



**BRADLEY  
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Reserve Analysis • Property Inspection • Construction Consultants

March 17, 2009

**Heritage Place Homeowners Association, Inc.  
C/o Association Management Agency  
558 Castle Pines Parkway, #409  
Castle Rock, Colorado 80108**

**Attention: Karrie Ezell**

**Re: Reserve Analysis, UPDATED 2009 VERSION**

Dear Ms. Ezell and Board of Directors:

As requested, Bradley Property Consultants, Inc. updated the 2005 version of the reserve analysis for Heritage Place Homeowners Association, located in Centennial, Colorado. The 2005 version of the reserve analysis was completed on April 7, 2005. This 2009 updated version of the reserve analysis reflects the current conditions on the project.

This is the updated 2009 version of the reserve analysis updated from the 2005 version. The reserve analysis was reviewed and the property was inspected in January and February 2009. The reserve analysis categories were reviewed and modified to address future and recent expenditures. This update used recent expenditures and current information on past replacements from the management company. The update reflects the expected position of the Association in 2009. The revisions 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 management 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.

**CHANGES MADE TO THE 2005 VERSION OF THE RESERVE ANALYSIS TO ARRIVE AT THIS 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

- 1. Project categories were expanded and aged accordingly. The categories were reviewed and updated for current replacement costs. Typically all the categories were brought up to current replacement costs in today's dollars. The new list of categories should be reviewed by the Association to make sure the concerns of the community are met.**

**2. Modified inventory list categories:**

- a. The sprinkler system category was changed to reflect the current and historical expenses paid for repairs and modifications. After discussions with the landscape contractor, it was determined this system would probably not be replaced entirely at one time in the future due to the size and site conditions. As the sprinkler system breaks down in small areas and those areas are being repaired or replaced. Historically the Association is spending approximately \$7,000.00 to \$10,000.00 per year on sprinkler repairs. Some areas are starting to experience underground line breaks from tree roots and aging. We have included a line item in the reserve analysis for sprinkler repairs and sectional replacements on an on going schedule. This new estimate is spending an additional \$25,000.00 every five years for major sprinkler repairs and upgrades. If the Association wishes to cover this expense in their operations budget, then the reserve analysis can be revised to eliminate this category.**
  - b. Wood fence was changed to reflect the replacement of the fence along Caley Avenue in two years. The replacement has been bid to install stucco posts and attempt to reuse the fence material. In the reserve analysis we used the estimated of stucco posts with new fence material. The Association can change this category one a firm decision has been made on how they are going to replace this fence.**
  - c. The wood fence along Arapahoe Road is now a separate category.**
  - d. Concrete repairs and drainage repairs have been a major expense to the Association in 2008.**
  - e. Staining and fence repairs were upgraded to current costs.**
  - f. Painting and repairing the stucco fence was upgraded to current costs.**
  - g. Wall costs were ungraded to reflect the improvements the Association has done over the last three years.**
- 3. The estimated life for each category was examined and recalculated to reflect the category's current condition and age at the start of 2009.**

**4. The amount of total reserves available at the time of this revision was \$83,230.00.**

The work performed consisted of site inspections and 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 a 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**

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.

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 table follows:

**COMMON AREA**

The common area covers the common area landscaping, sidewalks, perimeter fences, lighting, 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 non-irrigated landscape areas were not included. **We have included an inventory list in the Reserve Analysis Table. 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. Small or low cost items under \$2,000.00 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 asphalt and 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 Association regarding areas and percentages best fitting with the overall maintenance philosophy of the project.

### **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 and a board member. The project was constructed in the early 1970's. The average age of the components had to be interpreted for each inventory item since some items will age faster than others. 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 this update were \$83,230.00.

### **Proposed Initial Deposit**

The initial annual deposit for each item is equal to the difference between the estimated replacement cost and the reserves available, divided by the years of life remaining for the item. This is an estimated annual deposit for each item from this time forward. The deposits attempt to achieve the desired replacement reserves in the future.

### **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 of savings to achieve in the future.

**You must consider that these amounts are determined as the best possible condition and to achieve the best reserve balance requires some long term planning. In most cases this amount is hard to achieve, especially when the reserves are analyzed for the expected life of all the project categories. Most Associations are doing very well if they can achieve 70-80% of the proposed annual contributions and recommended reserve balances. A part of the planning process may be to establish a reasonable goal and attempt to reach the best result possible.**

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.**

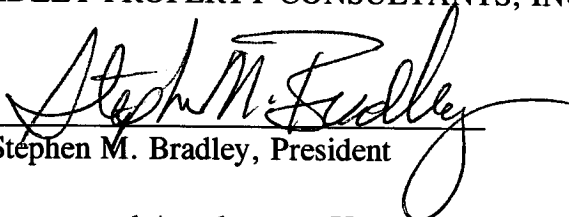
We performed this analysis at the request of the Board of Directors of Heritage Place Homeowners Association, Inc. The report is intended for the Association's exclusive use and should not be used for contracting work or relied upon by any other party. The analysis reflects conditions within the property that could be examined visually and is limited to the extent of the report. The analysis is also based upon representations made by Heritage Place 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.

**Heritage Place Homeowners Association, Inc.**  
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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.

By:   
Stephen M. Bradley, President

Enclosures and Attachments: Updated 2009 Version

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



# HERITAGE PLACE HOMEOWNERS ASSOCIATION

RESERVE ANALYSIS  
2009 VERSION: 3-17-09

Project date: 1970-1974

Total units: 446

DESCRIPTION	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 \$
<b>COMMON AREA:</b>										
Sprinkler system: repair & replace	LS	1		25000.00	25,000	5	4	5,000	1,860	5,785
Landscape refurbish/tree trim	LS	1		20000.00	20,000	5	3	8,000	2,975	5,675
Concrete repairs: walks & pans	LS	1		30000.00	30,000	10	9	3,000	1,116	3,209
6' fence w/stucco post: Caley Ave.	LF	2,820		70.25	198,105	25	2	182,257	67,783	65,161
6' fence: Arapahoe Rd.	LF	1,140		26.00	29,640	25	10	17,784	6,614	2,303
Stain wood fence	LF	3,960		2.00	7,920	5	4	1,584	589	1,833
Stucco fence: paint & repair	LF	2,430		4.25	10,328	5	4	2,066	768	2,390
Signage	LS	1		6000.00	6,000	20	15	1,500	558	363
Lighting	LS	1		8000.00	8,000	10	8	1,600	595	926
Rock retaining walls	LS	1		10000.00	10,000	10	9	1,000	372	1,070
<b>CONTINGENCY</b>		<b>0%</b>			<b>344,993</b>			<b>223,790</b>	<b>83,230</b>	<b>88,714</b>
<b>TOTAL REPLACEMENT COST</b>									<b>0</b>	<b>0</b>
<b>TOTAL DESIRED RESERVES</b>									<b>223,790</b>	
<b>TOTAL RESERVES AVAILABLE</b>									<b>83,230</b>	
<b>TOTAL INITIAL CONTRIBUTION</b>										<b>88,714</b>
<b>40 YR AVERAGE ANNUAL CONTRIBUTION</b>										<b>30,373</b>





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# HERITAGE PLACE HOMEOWNERS ASSOCIATION

## RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components

2009 VERSION: 3-17-09

DESCRIPTION	YEAR 2005 1	YEAR 2006 2	YEAR 2007 3	YEAR 2008 4	YEAR 2009 5	YEAR 2010 6	YEAR 2011 7	YEAR 2012 8	YEAR 2013 9	YEAR 2014 10	YEAR 2015 11	YEAR 2016 12
<b>COMMON AREA:</b>												
Sprinkler system: repair & replace	7,645	13,430	19,215	25,000	5,000	10,000	15,000	20,000	20,000	25,000	5,000	10,000
Landscape refurbish/free trim	8,650	14,325	20,000	4,000	8,000	12,000	16,000	20,000	20,000	4,000	8,000	12,000
Concrete repairs: walks & pans	4,325	7,534	10,744	13,953	17,163	20,372	23,581	26,791	30,000	30,000	3,000	6,000
6' fence w/stucco post: Caley Ave.	132,944	198,105	7,924	15,848	23,773	31,697	39,621	47,545	55,469	63,394	71,318	79,242
6' fence: Arapahoe Rd.	8,917	11,219	13,522	15,824	18,127	20,430	22,732	25,035	27,337	29,640	1,186	3,382
Stain wood fence	2,422	4,255	6,087	7,920	1,584	3,168	4,752	6,336	7,920	1,584	3,168	4,752
Stucco fence: paint & repair	3,158	5,548	7,938	10,328	2,066	4,131	6,197	8,262	10,328	3,823	2,066	4,131
Signage	921	1,283	1,646	2,009	2,372	2,735	3,098	3,460	3,823	800	1,600	2,400
Lighting	1,521	2,446	3,372	4,298	5,223	6,149	7,074	8,000	8,930	1,000	2,000	2,000
Rock retaining walls	1,442	2,511	3,581	4,651	5,721	6,791	7,860	8,930	10,000	1,000	2,000	2,000
<b>BASE RESERVES</b>	<b>171,944</b>	<b>260,657</b>	<b>94,029</b>	<b>103,831</b>	<b>89,028</b>	<b>117,471</b>	<b>145,915</b>	<b>174,359</b>	<b>174,677</b>	<b>119,469</b>	<b>116,751</b>	<b>0</b>
<b>CONTINGENCY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL EXPENSES</b>	<b>0</b>	<b>(198,105)</b>	<b>(20,000)</b>	<b>(43,248)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(28,000)</b>	<b>(83,248)</b>	<b>(29,640)</b>	<b>0</b>	<b>0</b>
<b>ANNUAL DEPOSIT</b>	<b>88,714</b>	<b>88,714</b>	<b>31,477</b>	<b>29,802</b>	<b>28,444</b>	<b>28,444</b>	<b>28,444</b>	<b>28,444</b>	<b>28,318</b>	<b>28,039</b>	<b>89,829</b>	<b>116,751</b>
<b>TOTAL RESERVES</b>	<b>171,944</b>	<b>62,552</b>	<b>74,029</b>	<b>60,584</b>	<b>89,028</b>	<b>117,471</b>	<b>145,915</b>	<b>146,359</b>	<b>91,430</b>	<b>89,829</b>	<b>89,829</b>	<b>116,751</b>

BPC, Inc., 037809

**HERITAGE PLACE HOMEOWNERS ASSOCIATION**

**RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components**

2009 VERSION: 3-17-09

DESCRIPTION	YEAR 2016 12	YEAR 2017 13	YEAR 2018 14	YEAR 2019 15	YEAR 2020 16	YEAR 2021 17	YEAR 2022 18	YEAR 2023 19	YEAR 2024 20	YEAR 2025 21	YEAR 2026 22
<b>COMMON AREA</b>											
Sprinkler system: repair & replace	15,000	20,000	25,000	5,000	10,000	15,000	20,000	25,000	5,000	10,000	15,000
Landscape refurbish/tree trim	16,000	20,000	4,000	8,000	12,000	16,000	20,000	4,000	8,000	12,000	16,000
Concrete repairs: walks & pans	9,000	12,000	15,000	18,000	21,000	24,000	27,000	30,000	3,000	6,000	9,000
6' fence w/stucco post: Caley Ave.	79,242	87,166	95,090	103,015	110,939	118,863	126,787	134,711	142,636	150,560	158,484
6' fence: Arapahoe Rd.	2,371	3,557	4,742	5,928	7,114	8,299	9,485	10,670	11,856	13,042	14,227
Stain wood fence	4,752	6,336	7,920	1,584	3,168	4,752	6,336	7,920	1,584	3,168	4,752
Stucco fence: paint & repair	6,197	8,262	10,328	2,066	4,131	6,197	8,262	10,328	2,066	4,131	6,197
Signage	4,912	5,274	5,637	6,000	300	600	900	1,200	1,500	1,800	2,100
Lighting	3,200	4,000	4,800	5,600	6,400	7,200	8,000	800	1,600	2,400	3,200
Rock retaining walls	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000	1,000	2,000	3,000
<b>BASE RESERVES</b>	<b>143,673</b>	<b>170,595</b>	<b>177,517</b>	<b>161,192</b>	<b>182,051</b>	<b>208,911</b>	<b>235,770</b>	<b>234,629</b>	<b>178,241</b>	<b>205,100</b>	<b>231,960</b>
<b>CONTINGENCY</b>	0	0	0	0	0	0	0	0	0	0	0
<b>CAPITAL EXPENSES</b>	0	(20,000)	(43,248)	(6,000)	0	0	(28,000)	(83,248)	0	0	0
<b>ANNUAL DEPOSIT</b>	<b>26,922</b>	<b>26,922</b>	<b>26,922</b>	<b>26,922</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>
<b>TOTAL RESERVES</b>	<b>143,673</b>	<b>150,595</b>	<b>134,270</b>	<b>155,192</b>	<b>182,051</b>	<b>208,911</b>	<b>207,770</b>	<b>151,382</b>	<b>178,241</b>	<b>205,100</b>	<b>231,960</b>

**HERITAGE PLACE HOMEOWNERS ASSOCIATION**

**RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components**

2009 VERSION: 3-17-09

DESCRIPTION	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	YEAR
	23	24	25	26	27	28	29	30	31	32	33	YEAR
<b>COMMON AREA:</b>												
Sprinkler system: repair & replace	20,000	25,000	5,000	10,000	15,000	20,000	20,000	20,000	5,000	10,000	15,000	20,000
Landscape refurbish/tree trim	20,000	4,000	8,000	12,000	16,000	20,000	4,000	8,000	8,000	12,000	16,000	20,000
Concrete repairs: walks & pans	12,000	15,000	18,000	21,000	24,000	27,000	30,000	3,000	3,000	6,000	9,000	12,000
6' fence w/stucco post: Caley Ave.	166,408	174,332	182,257	190,181	198,105	7,924	15,848	23,773	31,697	39,621	47,545	27,269
6' fence: Arapahoe Rd.	15,413	16,598	17,784	18,970	20,155	21,341	22,526	23,712	24,898	26,083	27,269	27,269
Stain wood fence	6,336	7,920	1,584	3,168	4,752	6,336	7,920	1,584	3,168	4,752	6,336	6,336
Stucco fence: paint & repair	8,262	10,328	2,066	4,131	6,197	8,262	10,328	2,066	4,131	6,197	8,262	8,262
Signage	2,400	2,700	3,000	3,300	3,600	3,900	4,200	4,500	4,800	5,100	5,400	5,400
Lighting	4,000	4,800	5,600	6,400	7,200	8,000	800	1,600	2,400	3,200	4,000	4,000
Rock retaining walls	4,000	5,000	6,000	7,000	8,000	9,000	10,000	1,000	2,000	3,000	4,000	4,000
<b>BASE RESERVES</b>	<b>258,819</b>	<b>265,678</b>	<b>249,290</b>	<b>276,149</b>	<b>303,009</b>	<b>131,763</b>	<b>130,622</b>	<b>74,234</b>	<b>101,093</b>	<b>127,953</b>	<b>154,812</b>	<b>154,812</b>
<b>CONTINGENCY</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>CAPITAL EXPENSES</b>	(20,000)	(43,248)			(198,105)	(28,000)	(83,248)					(20,000)
<b>ANNUAL DEPOSIT</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>
<b>TOTAL RESERVES</b>	<b>238,819</b>	<b>222,431</b>	<b>249,290</b>	<b>276,149</b>	<b>104,904</b>	<b>103,763</b>	<b>47,375</b>	<b>74,234</b>	<b>101,093</b>	<b>127,953</b>	<b>134,812</b>	<b>134,812</b>

DESCRIPTION	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
	34	35	36	37	38	39	40			
<b>COMMON AREA:</b>										
Sprinkler system: repair & replace	25,000	5,000	10,000	15,000	20,000	25,000	5,000			
Landscape refurbish/tree trim	4,000	8,000	12,000	16,000	20,000	4,000	8,000			
Concrete repairs: walks & pans	15,000	18,000	21,000	24,000	27,000	30,000	3,000			
6' fence w/stucco post: Caley Ave.	55,469	63,394	71,318	79,242	87,166	95,090	103,015			
6' fence: Arapahoe Rd.	28,454	29,640	1,186	2,371	3,557	4,742	5,928			
Stain wood fence	7,920	1,584	3,168	4,752	6,336	7,920	1,584			
Stucco fence: paint & repair	10,328	2,066	4,131	6,197	8,262	10,328	2,066			
Signage	5,700	6,000	300	600	900	1,200	1,500			
Lighting	4,800	5,600	6,400	7,200	8,000	800	1,600			
Rock retaining walls	5,000	6,000	7,000	8,000	9,000	10,000	1,000			
<b>BASE RESERVES</b>	<b>161,671</b>	<b>145,283</b>	<b>136,502</b>	<b>163,362</b>	<b>190,221</b>	<b>189,080</b>	<b>132,692</b>			
<b>CONTINGENCY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>CAPITAL EXPENSES</b>	<b>(43,248)</b>	<b>(35,640)</b>	<b>0</b>	<b>0</b>	<b>(28,000)</b>	<b>(83,248)</b>	<b>0</b>			
<b>ANNUAL DEPOSIT</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>	<b>26,859</b>			
<b>TOTAL RESERVES</b>	<b>118,424</b>	<b>109,643</b>	<b>136,502</b>	<b>163,362</b>	<b>162,221</b>	<b>105,833</b>	<b>132,692</b>			

**HERITAGE PLACE HOMEOWNERS ASSOCIATION**

RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components



2009 VERSION: 3-17-09

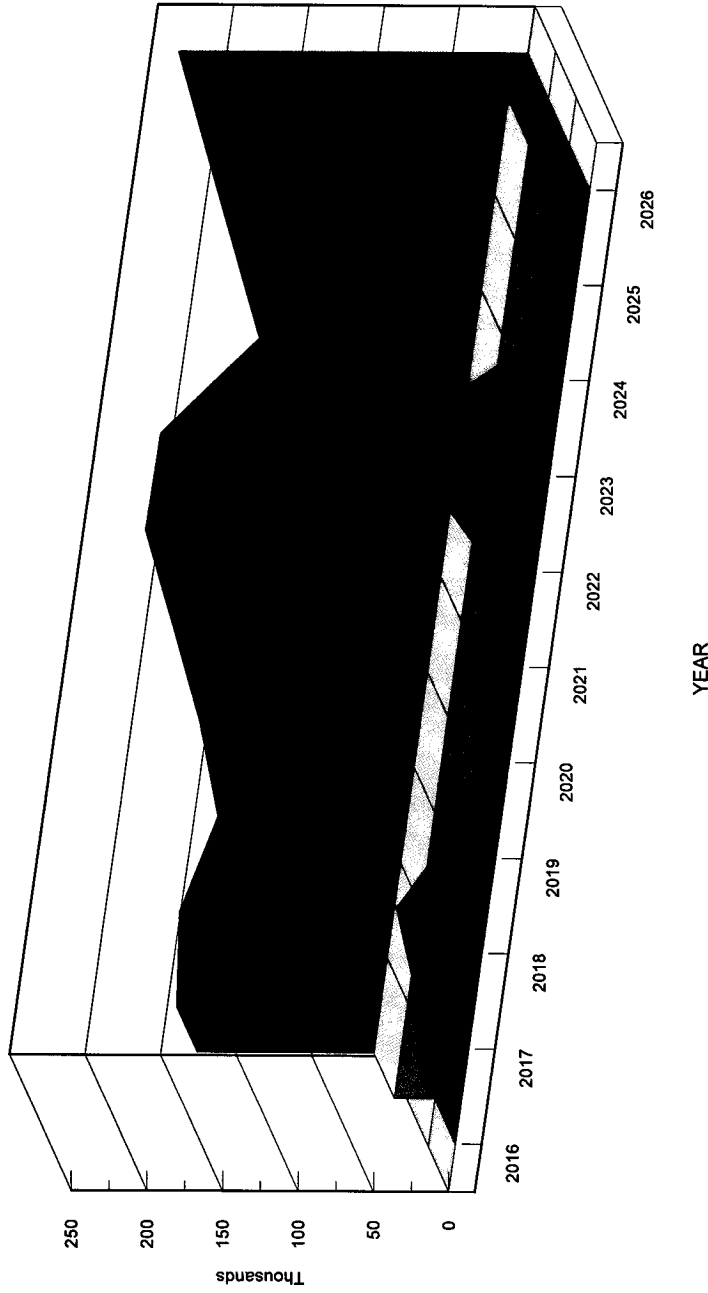
■ CAPITAL EXPENSES ■ ANNUAL DEPOSITS ■ TOTAL RESERVES

RESERVES ON HAND YEAR 1	\$83,230
ENDING BALANCE YEAR 11	\$116,751
AVERAGE BALANCE	\$105,990

VALUE OF RESERVE ITEMS	\$344,993
AVERAGE CAPITAL EXPENSE	\$36,567
AVERAGE DEPOSIT	\$39,615

YEAR	1	2	3	4	5	6	7	8	9	10	11
CAPITAL EXPENSES	0	(198,105)	(20,000)	(43,248)	0	0	0	(28,000)	(83,248)	(29,640)	0
ANNUAL DEPOSITS	88,714	88,714	31,477	29,802	28,444	28,444	28,444	28,444	28,318	28,039	26,922
TOTAL RESERVES	171,944	62,552	74,029	60,564	89,028	117,471	145,915	146,359	91,430	89,829	116,751

**HERITAGE PLACE HOMEOWNERS ASSOCIATION**  
 RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components



2009 VERSION: 3-17-09

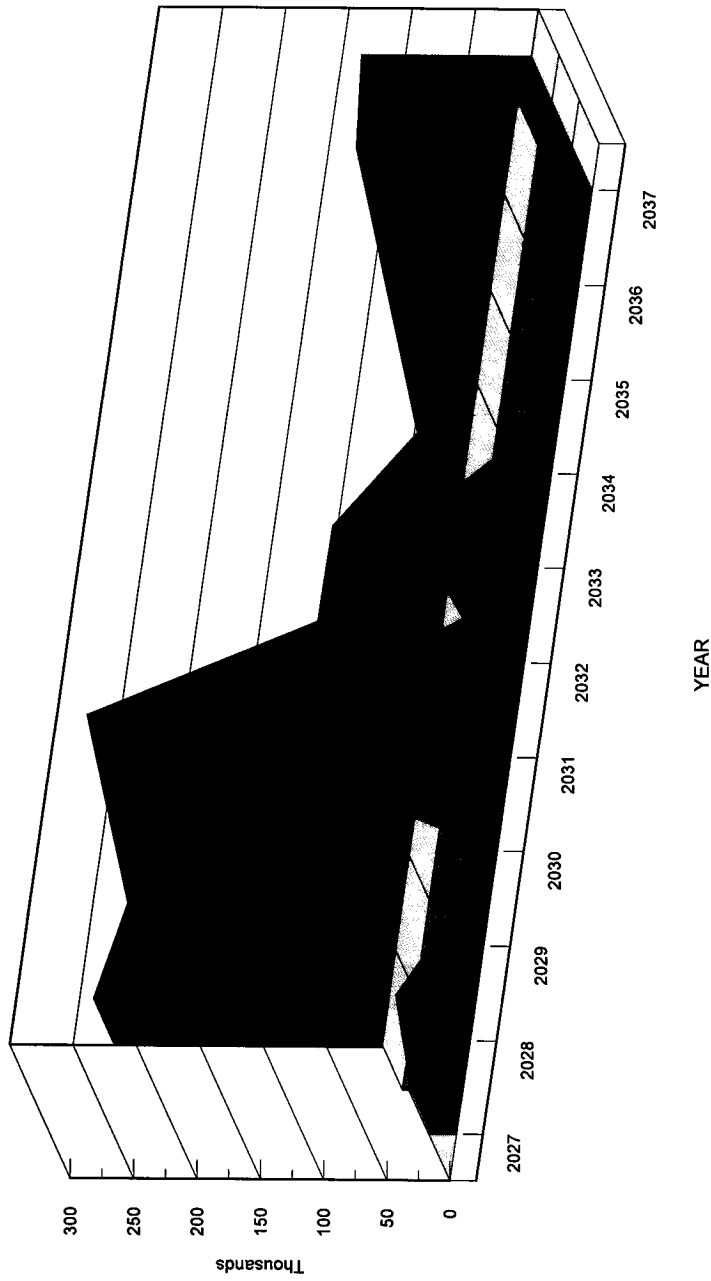
■ CAPITAL EXPENSES ■ ANNUAL DEPOSITS ■ TOTAL RESERVES

RESERVES ON HAND YEAR 12	\$146,359
ENDING BALANCE YEAR 22	\$231,960
AVERAGE BALANCE	\$177,195

VALUE OF RESERVE ITEMS	\$344,993
AVERAGE CAPITAL EXPENSE	\$16,409
AVERAGE DEPOSIT	\$26,882

YEAR	12	13	14	15	16	17	18	19	20	21	22
CAPITAL EXPENSES	0	(20,000)	(43,248)	(6,000)	0	0	(28,000)	(83,248)	0	0	0
ANNUAL DEPOSITS	26,922	26,922	26,922	26,922	26,859	26,859	26,859	26,859	26,859	26,859	26,859
TOTAL RESERVES	143,673	150,595	134,270	155,192	182,051	208,911	207,770	151,382	178,241	205,100	231,960

**HERITAGE PLACE HOMEOWNERS ASSOCIATION**  
 RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components



2009 VERSION: 3-17-09

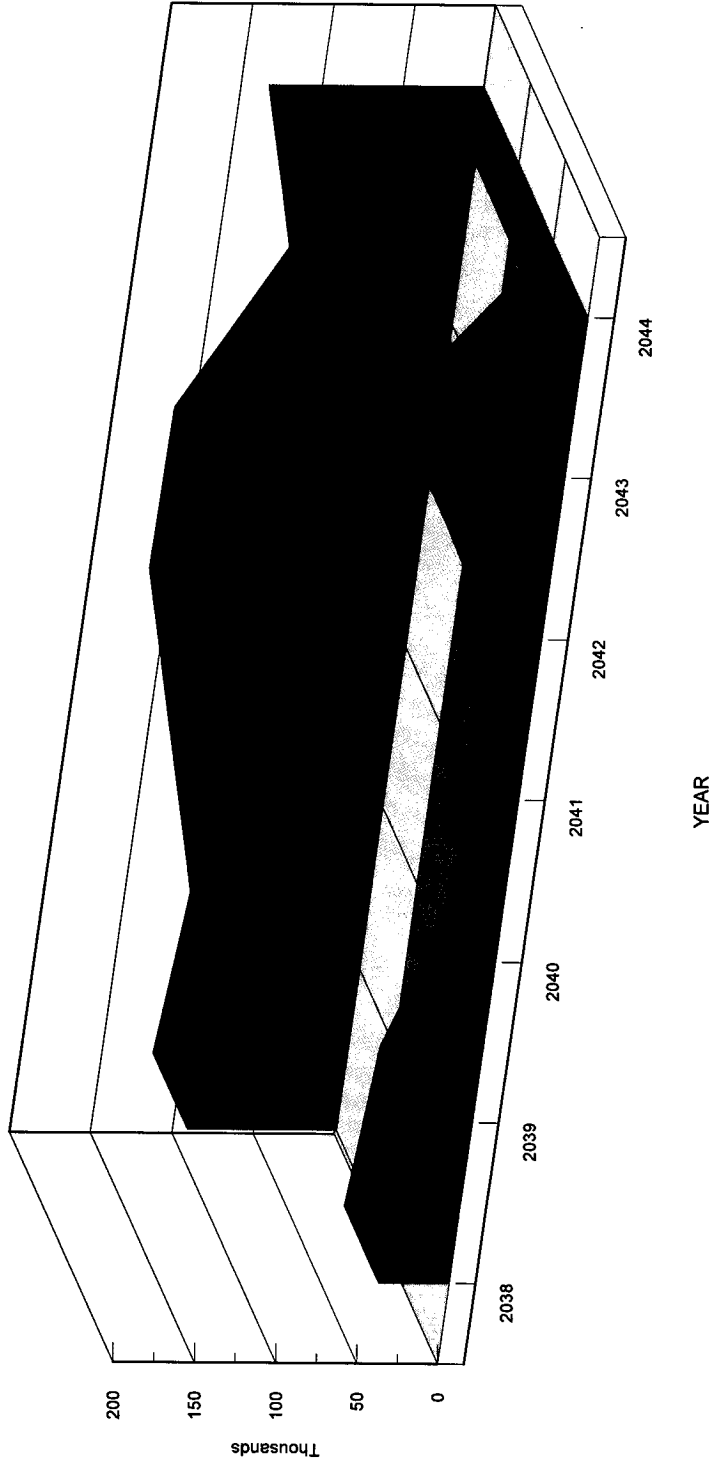
■ CAPITAL EXPENSES ■ ANNUAL DEPOSITS ■ TOTAL RESERVES

RESERVES ON HAND YEAR 23	\$151,382
ENDING BALANCE YEAR 33	\$134,812
AVERAGE BALANCE	\$152,802

VALUE OF RESERVE ITEMS	\$344,993
AVERAGE CAPITAL EXPENSE	\$35,691
AVERAGE DEPOSIT	\$26,859

YEAR	23	24	25	26	27	28	29	30	31	32	33
CAPITAL EXPENSES	(20,000)	(43,248)	0	0	(198,105)	(28,000)	(83,248)	0	0	0	(20,000)
ANNUAL DEPOSITS	26,859	26,859	26,859	26,859	26,859	26,859	26,859	26,859	26,859	26,859	26,859
TOTAL RESERVES	238,819	222,431	249,290	276,149	104,904	103,763	47,375	74,234	101,093	127,953	134,812

**HERITAGE PLACE HOMEOWNERS ASSOCIATION**  
 RESERVE ANALYSIS- Reserve Balances Over Remaining Life of Components



2009 VERSION: 3-17-09

■ CAPITAL EXPENSES ■ ANNUAL DEPOSITS ■ TOTAL RESERVES

RESERVES ON HAND YEAR 34	\$74,234
ENDING BALANCE YEAR 40	\$132,692
AVERAGE BALANCE	\$132,668

VALUE OF RESERVE ITEMS	\$344,993
AVERAGE CAPITAL EXPENSE	\$39,882
AVERAGE DEPOSIT	\$26,859

YEAR	34	35	36	37	38	39	40
CAPITAL EXPENSES	2038	2039	2040	2041	2042	2043	2044
ANNUAL DEPOSITS	(43,248)	(35,640)	0	0	(28,000)	(83,248)	0
TOTAL RESERVES	26,859	26,859	26,859	26,859	26,859	26,859	26,859
	118,424	109,643	136,502	163,362	162,221	105,833	132,692





**BRADLEY  
PROPERTY  
CONSULTANTS**  
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# HERITAGE PLACE HOMEOWNERS ASSOCIATION

## RESERVE ANALYSIS- Projected Capital Expenses By Year

2009 VERSION: 3-17-09

CAPITAL EXPENSES SECTION	YEAR 2005 1	YEAR 2006 2	YEAR 2007 3	YEAR 2008 4	YEAR 2009 5	YEAR 2010 6	YEAR 2011 7	YEAR 2012 8	YEAR 2013 9	YEAR 2014 10	YEAR 2015 11
<b>COMMON AREA:</b>											
Sprinkler system: repair & replace	0	0	0	25,000	0	0	0	0	25,000	0	0
Landscape refurbish/tree trim	0	0	20,000	0	0	0	0	20,000	0	0	0
Concrete repairs: walks & pans	0	0	0	0	0	0	0	0	30,000	0	0
6' fence w/stucco post: Caley Ave.	0	198,105	0	0	0	0	0	0	0	0	0
6' fence: Arapahoe Rd.	0	0	0	0	0	0	0	0	0	29,640	0
Stain wood fence	0	0	0	7,920	0	0	0	7,920	0	0	0
Stucco fence: paint & repair	0	0	0	10,328	0	0	0	10,328	0	0	0
Signage	0	0	0	0	0	0	0	0	0	0	0
Lighting	0	0	0	0	0	0	0	8,000	0	0	0
Rock retaining walls	0	0	0	0	0	0	0	0	10,000	0	0
<b>Capital Expense</b>	<b>0</b>	<b>198,105</b>	<b>20,000</b>	<b>43,248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,000</b>	<b>83,248</b>	<b>29,640</b>	<b>0</b>



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# HERITAGE PLACE HOMEOWNERS ASSOCIATION

## RESERVE ANALYSIS- Projected Capital Expenses By Year

2009 VERSION: 3-17-09

	YEAR 2016 12	YEAR 2017 13	YEAR 2018 14	YEAR 2019 15	YEAR 2020 16	YEAR 2021 17	YEAR 2022 18	YEAR 2023 19	YEAR 2024 20	YEAR 2025 21	YEAR 2026 22
<b>CAPITAL EXPENSES SECTION</b>											
<b>COMMON AREA:</b>											
Sprinkler system: repair & replace	0	0	25,000	0	0	0	0	0	25,000	0	0
Landscape refurbish/tree trim	0	20,000	0	0	0	0	20,000	0	0	0	0
Concrete repairs: walks & pans	0	0	0	0	0	0	0	0	30,000	0	0
6' fence w/stucco post: Caley Ave.	0	0	0	0	0	0	0	0	0	0	0
6' fence: Arapahoe Rd.	0	0	0	0	0	0	0	0	0	0	0
Stain wood fence	0	0	7,920	0	0	0	0	0	7,920	0	0
Stucco fence: paint & repair	0	0	10,328	0	0	0	0	10,328	0	0	0
Signage	0	0	0	6,000	0	0	0	0	0	0	0
Lighting	0	0	0	0	0	0	8,000	0	0	0	0
Rock retaining walls	0	0	0	0	0	0	0	10,000	0	0	0
<b>Capital Expense</b>	<b>0</b>	<b>20,000</b>	<b>43,248</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>28,000</b>	<b>83,248</b>	<b>0</b>	<b>0</b>	<b>0</b>



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# HERITAGE PLACE HOMEOWNERS ASSOCIATION

## RESERVE ANALYSIS - Projected Capital Expenses By Year

2009 VERSION: 3-17-09

	YEAR 2027	YEAR 2028	YEAR 2029	YEAR 2030	YEAR 2031	YEAR 2032	YEAR 2033	YEAR 2034	YEAR 2035	YEAR 2036	YEAR 2037
<b>CAPITAL EXPENSES SECTION</b>	23	24	25	26	27	28	29	30	31	32	33
<b>COMMON AREA:</b>											
Sprinkler system: repair & replace	0	25,000	0	0	0	0	25,000	0	0	0	0
Landscape refurbish/tree trim	20,000	0	0	0	0	20,000	0	0	0	0	20,000
Concrete repairs: walks & pans	0	0	0	0	0	0	30,000	0	0	0	0
6' fence w/stucco post: Caley Ave.	0	0	0	0	198,105	0	0	0	0	0	0
6' fence: Arapahoe Rd.	0	0	0	0	0	0	0	0	0	0	0
Stain wood fence	0	7,920	0	0	0	0	7,920	0	0	0	0
Stucco fence: paint & repair	0	10,328	0	0	0	0	10,328	0	0	0	0
Signage	0	0	0	0	0	0	0	0	0	0	0
Lighting	0	0	0	0	0	8,000	0	0	0	0	0
Rock retaining walls	0	0	0	0	0	0	10,000	0	0	0	0
<b>Capital Expense</b>	<b>20,000</b>	<b>43,248</b>	<b>0</b>	<b>0</b>	<b>198,105</b>	<b>28,000</b>	<b>83,248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>



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# HERITAGE PLACE HOMEOWNERS ASSOCIATION

## RESERVE ANALYSIS- Projected Capital Expenses By Year

2009 VERSION: 3-17-09

	YEAR 2038	YEAR 2039	YEAR 2040	YEAR 2041	YEAR 2042	YEAR 2043	YEAR 2044
<b>CAPITAL EXPENSES SECTION</b>	34	35	36	37	38	39	40
<b>COMMON AREA:</b>							
Sprinkler system: repair & replace	25,000	0	0	0	0	0	25,000
Landscape refurbish/tree trim	0	0	0	0	20,000	0	0
Concrete repairs: walks & pans	0	0	0	0	0	30,000	0
6' fence w/stucco post: Caley Ave.	0	0	0	0	0	0	0
6' fence: Arapahoe Rd.	0	29,640	0	0	0	0	0
Stain wood fence	7,920	0	0	0	0	0	7,920
Stucco fence: paint & repair	10,328	0	0	0	0	0	10,328
Signage	0	6,000	0	0	0	0	0
Lighting	0	0	0	0	8,000	0	0
Rock retaining walls	0	0	0	0	0	10,000	0
<b>Capital Expense</b>	<b>43,248</b>	<b>35,640</b>	<b>0</b>	<b>0</b>	<b>28,000</b>	<b>0</b>	<b>83,248</b>

HEMLOCK PLACE HOMEOWNERS ASSOC.  
 BALANCE SHEET  
 MARCH 31, 2005

ASSETS

CURRENT ASSETS	
CASH - OPERATING COMPASS BANK	\$ 169,879.34
RESERVE - MM COMPASS BANK	70,120.58
UNPAID ASSESSMENTS	17,072.57
SPECIAL ASSESSMENTS	600.00
ALLOWANCE FOR BAD DEBT	(1,264.00)
PREPAID EXPENSES	1,211.00
<b>TOTAL CURRENT ASSETS</b>	<b>257,619.49</b>
<b>TOTAL ASSETS</b>	<b>\$ 257,619.49</b>

LIABILITIES AND EQUITY

CURRENT LIABILITIES	
TOTAL CURRENT LIABILITIES	0.00
<b>TOTAL LIABILITIES</b>	<b>0.00</b>
EQUITY	
FUND BALANCE	\$ 161,668.51
NET INCOME	95,950.98
<b>TOTAL EQUITY</b>	<b>257,619.49</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 257,619.49</b>