



Reserve Analysis • Property Inspection • Construction Consultants

September 3, 2013

**Red Hawk Homeowners Association, Inc.**  
**C/o MSI, LLC**  
**11002 Benton Street**  
**Westminster, Colorado 80020-3200**

**Attention: Walter Figel and Laurie Leftwich**

**Re: Reserve Analysis: 2014 Update and Revision**

Dear Mr. Figel, Ms. Leftwich and Board of Directors:

As requested, Bradley Property Consultants, Inc. revised and updated the 2005 reserve analysis for Red Hawk Homeowners Association, Inc. (Association), located in Castle Rock, Colorado.

The updated 2014 version of the reserve analysis was performed in August 2013. The 2005 reserve analysis was reviewed and the property was inspected to verify the conditions on the property. The entire inventory list of the reserve analysis was reviewed as part of the updating process and valuable current information was provided by two members of the Board of Directors. The update reflects the expected position of the Association in 2014. The revision and updating has brought the reserve analysis up to date with current replacement costs for the project components. The proposed maintenance expectations and comments by the Association were very valuable in revising this document. The Association may wish to consider adding or deleting some categories and possibly phasing more of the categories to spread the financial responsibilities over a number of years. The phasing can be done as a revision to this document.

The reserve analysis is in two parts. The first section is an explanation of terms and a description of the methods involved in arriving at the data for the project. The second section starts with the reserve analysis table showing project categories and overall suggested reserve deposits. This table should be reviewed carefully and revised as necessary. The rest of the second section includes tables of reserve balances for the next 40 years, a section of graphs depicting capital expenses and reserve balances over the same 40 year period, and a table of projected capital expenses.

**CHANGES AND COMMENTS FOR THE 2014 UPDATE AND REVISION:**

Unit abbreviations used the Reserve Analysis table: SF= square feet, LF= lineal feet, SY= square yard, LS= lump sum, EA= each, REPL.= replacement, ECON.= economic

**Red Hawk Homeowners Association, Inc.**  
**Reserve Analysis, 2014 UPDATE & REVISION**  
**September 3, 2013**  
**Page 2**

1. The categories were examined and aged to coordinate with their condition. Some categories were given an extended life if they had not deteriorated significantly or if they had been replaced. Major repairs or replacements were also considered for each category.
2. The Association has completed some renovation projects over the past few years. The benefits of those projects were included in the reserve analysis update. Some issues have become a concern to the Association and those areas were also addressed in the updated reserve analysis.
  - a. The category for landscaping irrigation was increased slightly due to cost increases for material and labor connected with major irrigation repairs and replacements. The system is operating in a satisfactory manner. If the incidence of line breaks or lines being choked by tree roots becomes an issue then it may become necessary to replace the irrigation system. The Association has done a good job in maintaining the system and is keeping up on normal maintenance replacements of sprinkler heads and sprinkler equipment.
  - b. The landscape refurbish category was increased to spend approximately \$10,000.00 dollars every two years. The increase was gauged from past expenditures and expected future expenditures.
  - c. The 6' wood fence category was increased due cost increases over the last nine years.
  - d. A concrete replacement category was added to the reserve analysis due to the future liability the Association has for sidewalks and other concrete replacements in the common area and tracts.
  - e. The rail fence categories were completely revised and recalculated. The fence is aging faster then originally anticipated so adjustments were made in the estimated life and estimated life left calculations. The rail fence replacements are now in phases that correspond to locations in Red Hawk Filing No. 1 and Red Hawk Filing No. 2. The phases are as follows:

**Phase 1:** Red Hawk Filing No. 1 on the West and East perimeter and unfinished short Grass area.

**Phase 2:** Red Hawk Filing No. 1 on Red Hawk Drive West and East sides and an East internal section

**Phase 3:** Red Hawk Filing No. 2 on Red Hawk Drive East and North side of the golf course.

**Phase 4:** Red Hawk Filing No. 2 on Sapling Court, golf course South, Prairie Hawk North, Prairie Hawk South, tract O, and an unfinished tract.

- f. The Board of Directors is considering staining the rail fence. Bids will be considered in the future and that category can be added during the next update.
  - g. New fence is planned to be added in 2014 at two cul-de-sacs.
  - h. The signage category was revised to include the new monument sign added in 2013.
  - i. The lighting category was increased to cover future replacement of the lighting at all the community monuments.
  - j. A new retaining wall category was added at the request of the Board of Directors. The wall borders 1599 and 1627 Tiff Grass Court and 1630 Thatch Circle. This wood wall is structural in nature since it is so tall. The updated reserve analysis estimated replacing the wall with a concrete wall in lieu of wood timbers. A concrete wall would have an expected life of 50 years which would make it more cost effective than a wood wall. The retaining wall will be very expensive to replace due to its height and location.
3. Each category was revised to reflect current replacement costs. Some category costs have not increased significantly in replacement cost values while others have increased dramatically. The community appears to be aging quite nicely and the reserve analysis reflects the general satisfactory condition of the long term capital assets.
4. The reserves available for this update were \$385,000.00 beginning in 2014.

The work performed consisted of a review of the previous reserve study, site inspections, information from the Board of Directors, and some field measurements to determine the condition and value of items for which the Association is responsible for repair and replacement. This information was used to compile and revise the reserve analysis inventory list. The reserve analysis estimates remaining economic life of the items in the inventory list, replacement costs, and prorates existing reserves to these items. The analysis then estimates future contributions to project reserves so adequate funds will be available for future repairs and replacements.

**Reserve Analysis Summary and Explanation of Terms**

**Red Hawk Homeowners Association, Inc.**  
**Reserve Analysis, 2014 UPDATE & REVISION**  
**September 3, 2013**  
**Page 4**

The analysis covers the common areas and items the Association is responsible for repairing and replacing. The Association has determined these items, or inventory list, by interpretation of the Declarations and Covenants for the Association and the historical maintenance schedule on the project. The inventory list should be reviewed and modified according to the actual needs of the Association. We have identified the Association's inventory list under the subheading of "Common Area" in the attached reserve analysis table.

The analysis also uses the relationship of cost replacement and remaining life to determine future reserve needs. An explanation of the terms and column headings as used within the reserve analysis follows:

**COMMON AREA**

The common area covers the perimeter right of way landscaping, perimeter fence, and other items that are in common use by all members of the Association. It includes the sprinkler system and fixed items within the landscaped area. **The capital reserves inventory list for the Association is listed the reserve analysis tables. Please refer to the inventory list and the other sections of the report for specific comments on individual reserve analysis items.**

Some long-lasting items were not included in the analysis since they should survive the assumed economic life of the project. This analysis uses a 50-year useful economic life as a basis for replacement items. Most items considered to have an expected life of 50 years or longer were not included in the replacement schedule. These items include building foundations and internal structural components. Please see any special notes within the analysis that pertain to items that will last 50 years or more. Small or low cost items under \$3,000.00 were not included since these repairs and replacements tend to be funded through the annual operating budget rather than from capital reserves.

**DEFINITION OF TERMS USED IN THE RESERVE ANALYSIS TABLE**

**Estimated Salvage Value**

"Estimated Salvage Value" specifically relates to items which, by their nature, will not need total replacement at the end of their assumed economic life. The considerations affecting salvage value are its long-lasting components or parts, maintenance schedule, recent repairs or replacements, and importance to the appearance of the project. Items that directly affect the appearance and function of the project tend to be maintained more completely and more often. Hard scape items such as concrete tend to be repaired as necessary rather than all at once. Some portions will last as long as the economic life of the project while other parts will need repairs, but not full replacement.

The "Estimated Salvage Value" identifies those items that will not need total replacement upon reaching their assumed economic life. The percentages noted on the schedule are based on our experience. They can be modified after discussions with the Board of Directors regarding areas and percentages best fitting with the overall maintenance philosophy of the project. Some items have had recent major repairs or replacements.

### **Replacement Costs**

Replacement costs were arrived at using estimating procedures and our experience with bidding current market prices. The amounts are in current dollars and are estimates. They assume major repairs or replacements will be done all at the same time.

The actual costs for replacements may vary considerably depending on economic conditions, contract specifications, technological advances, regulatory changes, and maintenance schedules. No adjustments for inflation were made for replacement costs. Inflation values fluctuate and are not reliably defined. Over a long period of time, inflation is often offset by investment credits or interest earned. The varying rates and changes to the project can be reflected by annual updates to the reserve analysis. **We recommend annual updates to the reserve analysis to account for any substantial changes directly affecting the cost of replacements. Such changes would include insurance settlements, natural disasters, or unknown conditions requiring significant expenditures.**

### **Estimated Economic Life**

The estimated economic life and life left are our estimates obtained from published manuals, accepted industry standards, and our experience with similar projects. The estimated life remaining for the reserve items was determined after our visual inspections and discussions with the management company and contractors familiar with the community. The project was constructed between 2001-2004. The average age of the components had to be interpreted for each inventory item since some items will age faster than others. Some items have been repaired and replaced. The major replacements and repairs are reflected in the "Remaining Economic Life" and "Estimated Salvage Value" columns.

**The "Desired Reserve Budget," "Reserves Available," and "Annual Deposit" are arrived at after determining the estimated replacement costs and economic life span of the reserve items.**

### **Desired Reserve Budget**

The "**Desired Reserve Budget**" is the estimated amount that would have been deposited by now if the inventory items had been included in a reserve deposit schedule from the beginning of the project. Each item's estimated replacement cost is divided by its proposed economic life and then

multiplied by its age to arrive at the desired reserve budget. This is a "best case" scenario to show what would have been reserved to date for each item. These figures are used to develop a percentage or proportional relationship for each item as it relates to the total "Desired Reserve Budget." The item percentage is used to distribute the present reserves and analyze future needs.

### **Reserves Available**

The actual reserves available are distributed to each inventory item in proportion to the "Desired Reserve Budget" figures. The proportion or percentage for each item as determined by the "Desired Reserve Budget" is multiplied by the actual reserves on hand to arrive at the reserve value for each item. The reserves available for the reserve analysis update were \$385,000.00 beginning in 2014.

### **Annual Deposits**

The actual reserves available are distributed to each inventory item in proportion to the "Desired Reserve Budget" figures. The proportion or percentage for each item as determined by the "Desired Reserve Budget" is multiplied by the actual reserves on hand to arrive at the reserve value for each item.

### **Average Annual Contribution**

The annual deposits required over the life of the project will fluctuate as reserves are saved and spent in anticipated cycles. We have attempted to account for these cycles by calculating the average annual deposits necessary for a 40 year period. In calculating your requirements, the initial deposit brings your reserve balance closer to what it should be now and the average deposit lets the association gauge what level savings to achieve in the future. **The Association must consider that these amounts are determined at a 100% funding level which in the real world is very difficult to achieve. To achieve the best reserve balance and funding levels requires careful long term planning. Most communities are doing very well if they can achieve 70-80% of the proposed annual contributions. A part of the planning process may be to establish a reasonable goal and attempt to reach the best result possible without extravagant demands on the homeowners.**

As stated previously, we recommend annual updates to the reserve analysis to account for replacements, changes in replacement costs, and changing interest rates. Interest earned will tend to offset inflation. Attempting to forecast into the future is tenuous at best. We believe it is preferable to make simple annual changes to the analysis and make decisions based on the most recent information available. **The reserve analysis is a working document and should be adjusted as necessary to meet the needs and desires of the Association and reflect changing conditions.**

**Red Hawk Homeowners Association, Inc.**  
**Reserve Analysis, 2014 UPDATE & REVISION**  
**September 3, 2013**  
**Page 7**

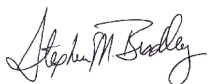
We performed this analysis at the request of the Board of Directors of Red Hawk Homeowners Association, Inc. The report is intended for the Association's exclusive use and should not be used for contracting work or relied upon by any other party. The analysis reflects conditions within the property that could be examined visually and is limited to the extent of the report. The analysis is also based upon representations made by Red Hawk Homeowners Association, Inc. in regard to existing reserve fund balances, recent replacements or repairs, and interpretation of the Declarations and Covenants for the project. While reasonable effort was made to ascertain the condition of the property and/or equipment within, it is not to be construed as a guarantee or warranty of the property or equipment therein, nor does it imply that all components will function properly on or after the date of this report. Acceptance of this report by the Association constitutes the agreement of the Association that the liability of Bradley Property Consultants, Inc. for any errors or omissions on negligent misrepresentations herein is limited to the fee paid for this report and that there shall be no liability whatsoever for incidental or consequential damages. Unless otherwise noted in the report, no sampling, testing, or dismantling of any equipment, systems or structural components of the property, other than the visual inspection, was performed. Further, no inspections or tests for soil quality or stability, asbestos, PCBs, or any other hazardous materials were undertaken nor was the quality or adequacy of the water and sewer service to the property analyzed. The inspections addressed herein were not undertaken to address any specific use or purpose contemplated by the Association other than what was stated in the report. This report does not in any way address the property's compliance with any federal, state, or local laws, rules, regulations, or ordinances.

We believe the analysis will provide a useful planning guide. Actual experience in replacing items may differ significantly from the estimates given. Again, we recommend annual updates to the analysis to reflect changes to current conditions.

If you have any questions or require further information, please contact our office at any time.

Very truly yours,

**BRADLEY PROPERTY CONSULTANTS, INC.**



Stephen M. Bradley, President

Enclosures and Attachments: 2014 Update and Revision

- Replacement and Reserve Analysis Table
- Tables and Graphs of Reserve Balances Over Remaining Life of Components
- Table of Projected Capital Expenses By Year



Property Inspection • Construction Consultants

1588 S. Clarkson St., Denver, CO 80210

Phone (303)232-0252 Fax (303)232-3243

# RED HAWK HOMEOWNERS ASSOCIATION

## RESERVE ANALYSIS- Projected Capital Expenses By Year

2014 VERSION: updated 9-3-13

|                | YEAR<br>2014 | YEAR<br>2015 | YEAR<br>2016 | YEAR<br>2017 | YEAR<br>2018 | YEAR<br>2019 | YEAR<br>2020 | YEAR<br>2021 | YEAR<br>2022 | YEAR<br>2023 | YEAR<br>2024 |
|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| INVENTORY LIST | 1            | 2            | 3            | 4            | 5            | 6            | 7            | 8            | 9            | 10           | 11           |

| COMMON AREA:                        |               |               |          |               |          |               |          |               |          |                |          |
|-------------------------------------|---------------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|----------------|----------|
| Sprinkler system                    | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Landscape refurbish                 | 0             | 10,000        | 0        | 10,000        | 0        | 10,000        | 0        | 10,000        | 0        | 10,000         | 0        |
| 6' wood fence                       | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Concrete repairs: overall expense   | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 10,000        | 0        | 0              | 0        |
| Rail fence: Phase 1                 | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 119,700        | 0        |
| Rail fence: Phase 2                 | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Rail fence: Phase 3                 | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Rail fence: Phase 4                 | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Rail fence: added in 2014           | 19,722        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Signage                             | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Lighting                            | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Retaining wall: 1599 Tiff Grass Ct. | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| Retaining walls (wood)              | 0             | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0              | 0        |
| <b>Capital Expense</b>              | <b>19,722</b> | <b>10,000</b> | <b>0</b> | <b>10,000</b> | <b>0</b> | <b>10,000</b> | <b>0</b> | <b>20,000</b> | <b>0</b> | <b>129,700</b> | <b>0</b> |





Property Inspection • Construction Consultants

1588 S. Clarkson St., Denver, CO 80210

Phone (303)232-0252 Fax (303)232-3243

# RED HAWK HOMEOWNERS ASSOCIATION

## RESERVE ANALYSIS- Projected Capital Expenses By Year

2014 VERSION: updated 9-3-13

|                | YEAR<br>2025 | YEAR<br>2026 | YEAR<br>2027 | YEAR<br>2028 | YEAR<br>2029 | YEAR<br>2030 | YEAR<br>2031 | YEAR<br>2032 | YEAR<br>2033 | YEAR<br>2034 | YEAR<br>2035 |
|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| INVENTORY LIST | 12           | 13           | 14           | 15           | 16           | 17           | 18           | 19           | 20           | 21           | 22           |

| COMMON AREA:                        |                |                |                |               |                |          |                |               |               |          |               |
|-------------------------------------|----------------|----------------|----------------|---------------|----------------|----------|----------------|---------------|---------------|----------|---------------|
| Sprinkler system                    | 0              | 0              | 0              | 0             | 0              | 0        | 190,876        | 0             | 0             | 0        | 0             |
| Landscape refurbish                 | 10,000         | 0              | 10,000         | 0             | 10,000         | 0        | 10,000         | 0             | 10,000        | 0        | 10,000        |
| 6' wood fence                       | 0              | 60,180         | 0              | 0             | 0              | 0        | 0              | 0             | 0             | 0        | 0             |
| Concrete repairs: overall expense   | 0              | 0              | 0              | 0             | 0              | 0        | 10,000         | 0             | 0             | 0        | 0             |
| Rail fence: Phase 1                 | 0              | 0              | 0              | 0             | 0              | 0        | 0              | 0             | 0             | 0        | 0             |
| Rail fence: Phase 2                 | 120,650        | 0              | 0              | 0             | 0              | 0        | 0              | 0             | 0             | 0        | 0             |
| Rail fence: Phase 3                 | 0              | 120,004        | 0              | 0             | 0              | 0        | 0              | 0             | 0             | 0        | 0             |
| Rail fence: Phase 4                 | 0              | 0              | 114,418        | 0             | 0              | 0        | 0              | 0             | 0             | 0        | 0             |
| Rail fence: added in 2014           | 0              | 0              | 0              | 0             | 0              | 0        | 0              | 0             | 0             | 0        | 0             |
| Signage                             | 0              | 0              | 0              | 0             | 0              | 0        | 0              | 50,000        | 0             | 0        | 0             |
| Lighting                            | 0              | 0              | 0              | 0             | 30,000         | 0        | 0              | 0             | 0             | 0        | 0             |
| Retaining wall: 1599 Tiff Grass Ct. | 0              | 0              | 0              | 0             | 110,000        | 0        | 0              | 0             | 0             | 0        | 0             |
| Retaining walls (wood)              | 0              | 0              | 0              | 18,360        | 0              | 0        | 0              | 0             | 0             | 0        | 0             |
| <b>Capital Expense</b>              | <b>130,650</b> | <b>180,184</b> | <b>124,418</b> | <b>18,360</b> | <b>150,000</b> | <b>0</b> | <b>210,876</b> | <b>50,000</b> | <b>10,000</b> | <b>0</b> | <b>10,000</b> |



Property Inspection • Construction Consultants

1588 S. Clarkson St., Denver, CO 80210

Phone (303)232-0252 Fax (303)232-3243

# RED HAWK HOMEOWNERS ASSOCIATION

## RESERVE ANALYSIS- Projected Capital Expenses By Year

2014 VERSION: updated 9-3-13

|                       | YEAR<br>2036 | YEAR<br>2037 | YEAR<br>2038 | YEAR<br>2039 | YEAR<br>2040 | YEAR<br>2041 | YEAR<br>2042 | YEAR<br>2043 | YEAR<br>2044 | YEAR<br>2045 | YEAR<br>2046 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>INVENTORY LIST</b> | <b>23</b>    | <b>24</b>    | <b>25</b>    | <b>26</b>    | <b>27</b>    | <b>28</b>    | <b>29</b>    | <b>30</b>    | <b>31</b>    | <b>32</b>    | <b>33</b>    |

| <b>COMMON AREA:</b>                 |          |               |          |               |          |               |          |               |          |               |          |
|-------------------------------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|
| Sprinkler system                    | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Landscape refurbish                 | 0        | 10,000        | 0        | 10,000        | 0        | 10,000        | 0        | 10,000        | 0        | 10,000        | 0        |
| 6' wood fence                       | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Concrete repairs: overall expense   | 0        | 0             | 0        | 0             | 0        | 10,000        | 0        | 0             | 0        | 0             | 0        |
| Rail fence: Phase 1                 | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Rail fence: Phase 2                 | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Rail fence: Phase 3                 | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Rail fence: Phase 4                 | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Rail fence: added in 2014           | 0        | 0             | 0        | 19,722        | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Signage                             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Lighting                            | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Retaining wall: 1599 Tiff Grass Ct. | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| Retaining walls (wood)              | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        | 0             | 0        |
| <b>Capital Expense</b>              | <b>0</b> | <b>10,000</b> | <b>0</b> | <b>29,722</b> | <b>0</b> | <b>20,000</b> | <b>0</b> | <b>10,000</b> | <b>0</b> | <b>10,000</b> | <b>0</b> |



**BRADLEY  
PROPERTY  
CONSULTANTS**

Property Inspection • Construction Consultants

1588 S. Clarkson St., Denver, CO 80210

Phone-(303)232-0252 Fax-(303)232-3243

## RED HAWK HOMEOWNERS ASSOCIATION

### RESERVE ANALYSIS- Projected Capital Expenses By Year

2014 VERSION: updated 9-3-13

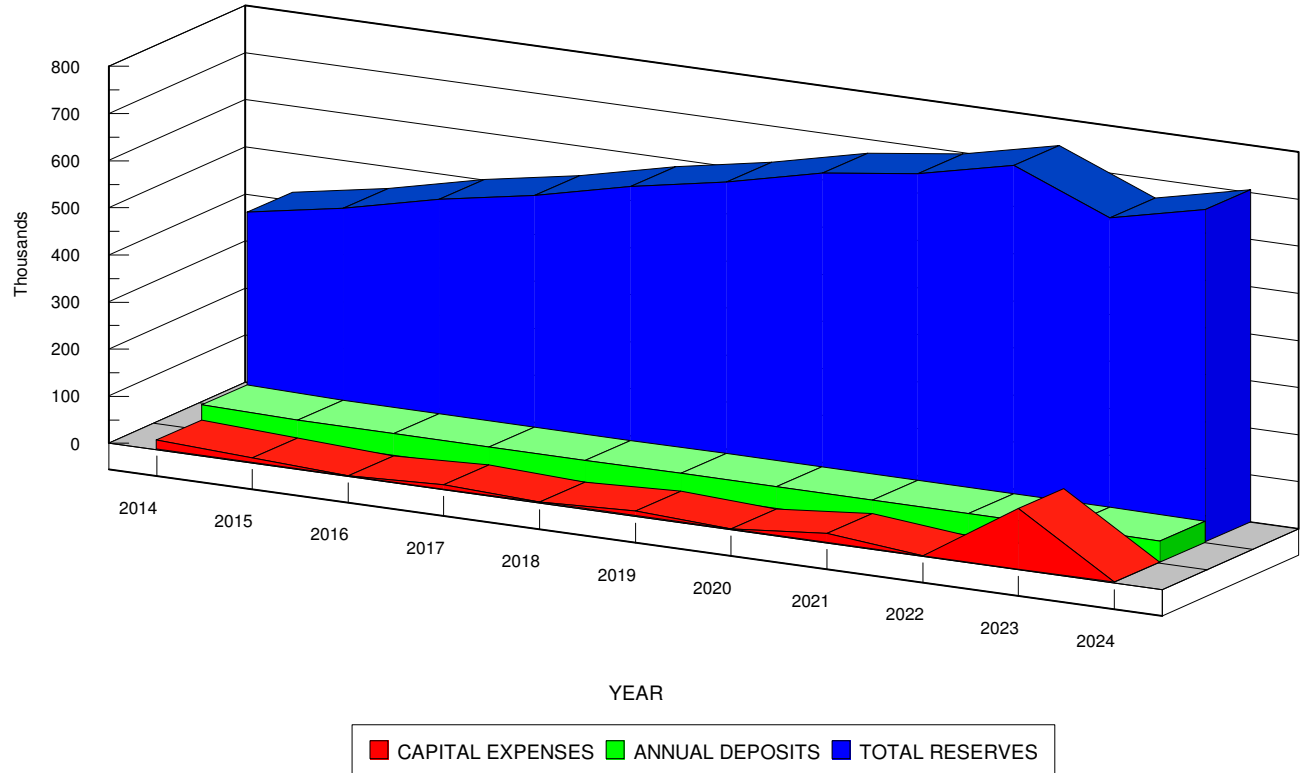
|                       | YEAR<br>2047 | YEAR<br>2048 | YEAR<br>2049 | YEAR<br>2050 | YEAR<br>2051 | YEAR<br>2052 | YEAR<br>2053 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>INVENTORY LIST</b> | <b>34</b>    | <b>35</b>    | <b>36</b>    | <b>37</b>    | <b>38</b>    | <b>39</b>    | <b>40</b>    |

| <b>COMMON AREA:</b>                 |               |                |               |                |                |                |               |
|-------------------------------------|---------------|----------------|---------------|----------------|----------------|----------------|---------------|
| Sprinkler system                    | 0             | 0              | 0             | 0              | 0              | 0              | 0             |
| Landscape refurbish                 | 10,000        | 0              | 10,000        | 0              | 10,000         | 0              | 10,000        |
| 6' wood fence                       | 0             | 0              | 0             | 0              | 60,180         | 0              | 0             |
| Concrete repairs: overall expense   | 0             | 0              | 0             | 0              | 10,000         | 0              | 0             |
| Rail fence: Phase 1                 | 0             | 119,700        | 0             | 0              | 0              | 0              | 0             |
| Rail fence: Phase 2                 | 0             | 0              | 0             | 120,650        | 0              | 0              | 0             |
| Rail fence: Phase 3                 | 0             | 0              | 0             | 0              | 120,004        | 0              | 0             |
| Rail fence: Phase 4                 | 0             | 0              | 0             | 0              | 0              | 114,418        | 0             |
| Rail fence: added in 2014           | 0             | 0              | 0             | 0              | 0              | 0              | 0             |
| Signage                             | 0             | 0              | 0             | 0              | 0              | 0              | 0             |
| Lighting                            | 0             | 0              | 0             | 0              | 0              | 0              | 0             |
| Retaining wall: 1599 Tiff Grass Ct. | 0             | 0              | 0             | 0              | 0              | 0              | 0             |
| Retaining walls (wood)              | 0             | 0              | 0             | 0              | 0              | 0              | 18,360        |
| <b>Capital Expense</b>              | <b>10,000</b> | <b>119,700</b> | <b>10,000</b> | <b>120,650</b> | <b>200,184</b> | <b>114,418</b> | <b>28,360</b> |



## RED HAWK HOMEOWNERS ASSOCIATION

RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components



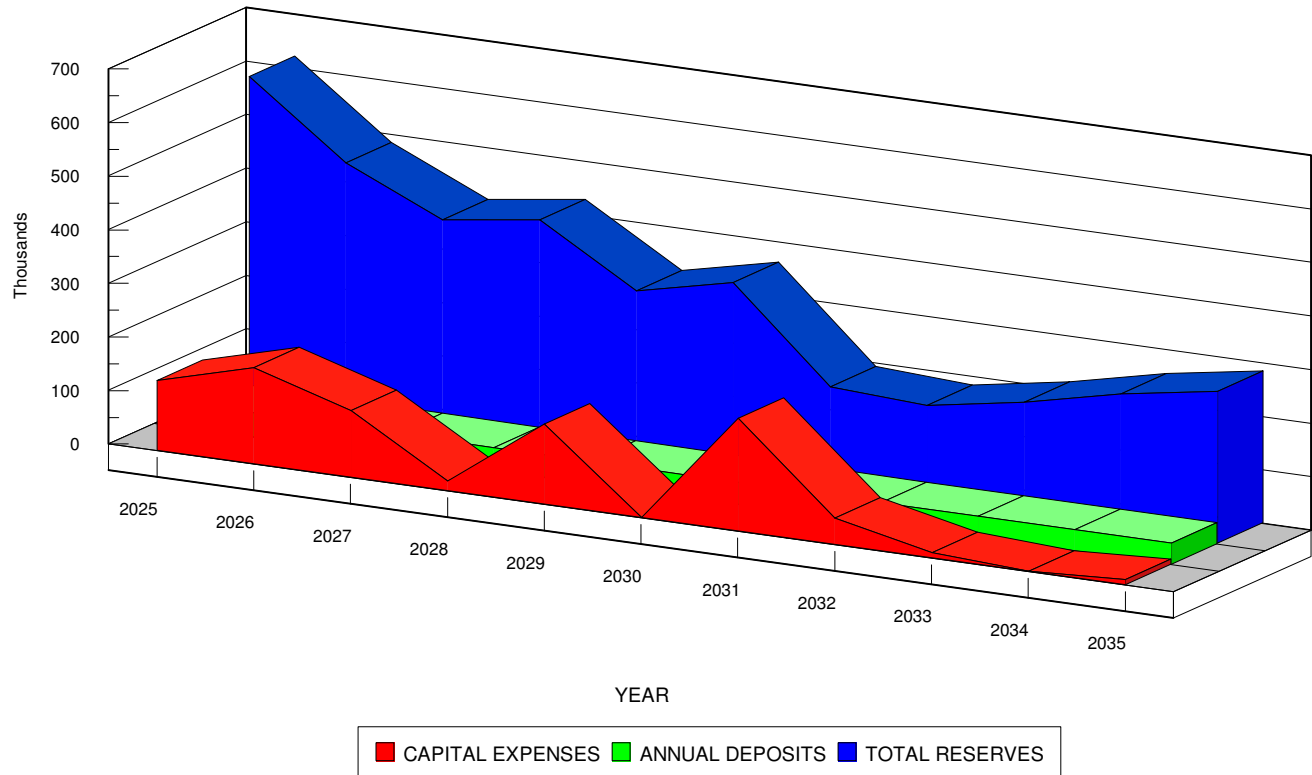
2014 VERSION: updated 9-3-13

|                         |           |
|-------------------------|-----------|
| RESERVES ON HAND YEAR 1 | \$385,000 |
| ENDING BALANCE YEAR 11  | \$705,504 |
| AVERAGE BALANCE         | \$598,603 |

|                         |           |
|-------------------------|-----------|
| VALUE OF RESERVE ITEMS  | \$973,910 |
| AVERAGE CAPITAL EXPENSE | \$18,129  |
| AVERAGE DEPOSIT         | \$47,266  |

| YEAR             | 1        | 2        | 3       | 4        | 5       | 6        | 7       | 8        | 9       | 10        | 11      |
|------------------|----------|----------|---------|----------|---------|----------|---------|----------|---------|-----------|---------|
| YEAR             | 2014     | 2015     | 2016    | 2017     | 2018    | 2019     | 2020    | 2021     | 2022    | 2023      | 2024    |
| CAPITAL EXPENSES | (19,722) | (10,000) | 0       | (10,000) | 0       | (10,000) | 0       | (20,000) | 0       | (129,700) | 0       |
| ANNUAL DEPOSITS  | 50,814   | 47,068   | 47,068  | 47,068   | 47,068  | 47,068   | 47,068  | 47,068   | 47,019  | 47,019    | 45,598  |
| TOTAL RESERVES   | 416,092  | 453,160  | 500,228 | 537,296  | 584,364 | 621,432  | 668,500 | 695,568  | 742,587 | 659,906   | 705,504 |

**RED HAWK HOMEOWNERS ASSOCIATION**  
RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components



2014 VERSION: updated 9-3-13

|                          |           |
|--------------------------|-----------|
| RESERVES ON HAND YEAR 12 | \$695,568 |
| ENDING BALANCE YEAR 22   | \$283,753 |
| AVERAGE BALANCE          | \$340,344 |

|                         |           |
|-------------------------|-----------|
| VALUE OF RESERVE ITEMS  | \$973,910 |
| AVERAGE CAPITAL EXPENSE | \$80,408  |
| AVERAGE DEPOSIT         | \$42,067  |

| YEAR             | 12<br>2025 | 13<br>2026 | 14<br>2027 | 15<br>2028 | 16<br>2029 | 17<br>2030 | 18<br>2031 | 19<br>2032 | 20<br>2033 | 21<br>2034 | 22<br>2035 |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| CAPITAL EXPENSES | (130,650)  | (180,184)  | (124,418)  | (18,360)   | (150,000)  | 0          | (210,876)  | (50,000)   | (10,000)   | 0          | (10,000)   |
| ANNUAL DEPOSITS  | 45,598     | 44,563     | 43,247     | 42,536     | 42,439     | 41,381     | 41,381     | 40,541     | 40,351     | 40,351     | 40,351     |
| TOTAL RESERVES   | 620,451    | 484,831    | 403,660    | 427,836    | 320,275    | 361,656    | 192,160    | 182,702    | 213,052    | 253,403    | 283,753    |



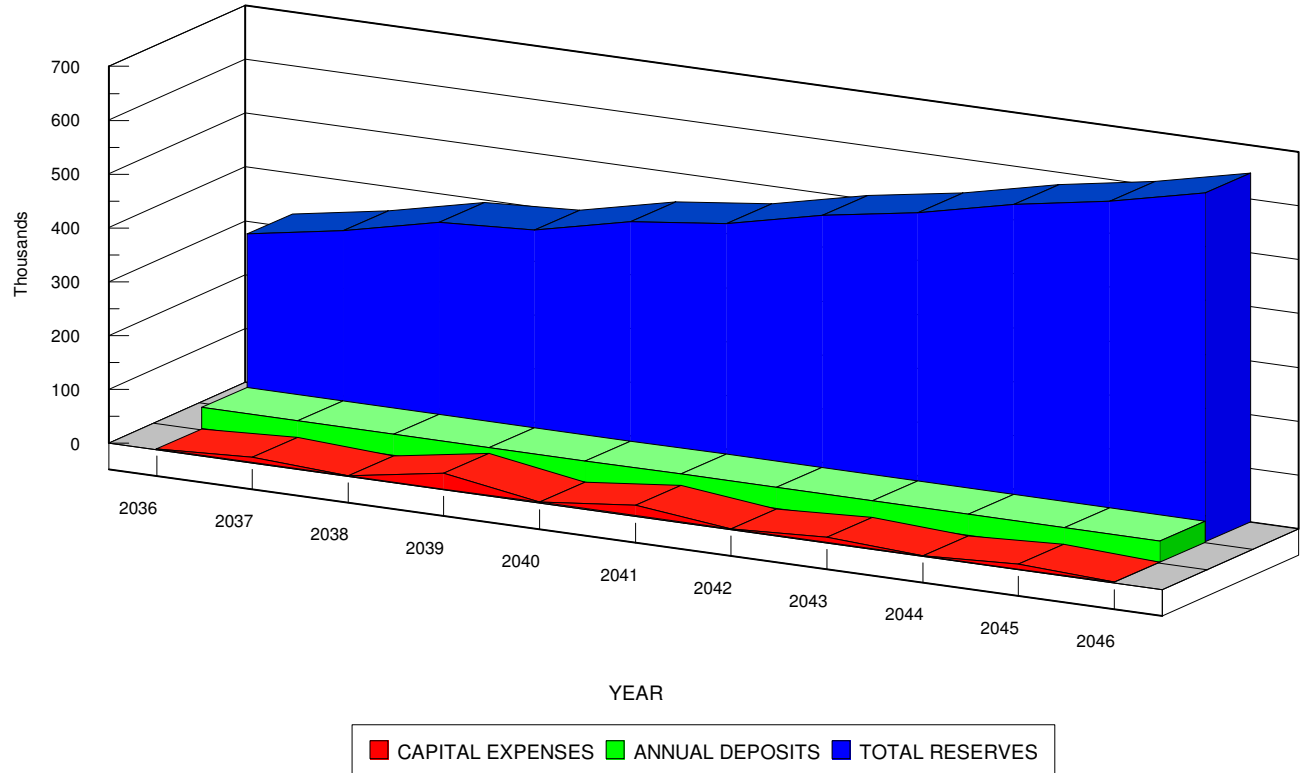
**BRADLEY  
PROPERTY  
CONSULTANTS**

Property Inspection • Construction Consultants

1588 S. Clarkson St., Denver, CO 80210  
Phone: (303)232-0252 Fax: (303)232-3243

**RED HAWK HOMEOWNERS ASSOCIATION**

RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components



2014 VERSION: updated 9-3-13

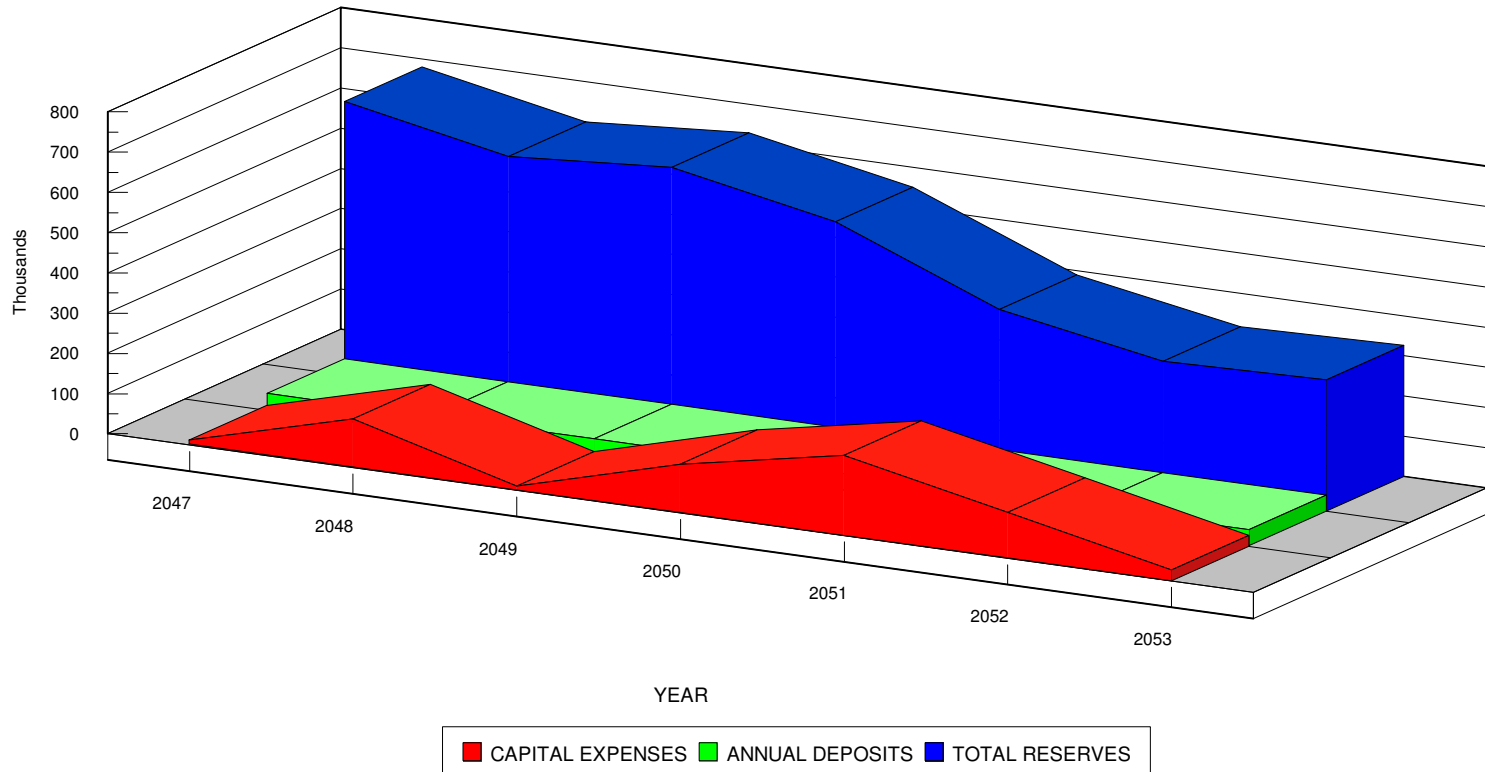
|                          |           |
|--------------------------|-----------|
| RESERVES ON HAND YEAR 23 | \$182,702 |
| ENDING BALANCE YEAR 33   | \$647,888 |
| AVERAGE BALANCE          | \$478,786 |

|                         |           |
|-------------------------|-----------|
| VALUE OF RESERVE ITEMS  | \$973,910 |
| AVERAGE CAPITAL EXPENSE | \$7,247   |
| AVERAGE DEPOSIT         | \$40,351  |

| YEAR             | 23      | 24       | 25      | 26       | 27      | 28       | 29      | 30       | 31      | 32       | 33      |
|------------------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|---------|
| YEAR             | 2036    | 2037     | 2038    | 2039     | 2040    | 2041     | 2042    | 2043     | 2044    | 2045     | 2046    |
| CAPITAL EXPENSES | 0       | (10,000) | 0       | (29,722) | 0       | (20,000) | 0       | (10,000) | 0       | (10,000) | 0       |
| ANNUAL DEPOSITS  | 40,351  | 40,351   | 40,351  | 40,351   | 40,351  | 40,351   | 40,351  | 40,351   | 40,351  | 40,351   | 40,351  |
| TOTAL RESERVES   | 324,104 | 354,455  | 394,805 | 405,434  | 445,784 | 466,135  | 506,485 | 536,836  | 577,186 | 607,537  | 647,888 |

## RED HAWK HOMEOWNERS ASSOCIATION

RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components



2014 VERSION: updated 9-3-13

|                          |           |
|--------------------------|-----------|
| RESERVES ON HAND YEAR 34 | \$536,836 |
| ENDING BALANCE YEAR 40   | \$327,029 |
| AVERAGE BALANCE          | \$498,069 |

|                         |           |
|-------------------------|-----------|
| VALUE OF RESERVE ITEMS  | \$973,910 |
| AVERAGE CAPITAL EXPENSE | \$134,605 |
| AVERAGE DEPOSIT         | \$40,351  |

| YEAR             | 34<br>2047 | 35<br>2048 | 36<br>2049 | 37<br>2050 | 38<br>2051 | 39<br>2052 | 40<br>2053 |
|------------------|------------|------------|------------|------------|------------|------------|------------|
| CAPITAL EXPENSES | (10,000)   | (119,700)  | (10,000)   | (120,650)  | (200,184)  | (114,418)  | (28,360)   |
| ANNUAL DEPOSITS  | 40,351     | 40,351     | 40,351     | 40,351     | 40,351     | 40,351     | 40,351     |
| TOTAL RESERVES   | 678,238    | 598,889    | 629,239    | 548,940    | 389,106    | 315,039    | 327,029    |



## RED HAWK HOMEOWNERS ASSOCIATION

### RESERVE ANALYSIS 2014 VERSION: updated 9-3-13

Project date: 2001-2004

Total units: 434

| INVENTORY LIST | UNIT | QUANTITY | EST. SALVAGE VALUE % | UNIT REPL COST \$ | EST. REPL COST \$ | EST. ECON. LIFE YRS | EST. LIFE LEFT YRS | DESIRED RESERVE BUDGET \$ | RESERVES AVAILABLE \$ | PROPOSED INITIAL DEPOSIT \$ |
|----------------|------|----------|----------------------|-------------------|-------------------|---------------------|--------------------|---------------------------|-----------------------|-----------------------------|
|----------------|------|----------|----------------------|-------------------|-------------------|---------------------|--------------------|---------------------------|-----------------------|-----------------------------|

**COMMON AREA:**

|                                     |    |           |     |         |         |    |    |                |                |               |
|-------------------------------------|----|-----------|-----|---------|---------|----|----|----------------|----------------|---------------|
| Sprinkler system                    | SF | 160,400   | 30% | 1.70    | 190,876 | 30 | 18 | 76,350         | 61,246         | 7,202         |
| Landscape refurbish                 | LS | 1         |     | 10,000  | 10,000  | 2  | 2  | 0              | 0              | 5,000         |
| 6' wood fence                       | LF | 1,770     |     | 34.00   | 60,180  | 25 | 13 | 28,886         | 23,172         | 2,847         |
| Concrete repairs: overall expense   | LS | 1         |     | 10,000  | 10,000  | 10 | 8  | 2,000          | 1,604          | 1,049         |
| Rail fence: Phase 1                 | LF | 6,300     |     | 19.00   | 119,700 | 25 | 10 | 71,820         | 57,611         | 6,209         |
| Rail fence: Phase 2                 | LF | 6,350     |     | 19.00   | 120,650 | 25 | 12 | 62,738         | 50,326         | 5,860         |
| Rail fence: Phase 3                 | LF | 6,316     |     | 19.00   | 120,004 | 25 | 13 | 57,602         | 46,206         | 5,677         |
| Rail fence: Phase 4                 | LF | 6,022     |     | 19.00   | 114,418 | 25 | 14 | 50,344         | 40,384         | 5,288         |
| Rail fence: added in 2014           | LF | 1,038     |     | 19.00   | 19,722  | 25 | 1  | 18,933         | 15,187         | 4,535         |
| Signage                             | LS | 1         |     | 50,000  | 50,000  | 30 | 19 | 18,333         | 14,706         | 1,858         |
| Lighting                            | LS | 1         |     | 30,000  | 30,000  | 25 | 16 | 10,800         | 8,663          | 1,334         |
| Retaining wall: 1599 Tiff Grass Ct. | LS | 1         |     | 110,000 | 110,000 | 50 | 16 | 74,800         | 60,002         | 3,125         |
| Retaining walls (wood)              | SF | 680       |     | 27.00   | 18,360  | 25 | 15 | 7,344          | 5,891          | 831           |
|                                     |    |           |     |         |         |    |    | <b>479,951</b> | <b>385,000</b> | <b>50,814</b> |
| <b>CONTINGENCY</b>                  |    | <b>0%</b> |     |         |         |    |    | <b>0</b>       | <b>0</b>       | <b>0</b>      |

