
	1101	Fiberglass Pool - Gel Coat	\$10,783	
	2001	Bicycle Shelter - Replace	\$7,278	
2034	402	Asphalt - Seal Coat/crack fill	\$4,976	\$89,218
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$11,273	
	608	Wood Balconies - Replace (B)	\$67,971	
	801	Monument - Rebuild	\$4,998	
2035	202	Wood Surfaces - Repaint	\$18,303	\$41,125
	303	Wood Siding - Repair	\$2,517	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$11,611	
	703	Hot Water Storage Tank - Replace	\$8,694	
2036	120	Gutters/Downspouts - Replace	\$4,006	\$56,263
	501	Common Doors - Replace	\$15,907	
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$11,960	
	1501	Carpet - Replace	\$24,390	
2037	402	Asphalt - Seal Coat/crack fill	\$5,437	\$12,318
	601	Concrete Sidewalks/Patios/Pool Deck - Repair	\$12,318	

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
	1002	Ironwork Fencing - Replace	\$16,566	\$34,321

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

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

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

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

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

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

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

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

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

$$\text{AFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

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

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

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

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

Funding Principles –

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

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

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

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

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

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

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

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

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

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

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

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

