



## **Reserve Study Addendum for**

**Brookwillow Village Homeowners Association, Inc.- Townhomes  
Grand Junction, CO**

**March 26, 2021**



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March 26, 2021

Carrie Grubbs  
Community Association Manager  
Monument Management  
P.O. Box 509  
Fruita, CO 81521

Dear Ms.Grubbs,

This addendum to the Brookwillow Village Reserve Study encompasses the townhome section within the community to include the roofs and exterior surfaces of the townhomes, the concrete driveways and patios.. Only those community members who reside in the townhomes are responsible for contributing toward the maintenance and repairs outlined in this addendum.

### **Executive Financial Summary**

Based on the information collected during the Reserve Study process, the recommended reserve fund contribution for 2021 is \$225,000. In the year 2037 the recommended reserve fund contribution is lowered to \$65,000. The annual contribution recommendations have been set to meet future expenses while avoiding special assessments and minimizing dues increases. The recommended contributions increase by the inflation rate of 2.50% in an effort to have today's homeowners and future homeowners share a fair and equitable portion of the financial obligations to maintain the community.

Most association board members find the [Cash Flow Analysis](#) table and the [Projected Reserve Contributions](#) table to be helpful overviews of the study. The cash flow table shows the recommended annual reserve payments by year for the entire 30 year study period. The Projected Reserve Contributions table breaks down the annual contribution based on the number of unit owners in the community and shows how much they will individually be contributing to the reserves on a monthly and annual basis.

It is important to realize that this study is a snapshot based on current conditions and circumstances which no doubt will change. With this in mind, it is essential to have the study updated periodically to maintain its relevance.

### **COVID-19 Labor and Materials Costs**

Due to the COVID-19 global pandemic, labor and material costs have increased significantly since the beginning of the pandemic; projections made in this report reflect the best information available for today's costs. Labor and material costs will continue to be evaluated by Global Solution Partners and will be reviewed in future updates.

### Property Observations

- Per information provided by the client the community is still under construction/ not fully completed. No information was provided by the client regarding the estimated project completion date. Global Solution Partners recommends updating this reserve study upon project completion to update the number of dues paying members and factor in assets not currently on site.
- The replacement of the roof has been divided into 3 equal cycles to allow the association the flexibility to decide which buildings to replace in each cycle.

### Depth of Study

A site visit was made to verify the existing condition as it relates to the average life expectancies of the various reserve study components and to verify component quantities. In-place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take-offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

### Summary of Financial Assumptions

The below table contains a partial summary of information including desired study start date, number of dues-paying members, and beginning reserve fund balance, provided by the client or client's representative for the Brookwillow Village Homeowners Association, Inc. reserve funding study.

Reserve Study by Calendar Year Starting	January 1, 2021
Reserve Funding Study Length	30 years
Number of Dues Paying Members	143
Reserve Balance as of January 1, 2021	\$0.00
Annual Inflation Rate	2.50%
Interest Rate on Reserve Funds	0.50%
Dues Change Period	1 year

### Recommended Payment Schedule

The below table contains Global Solution Partners' recommended schedule of reserve fund contribution payments for the next five years. See the [Projected Reserve Contributions](#) table later in this report for the full 30 years. Failure to follow the proposed schedule of payments may result in inadequate reserve funds and require the use of Special Assessments in the future. The recommended reserve fund contributions

have been set to meet future capital expenses while avoiding special assessments and minimizing dues increases.

<b>Calendar Year</b>	<b>Member Monthly Reserve Payment</b>	<b>Monthly Reserve Payment</b>	<b>Annual Reserve Payment</b>	<b>Proposed Reserve Balance</b>
2021	\$131.12	\$18,750	\$225,000	\$225,000
2022	\$134.40	\$19,219	\$230,625	\$456,413
2023	\$137.76	\$19,699	\$236,391	\$616,068
2024	\$141.20	\$20,192	\$242,300	\$860,524
2025	\$144.73	\$20,696	\$248,358	\$1,111,894
2026	\$148.35	\$21,214	\$254,567	\$1,370,352

**Reserve Study Assumptions**

The below-listed assumptions are implicit in this reserve study:

- Cost estimates and financial information are accurate and current
- No unforeseen circumstances will cause a significant reduction of reserves
- Sufficient comprehensive property insurance exists to protect from insurable risks
- The association plans to continue to maintain the existing common areas and amenities
- Reserve payments occur at the end of every calendar month
- Expenses occur at the end of the expense year

**Impact of Component Life**

The projected life expectancy of the major components and the reserve funding needs of the Association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the Association. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the Association.

**Inflation Estimate**

Inflation for the last year has been reviewed. An inflation multiplier of 2.50% per year has been applied to all future expenses.

**Initial Reserves**

The client reported that as of January 1, 2021, the reserve account balance is zero.

### **Financial Condition of Association**

It is recommended that the association adjust its reserve fund contributions to align with the [Cash Flow Analysis](#) and [Projected Reserve Contributions](#) tables contained in this study.

### **Special Assessments**

Special Assessments have not been factored into this Reserve Study.

### **Items Considered to be Long-Lived**

Items considered to be long-lived are intentionally not included in this study. Long-lived items are typically those items that have a useful life expectancy beyond the current study period. The following items have been identified as long-lived and therefore are not included in this study:

- The building structures

Although the concrete surfaces could be considered to be Long-Lived, a repair and maintenance allowance has been factored into this analysis. Routine maintenance of these items will not only enhance the look of the community, but it may also extend the design life of these items.

### **Items Considered to be Operational**

Items considered to be typically included in the operational budget are intentionally not included in this study. Operational budget items typically include routine maintenance and lower cost items. The following items have been identified as operational budget items and therefore are not included in this study:

- The localized repair of the stone veneer on the dwelling units

### **Items Maintained by Others**

Items maintained by other entities or individuals i.e. municipalities, individual dwelling unit owners, other associations, utility companies, etc... are intentionally not included in this study. The following items have been identified as being maintained by others and therefore are not included in this study:

- The dwelling unit interiors
- The mechanical equipment that services each individual dwelling unit
- The dwelling unit doors and windows

### **Statement of Qualifications**

Global Solution Partners is a professional firm in the business of preparing Reserve Studies and other related property services for resorts, hotels, and community associations. We are familiar with construction practices, construction costs, and contracting practices. Our staff members have vast experience in property due diligence and hold many certifications and licenses including but not limited to;

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contracting, engineering, roofing, code inspection, real estate, project management, home inspection, and pest control.

**Conflict of Interest**

As the preparer of this reserve study, Global Solution Partners certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Global Solution Partners would like to thank Brookwillow Village Homeowners Association, Inc. for the opportunity to be of service in the preparation of this Reserve Study. If you have any questions, please don't hesitate to contact us.

**Prepared by**

Bonnie Bogert  
Project Manager  
Global Solution Partners

## Community Photos



Typical dwelling unit- front elevation



Typical dwelling unit- rear elevation



Typical driveway



Typical rear patio



Typical townhome front elevation



Side elevation

## Reserve Item Categories

### Paving



Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Concrete driveways repair allowance (10% every 10 years)	\$54,826.20	2 Yrs	10 Yrs	2023	\$57,601.78	Y
Concrete patios repair allowance (10% every 10 years)	\$19,732.32	2 Yrs	10 Yrs	2023	\$20,731.27	Y

### Building Exteriors



Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Dimensional asphalt shingle roofing replacement- cycle 1	\$362,197.95	10 Yrs	25 Yrs	2031	\$463,644.00	Y
Dimension asphalt shingle roofing replacement- cycle 2	\$362,197.95	11 Yrs	25 Yrs	2032	\$475,235.10	Y
Aluminum rain gutters replacement- cycle 1	\$36,649.05	11 Yrs	25 Yrs	2032	\$48,086.73	Y
Aluminum rain gutters replacement- cycle 3	\$36,649.05	11 Yrs	25 Yrs	2032	\$48,086.73	Y
Dimension asphalt shingle roofing replacement- cycle 3	\$362,197.95	12 Yrs	25 Yrs	2033	\$487,115.98	Y
Aluminum rain gutters replacement- cycle 2	\$36,649.05	12 Yrs	25 Yrs	2033	\$49,288.90	Y
Vinyl exterior siding surfaces replacement- cycle 1	\$534,314.00	12 Yrs	25 Yrs	2033	\$718,592.93	Y
Vinyl exterior siding surfaces replacement- cycle 2	\$534,314.00	13 Yrs	25 Yrs	2034	\$736,557.75	Y
Vinyl exterior siding surfaces replacement- cycle 3	\$534,314.00	14 Yrs	25 Yrs	2035	\$754,971.69	Y

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Funding Reserve Analysis  
**Reserve Item Listing**

Category	Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Estimated Remaining Life When New	Year	Estimated Future Cost	Straight Line Payment
Paving	Concrete driveways repair allowance (10% every 10 years)	\$12.78 sqft	4,290 sq ft	\$54,826	2 Yrs	10 Yrs	2023	\$57,602	\$19,201
							2033	\$73,735	\$7,374
							2043	\$94,387	\$9,439
Paving	Concrete patios repair allowance (10% every 10 years)	\$12.78 sqft	1,544 sq ft	\$19,732	2 Yrs	10 Yrs	2023	\$20,731	\$6,910
							2033	\$26,538	\$2,654
							2043	\$33,971	\$3,397
Building Exteriors	Dimensional asphalt shingle roofing replacement- cycle 1	\$5.01 sqft	72,295 sq ft	\$362,198	10 Yrs	25 Yrs	2031	\$463,644	\$42,149
							2056	\$859,570	\$34,383
							2081	\$1,593,595	\$63,744
Building Exteriors	Dimension asphalt shingle roofing replacement- cycle 2	\$5.01 sqft	72,295 sq ft	\$362,198	11 Yrs	25 Yrs	2032	\$475,235	\$39,603
							2057	\$881,059	\$35,242
							2082	\$1,633,435	\$65,337
Building Exteriors	Dimension asphalt shingle roofing replacement- cycle 3	\$5.01 sqft	72,295 sq ft	\$362,198	12 Yrs	25 Yrs	2033	\$487,116	\$37,470
							2058	\$903,086	\$36,123
							2083	\$1,674,271	\$66,971
Building Exteriors	Aluminum rain gutters replacement- cycle 1	\$7.89 lnft	4,645 lnft	\$36,649	11 Yrs	25 Yrs	2032	\$48,087	\$4,007
							2057	\$89,150	\$3,566
							2082	\$165,279	\$6,611
Building Exteriors	Aluminum rain gutters replacement- cycle 2	\$7.89 lnft	4,645 lnft	\$36,649	12 Yrs	25 Yrs	2033	\$49,289	\$3,791
							2058	\$91,379	\$3,655
							2083	\$169,411	\$6,776
Building Exteriors	Aluminum rain gutters replacement- cycle 3	\$7.89 lnft	4,645 lnft	\$36,649	11 Yrs	25 Yrs	2032	\$48,087	\$4,007
							2057	\$89,150	\$3,566
							2082	\$165,279	\$6,611
Building Exteriors	Vinyl exterior siding surfaces replacement- cycle 1	\$8.15 sqft	65,560 sqft	\$534,314	12 Yrs	25 Yrs	2033	\$718,593	\$55,276
							2058	\$1,332,231	\$53,289
							2083	\$2,469,882	\$98,795
Building Exteriors	Vinyl exterior siding surfaces replacement- cycle 2	\$8.15 sqft	65,560 sqft	\$534,314	13 Yrs	25 Yrs	2034	\$736,558	\$52,611
							2059	\$1,365,537	\$54,621
							2084	\$2,531,629	\$101,265
Building Exteriors	Vinyl exterior siding surfaces replacement- cycle 3	\$8.15 sqft	65,560 sqft	\$534,314	14 Yrs	25 Yrs	2035	\$754,972	\$50,331
							2060	\$1,399,675	\$55,987
							2085	\$2,594,920	\$103,797

Note for communities using straight line funding: Straight Line Annual Payments do not include earned interest, tax adjustments, or payments made with initial reserves.

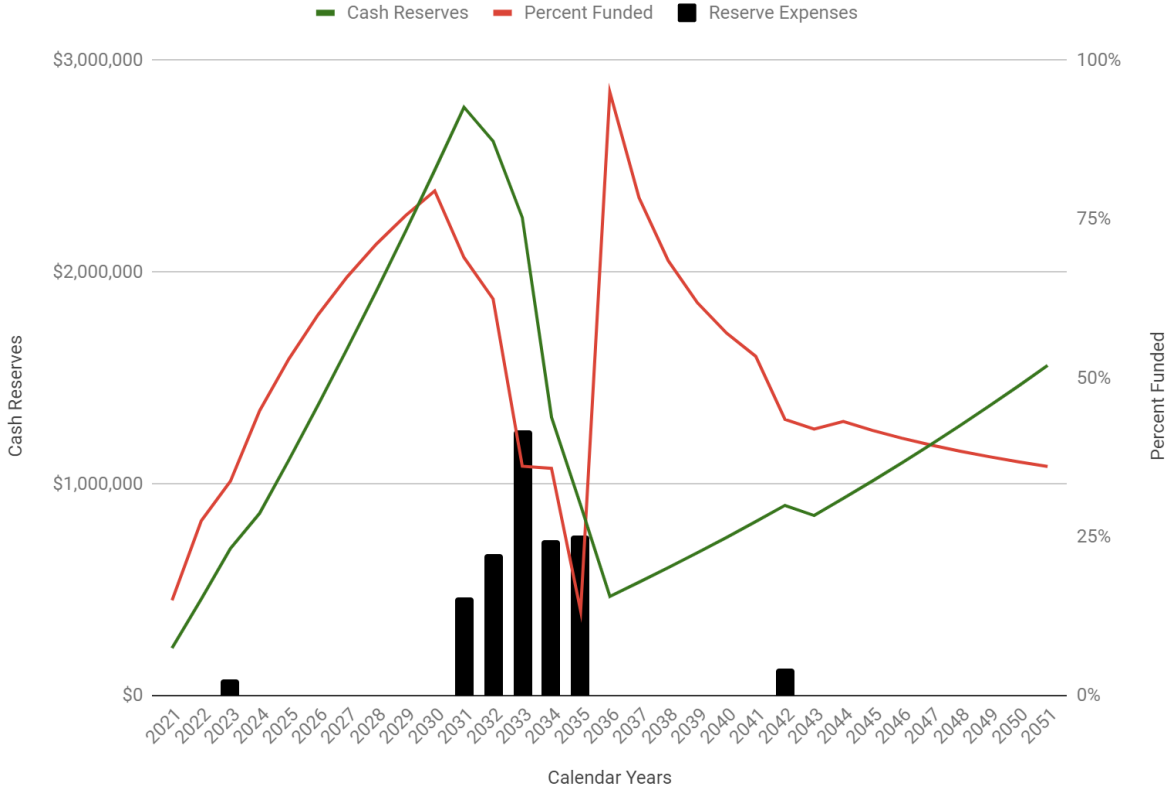
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### Cash Flow Analysis

Calendar Year	Annual Reserve Payment	Annual Interest	Annual Expenses	Annual Income Tax on Interest	Net Reserve Funds
2021	\$225,000	\$0		\$0	\$225,000
2022	\$230,625	\$1,125		\$338	\$456,413
2023	\$236,391	\$2,282	\$78,333	\$685	\$616,068
2024	\$242,300	\$3,080		\$924	\$860,524
2025	\$248,358	\$4,303		\$1,291	\$1,111,894
2026	\$254,567	\$5,559		\$1,668	\$1,370,352
2027	\$260,931	\$6,852		\$2,056	\$1,636,080
2028	\$267,454	\$8,180		\$2,454	\$1,909,260
2029	\$274,141	\$9,546		\$2,864	\$2,190,083
2030	\$280,994	\$10,950		\$3,285	\$2,478,743
2031	\$288,019	\$12,394	\$463,644	\$3,718	\$2,311,793
2032	\$295,219	\$11,559	\$669,236	\$3,468	\$1,945,868
2033	\$302,600	\$9,729	\$1,254,998	\$2,919	\$1,000,281
2034	\$310,165	\$5,001	\$736,558	\$1,500	\$577,389
2035	\$317,919	\$2,887	\$754,972	\$866	\$142,358
2036	\$325,867	\$712		\$214	\$468,723
2037	\$65,000	\$2,344		\$703	\$535,363
2038	\$66,625	\$2,677		\$803	\$603,862
2039	\$68,291	\$3,019		\$906	\$674,266
2040	\$69,998	\$3,371		\$1,011	\$746,624
2041	\$71,748	\$3,733		\$1,120	\$820,985
2042	\$73,542	\$4,105	\$125,227	\$1,231	\$772,173
2043	\$75,380	\$3,861		\$1,158	\$850,256
2044	\$77,265	\$4,251		\$1,275	\$930,496
2045	\$79,196	\$4,652		\$1,396	\$1,012,949
2046	\$81,176	\$5,065		\$1,519	\$1,097,670
2047	\$83,205	\$5,488		\$1,647	\$1,184,718
2048	\$85,286	\$5,924		\$1,777	\$1,274,150
2049	\$87,418	\$6,371		\$1,911	\$1,366,027
2050	\$89,603	\$6,830		\$2,049	\$1,460,412
2051	\$91,843	\$7,302		\$2,191	\$1,557,366
<b>Totals</b>	<b>\$5,526,126</b>	<b>\$163,154</b>	<b>\$4,082,967</b>	<b>\$48,946</b>	

### Cash Flow by Calendar Year

The following chart shows that the reserve account balance meets or exceeds the annual cash flow requirement for the maintenance or replacement of all community reserve items.



## Projected Reserve Contributions

Calendar Year	Member Monthly Reserve Payment	Member Annual Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment
2021	\$131	\$1,573	\$18,750	\$225,000
2022	\$134	\$1,613	\$19,219	\$230,625
2023	\$138	\$1,653	\$19,699	\$236,391
2024	\$141	\$1,694	\$20,192	\$242,300
2025	\$145	\$1,737	\$20,696	\$248,358
2026	\$148	\$1,780	\$21,214	\$254,567
2027	\$152	\$1,825	\$21,744	\$260,931
2028	\$156	\$1,870	\$22,288	\$267,454
2029	\$160	\$1,917	\$22,845	\$274,141
2030	\$164	\$1,965	\$23,416	\$280,994
2031	\$168	\$2,014	\$24,002	\$288,019
2032	\$172	\$2,064	\$24,602	\$295,219
2033	\$176	\$2,116	\$25,217	\$302,600
2034	\$181	\$2,169	\$25,847	\$310,165
2035	\$185	\$2,223	\$26,493	\$317,919
2036	\$190	\$2,279	\$27,156	\$325,867
2037	\$38	\$455	\$5,417	\$65,000
2038	\$39	\$466	\$5,552	\$66,625
2039	\$40	\$478	\$5,691	\$68,291
2040	\$41	\$489	\$5,833	\$69,998
2041	\$42	\$502	\$5,979	\$71,748
2042	\$43	\$514	\$6,128	\$73,542
2043	\$44	\$527	\$6,282	\$75,380
2044	\$45	\$540	\$6,439	\$77,265
2045	\$46	\$554	\$6,600	\$79,196
2046	\$47	\$568	\$6,765	\$81,176
2047	\$48	\$582	\$6,934	\$83,205
2048	\$50	\$596	\$7,107	\$85,286
2049	\$51	\$611	\$7,285	\$87,418
2050	\$52	\$627	\$7,467	\$89,603
2051	\$54	\$642	\$7,654	\$91,843

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Funding Reserve Analysis

## Annual Expenses

Year	Category	Reserve Item	Cost
2021		No reserve items for this year.	\$0
<b>Total for 2021:</b>			<b>\$0</b>
2022		No reserve items for this year.	\$0
<b>Total for 2022:</b>			<b>\$0</b>
2023	Paving	Concrete driveways repair allowance (10% every 10 years)	\$57,602
2023	Paving	Concrete patios repair allowance (10% every 10 years)	\$20,731
<b>Total for 2023:</b>			<b>\$78,333</b>
2024		No reserve items for this year.	\$0
<b>Total for 2024:</b>			<b>\$0</b>
2025		No reserve items for this year.	\$0
<b>Total for 2025:</b>			<b>\$0</b>
2026		No reserve items for this year.	\$0
<b>Total for 2026:</b>			<b>\$0</b>
2027		No reserve items for this year.	\$0
<b>Total for 2027:</b>			<b>\$0</b>
2028		No reserve items for this year.	\$0
<b>Total for 2028:</b>			<b>\$0</b>
2029		No reserve items for this year.	\$0
<b>Total for 2029:</b>			<b>\$0</b>
2030		No reserve items for this year.	\$0
<b>Total for 2030:</b>			<b>\$0</b>
2031	Building Exteriors	Dimensional asphalt shingle roofing replacement- cycle 1	\$463,644
<b>Total for 2031:</b>			<b>\$463,644</b>
2032	Paving	Concrete driveways repair allowance (10% every 10 years)	\$71,937
2032	Paving	Concrete patios repair allowance (10% every 10 years)	\$25,891
2032	Building Exteriors	Dimension asphalt shingle roofing replacement- cycle 2	\$475,235
2032	Building Exteriors	Aluminum rain gutters replacement- cycle 1	\$48,087
2032	Building Exteriors	Aluminum rain gutters replacement- cycle 3	\$48,087
<b>Total for 2032:</b>			<b>\$669,236</b>
2033	Building Exteriors	Dimension asphalt shingle roofing replacement- cycle 3	\$487,116
2033	Building Exteriors	Aluminum rain gutters replacement- cycle 2	\$49,289
2033	Building Exteriors	Vinyl exterior siding surfaces replacement- cycle 1	\$718,593
<b>Total for 2033:</b>			<b>\$1,254,998</b>
2034	Building Exteriors	Vinyl exterior siding surfaces replacement- cycle 2	\$736,558
<b>Total for 2034:</b>			<b>\$736,558</b>
2035	Building Exteriors	Vinyl exterior siding surfaces replacement- cycle 3	\$754,972

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Funding Reserve Analysis

## Annual Expenses

Year	Category	Reserve Item	Cost
<b>Total for 2035:</b>			<b>\$754,972</b>
2036		No reserve items for this year.	\$0
<b>Total for 2036:</b>			<b>\$0</b>
2037		No reserve items for this year.	\$0
<b>Total for 2037:</b>			<b>\$0</b>
2038		No reserve items for this year.	\$0
<b>Total for 2038:</b>			<b>\$0</b>
2039		No reserve items for this year.	\$0
<b>Total for 2039:</b>			<b>\$0</b>
2040		No reserve items for this year.	\$0
<b>Total for 2040:</b>			<b>\$0</b>
2041		No reserve items for this year.	\$0
<b>Total for 2041:</b>			<b>\$0</b>
2042	Paving	Concrete driveways repair allowance (10% every 10 years)	\$92,085
2042	Paving	Concrete patios repair allowance (10% every 10 years)	\$33,142
<b>Total for 2042:</b>			<b>\$125,227</b>
2043		No reserve items for this year.	\$0
<b>Total for 2043:</b>			<b>\$0</b>
2044		No reserve items for this year.	\$0
<b>Total for 2044:</b>			<b>\$0</b>
2045		No reserve items for this year.	\$0
<b>Total for 2045:</b>			<b>\$0</b>
2046		No reserve items for this year.	\$0
<b>Total for 2046:</b>			<b>\$0</b>
2047		No reserve items for this year.	\$0
<b>Total for 2047:</b>			<b>\$0</b>
2048		No reserve items for this year.	\$0
<b>Total for 2048:</b>			<b>\$0</b>
2049		No reserve items for this year.	\$0
<b>Total for 2049:</b>			<b>\$0</b>
2050		No reserve items for this year.	\$0
<b>Total for 2050:</b>			<b>\$0</b>
2051		No reserve items for this year.	\$0
<b>Total for 2051:</b>			<b>\$0</b>