

Riverwalk Quartz Residential Reserve Study



Reserve Study
Project No. 16006

Prepared for
Riverwalk Quartz Building Condominium Association
Edwards, Colorado

Prepared by
Borne Consulting
P.O. Box 3890
Parker, Colorado 80134

July 11, 2016

TABLE OF CONTENTS
Riverwalk Quartz Residential

Introduction	1
Detail Report by Category	3
Annual Expenditure Spread Sheet	14
Annual Expenditure Detail	18
Existing Reserve Study Summary	21
Existing Reserve Study Projection	22
Preliminary Reserve Study Summary	23
Preliminary Reserve Study Projection	24

Introduction

Borne Consulting has been commissioned by the Riverwalk Quartz Building Condominium Association to prepare a Reserve Study. The purpose of this Reserve Study update is to evaluate the common-area components for major repair, maintenance and replacement that are the responsibility of the Association. This Study provides a limited-scope evaluation of the existing condition and remaining life of the common-area components. The Study also includes estimated costs for the major repair, maintenance and/or replacement of the items to enable the Association to establish an adequate level of reserve funds for the upkeep of the property. Major repair, maintenance and/or replacement items are defined as anything that costs over \$1,000.

Community Description

Riverwalk Quartz Building Condominium Association is located in Edwards, Colorado. The property consists of a 3-story mixed use building, underground parking garage and 10 residential condominium units and 7 commercial units. The Association maintenance responsibilities consist of the exterior building envelope, stairs, mechanical equipment, elevator, and associated equipment, as well as, the interior corridors. The residential component of the association is responsible for 69% of the expenses and the commercial component of the association is responsible for 31% of the expenses.

Approach

To prepare this Reserve Study Projection, Borne Consulting has completed the necessary research, the component report, the cost estimates, the financial projections, and the projection interpretation.

The projections were assembled using the cash flow method. This method develops 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 a desired funding program is achieved.

Reference Material

The following references were provided to Borne Consulting for this Reserve Study update by the client:

- 2015 financial information
- Interest rate earned on invested capital funds
- Historical expense and past capital project information

Exclusions

Items not included in this Projection Update are:

- Non- common area components.
- Association components that have estimated costs below the reserve component threshold amount of \$1,000.
- Long lasting items with estimated economic lives exceeding 30 years, such as sanitary sewers or building structural components. However, these items are included if they are known to have

a fairly predictable anticipated useful life that falls within the term of the Study.

- Normal operating items, i.e., taxes, insurance, snow plowing, utilities, cleaning and landscape maintenance, etc.

Disclaimer

This Reserve Study was prepared specifically for Riverwalk Quartz Building Condominium Association. The information contained within this document has been assembled in conjunction with the client and is intended to assist the client with its reserve planning and funding. Borne Consulting does not guarantee, either explicitly or implied, that all repair and replacement items have been identified, the accuracy of the probable costs or the component lives.

In providing the opinions of probable replacement costs, the client understands that Borne Consulting has no control over costs or the price of labor, equipment or materials, or over the contractor's method of pricing, and that the opinions of probable replacement costs provided herein are made on the basis of Borne Consulting's qualifications and experience. Borne Consulting makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to actual bid or construction costs.

All comments made are based on conditions seen at the time of the site visit. We do not accept any responsibility for unknown or unknowable conditions within the existing site or structures.

Riverwalk Quartz Residential RA Detail Report by Category

Maintain and replace cluster box units - 2024

		1 EA	@ \$3,000.00
Asset ID	B01.1	Asset Cost	\$2,070.00
Landscaping and Appurtenances	Cluster Box Units	Percent Replacement	69%
Placed in Service	June 2004	Future Cost	\$2,622.21
Useful Life	20		
Replacement Year	2024		
Remaining Life	8		



Description: Metal cluster box units.

Condition: Good condition.

Action: Remove and replace the mailbox units in 2024.

Cluster Box Units - Total Current Cost **\$2,070**

Riverwalk Quartz Residential RA Detail Report by Category

Paint and Repair Stucco - 2020

		4,500 SF	@ \$4.50
Asset ID	C01.1	Asset Cost	\$13,972.50
	Façade	Percent Replacement	69%
	Stucco	Future Cost	\$15,726.17
Placed in Service	June 2004		
Useful Life	8		
Adjustment	8		
Replacement Year	2020		
Remaining Life	4		



Description: Cementitious stucco system.

Condition: Good condition.

Action: Cyclically paint and patch the stucco, every 8 years, starting in 2020.

Stucco - Total Current Cost

\$13,972

Riverwalk Quartz Residential RA Detail Report by Category

Paint Siding - 2020

		8,400 SF	@ \$3.15
Asset ID	C02.1	Asset Cost	\$18,257.40
	Façade Siding	Percent Replacement	69%
		Future Cost	\$20,548.86
Placed in Service	June 2012		
Useful Life	8		
Replacement Year	2020		
Remaining Life	4		



Description: Horizontal oriented cementitious siding with butt joints installed at the trim.

Condition: Good condition.

Action: Cyclically paint the siding as well as cyclically replace damaged sections of the siding and trim.

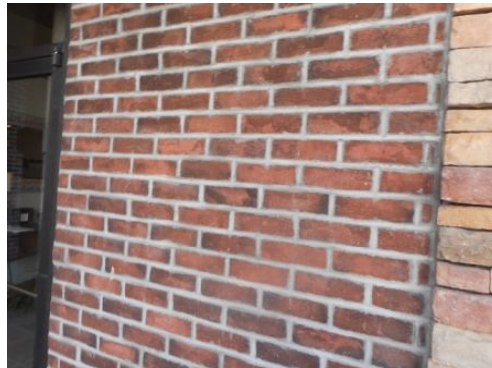
Siding - Total Current Cost

\$18,257

Riverwalk Quartz Residential RA Detail Report by Category

Replace damaged brick - 2018

		1,400 SF	@ \$4.50
Asset ID	C03.1	Asset Cost	\$4,347.00
Landscaping and Appurtenances	Synthetic Brick	Percent Replacement	69%
		Future Cost	\$4,611.73
Placed in Service	June 2004		
Useful Life	7		
Adjustment	7		
Replacement Year	2018		
Remaining Life	2		



Description: Synthetic brick with mortar joints.

Condition: Good condition.

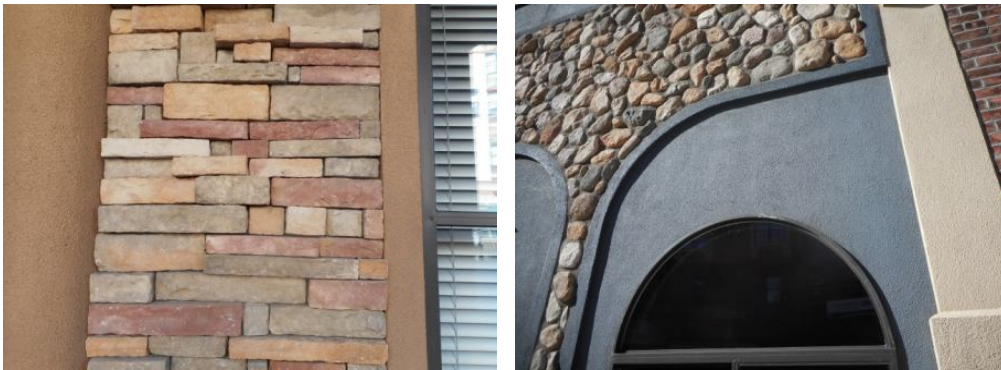
Action: Cyclically replace any damaged bricks and tuckpoint the mortar joints every 7 years.

Synthetic Brick - Total Current Cost \$4,347

Riverwalk Quartz Residential RA Detail Report by Category

Replace damaged synthetic stone - 2018

		1,400 SF	@ \$1.50
Asset ID	C04.1	Asset Cost	\$1,449.00
Landscaping and Appurtenances	Synthetic Stone	Percent Replacement	69%
Placed in Service	June 2004	Future Cost	\$1,537.24
Useful Life	7		
Adjustment	7		
Replacement Year	2018		
Remaining Life	2		



Description: Synthetic stone façade with drystack joints.

Condition: Good condition.

Action: Cyclically replace any damaged stones as needed.

Synthetic Stone - Total Current Cost **\$1,449**

Riverwalk Quartz Residential RA Detail Report by Category

Replace EPDM roofing - 2027

		11,550 SF	@ \$18.00
Asset ID	D01.1	Asset Cost	\$143,451.00
	Roofing	Percent Replacement	69%
	Roofing	Future Cost	\$198,569.73
Placed in Service	June 2002		
Useful Life	25		
Replacement Year	2027		
Remaining Life	11		



Description: Mechanically adhered Ethylene Propylene Diene Terpolymer (EPDM) roofing system.

Condition: Good condition, with yearly maintenance.

Action: Replace the EPDM roof system every 25 years starting in 2027.

Replace asphalt roofing - 2026

		5 UT	@ \$1,400.00
Asset ID	D02.1	Asset Cost	\$4,830.00
	Roofing	Percent Replacement	69%
	Roofing	Future Cost	\$6,491.12
Placed in Service	June 2004		
Useful Life	22		
Replacement Year	2026		
Remaining Life	10		

Riverwalk Quartz Residential RA Detail Report by Category

Paint walls and ceilings - 2018

		3,200 SF	@ \$1.75
Asset ID	E01.1	Asset Cost	\$5,600.00
	Interior	Percent Replacement	100%
	Walls and Ceilings	Future Cost	\$5,941.04
Placed in Service	June 2002		
Useful Life	8		
Adjustment	8		
Replacement Year	2018		
Remaining Life	2		



Description: Painted drywall surfaces.

Condition: Good condition.

Action: Cyclically paint the walls and ceilings as well as the chair rail and base molding.

Walls and Ceilings - Total Current Cost **\$5,600**

Riverwalk Quartz Residential RA Detail Report by Category

Replace carpeting - 2018

		1,000 SF	@ \$8.00
Asset ID	E02.1	Asset Cost	\$8,000.00
	Interior	Percent Replacement	100%
	Flooring	Future Cost	\$8,487.20
Placed in Service	June 2004		
Useful Life	12		
Adjustment	2		
Replacement Year	2018		
Remaining Life	2		



Description: Residential grade carpeting.

Condition: Satisfactory condition.

Action: Cyclically replace the carpeting in the residential interior hallway every 12 years starting in 2018.

Flooring - Total Current Cost

\$8,000

Riverwalk Quartz Residential RA Detail Report by Category

Remodel elevator cab - 2024

		1 UT	@ \$10,000.00
Asset ID	G01.1	Asset Cost	\$6,900.00
	Elevators	Percent Replacement	69%
	Elevators	Future Cost	\$8,740.71
Placed in Service	June 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	8		



Description: Elevator cab wall panels with a tile floor.

Condition: Good condition.

Action: Update the elevator cab, every 20 years, starting in 2024.

Replace elevator controls - 2034

		1 UT	@ \$55,000.00
Asset ID	G01.1	Asset Cost	\$37,950.00
	Elevators	Percent Replacement	69%
	Elevators	Future Cost	\$64,607.33
Placed in Service	June 2004		
Useful Life	30		
Replacement Year	2034		
Remaining Life	18		

Riverwalk Quartz Residential RA Detail Report by Category

Replace elevator controls continued...



Description: Elevator controls.

Condition: Satisfactory condition, some work has been required to maintain controls.

Action: Replace the elevator controls, every 30 years, starting in 2034.

Elevators - Total Current Cost

\$44,850

**Riverwalk Quartz Residential
RA Annual Expenditure Spread Sheet**

Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cluster Box Units										
Maintain and replace cluster box units									2,622	
Cluster Box Units Total:									2,622	
Stucco										
Paint and Repair Stucco					15,726					
Stucco Total:					15,726					
Siding										
Paint Siding					20,549					
Siding Total:					20,549					
Synthetic Brick										
Replace damaged brick			4,612							5,672
Synthetic Brick Total:			4,612							5,672
Synthetic Stone										
Replace damaged synthetic stone			1,537							1,891
Synthetic Stone Total:			1,537							1,891
Roofing										
Replace EPDM roofing										
Replace asphalt roofing										
Roofing Total:										
Walls and Ceilings										
Paint walls and ceilings			5,941							
Walls and Ceilings Total:			5,941							
Flooring										
Replace carpeting			8,487							
Flooring Total:			8,487							
Elevators										
Remodel elevator cab									8,741	
Replace elevator controls										
Elevators Total:									8,741	

**Riverwalk Quartz Residential
RA Annual Expenditure Spread Sheet**

Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Year Total:			20,577		36,275				11,363	7,562

**Riverwalk Quartz Residential
RA Annual Expenditure Spread Sheet**

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Cluster Box Units										
Maintain and replace cluster box units										
Cluster Box Units Total:										
Stucco										
Paint and Repair Stucco			19,921							
Stucco Total:			19,921							
Siding										
Paint Siding			26,031							
Siding Total:			26,031							
Synthetic Brick										
Replace damaged brick							6,976			
Synthetic Brick Total:							6,976			
Synthetic Stone										
Replace damaged synthetic stone							2,325			
Synthetic Stone Total:							2,325			
Roofing										
Replace EPDM roofing		198,570								
Replace asphalt roofing	6,491									
Roofing Total:	6,491	198,570								
Walls and Ceilings										
Paint walls and ceilings	7,526								9,534	
Walls and Ceilings Total:	7,526								9,534	
Flooring										
Replace carpeting					12,101					
Flooring Total:					12,101					
Elevators										
Remodel elevator cab										
Replace elevator controls									64,607	
Elevators Total:									64,607	

**Riverwalk Quartz Residential
RA Annual Expenditure Spread Sheet**

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Year Total:	14,017	198,570	45,952		12,101		9,301		74,141	

**Riverwalk Quartz Residential
RA Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2016</i>	
<i>No Replacement in 2017</i>	
Replacement Year 2018	
Synthetic Brick	
Replace damaged brick	4,612
Synthetic Stone	
Replace damaged synthetic stone	1,537
Walls and Ceilings	
Paint walls and ceilings	5,941
Flooring	
Replace carpeting	8,487
Total for 2018	<u>\$20,577</u>
<i>No Replacement in 2019</i>	
Replacement Year 2020	
Stucco	
Paint and Repair Stucco	15,726
Siding	
Paint Siding	20,549
Total for 2020	<u>\$36,275</u>
<i>No Replacement in 2021</i>	
<i>No Replacement in 2022</i>	
<i>No Replacement in 2023</i>	
Replacement Year 2024	
Cluster Box Units	
Maintain and replace cluster box units	2,622
Elevators	
Remodel elevator cab	8,741
Total for 2024	<u>\$11,363</u>
Replacement Year 2025	
Synthetic Brick	
Replace damaged brick	5,672

**Riverwalk Quartz Residential
RA Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2025 continued...</i>	
Synthetic Stone	
Replace damaged synthetic stone	1,891
Total for 2025	\$7,562
Replacement Year 2026	
Roofing	
Replace asphalt roofing	6,491
Walls and Ceilings	
Paint walls and ceilings	7,526
Total for 2026	\$14,017
Replacement Year 2027	
Roofing	
Replace EPDM roofing	198,570
Total for 2027	\$198,570
Replacement Year 2028	
Stucco	
Paint and Repair Stucco	19,921
Siding	
Paint Siding	26,031
Total for 2028	\$45,952
<i>No Replacement in 2029</i>	
Replacement Year 2030	
Flooring	
Replace carpeting	12,101
Total for 2030	\$12,101
<i>No Replacement in 2031</i>	
Replacement Year 2032	
Synthetic Brick	
Replace damaged brick	6,976

**Riverwalk Quartz Residential
RA Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2032 continued...</i>	
Synthetic Stone	
Replace damaged synthetic stone	2,325
Total for 2032	\$9,301
 <i>No Replacement in 2033</i>	
 Replacement Year 2034	
Walls and Ceilings	
Paint walls and ceilings	9,534
Elevators	
Replace elevator controls	64,607
Total for 2034	\$74,141

**Riverwalk Quartz Residential
RA Existing Reserve Study Summary**

Report Date	April 10, 2016
Budget Year Beginning	April 01, 2016
Budget Year Ending	March 31, 2017

<i>Report Parameters</i>	
Inflation	3.00%
Annual Assessment Increase	4.00%
Interest Rate on Reserve Deposit	0.25%
2016 Beginning Balance	\$192,580.00

Existing Funding Model Summary of Calculations

Required Monthly Contribution	\$575.00
Average Net Monthly Interest Earned	<u>\$40.95</u>
Total Monthly Allocation to Reserves	\$615.95

**Riverwalk Quartz Residential
RA Existing Reserve Study Projection**

Beginning Balance: \$192,580

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2016	6,900	491		199,971	200,827	99%
2017	7,176	510		207,658	216,858	95%
2018	7,463	478	20,577	195,022	213,908	91%
2019	7,762	499		203,282	231,579	87%
2020	8,072	429	36,275	175,508	215,111	81%
2021	8,395	451		184,353	234,968	78%
2022	8,731	473		193,557	254,875	75%
2023	9,080	497		203,134	274,832	73%
2024	9,443	493	11,363	201,707	283,894	71%
2025	9,821	499	7,562	204,465	297,035	68%
2026	10,214	491	14,017	201,152	304,251	66%
2027	10,622	21	198,570	13,225	134,900	9%
2028	11,047		45,952	-21,680	119,643	-18%
2029	11,489			-10,191	150,415	-6%
2030	11,949		12,101	-10,343	169,557	-6%
2031	12,427			2,083	200,878	1%
2032	12,924		9,301	5,706	223,256	2%
2033	13,441	32		19,179	255,014	7%
2034	13,978		74,141	-40,984	215,804	-18%
2035	14,537			-26,446	250,823	-10%

**Riverwalk Quartz Residential
RA Preliminary Reserve Study Summary**

Report Date	April 10, 2016
Budget Year Beginning	April 01, 2016
Budget Year Ending	March 31, 2017

<i>Report Parameters</i>	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.25%
2016 Beginning Balance	\$192,580.00

<i>Preliminary Funding Model Summary of Calculations</i>	
Required Monthly Contribution	\$575.00
Average Net Monthly Interest Earned	<u>\$40.95</u>
Total Monthly Allocation to Reserves	\$615.95

**Riverwalk Quartz Residential
RA Preliminary Reserve Study Projection**

Beginning Balance: \$192,580

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2016	6,900	491		199,971	200,827	99%
2017	7,728	511		208,210	216,858	96%
2018	8,655	481	20,577	196,770	213,908	91%
2019	9,694	506		206,969	231,579	89%
2020	10,857	442	36,275	181,994	215,111	84%
2021	12,160	472		194,626	234,968	82%
2022	13,619	506		208,751	254,875	81%
2023	15,254	543		224,548	274,832	81%
2024	17,084	557	11,363	230,826	283,894	81%
2025	19,134	585	7,562	242,982	297,035	81%
2026	21,430	602	14,017	250,997	304,251	82%
2027	24,002	164	198,570	76,593	134,900	56%
2028	26,882	113	45,952	57,637	119,643	48%
2029	30,108	185		87,930	150,415	58%
2030	33,721	235	12,101	109,786	169,557	64%
2031	37,768	326		147,879	200,878	73%
2032	42,300	404	9,301	181,282	223,256	81%
2033	47,376	518		229,176	255,014	89%
2034	53,061	460	74,141	208,556	215,804	96%
2035	59,428	603		268,586	250,823	107%