

PURPOSE:

It is the purpose of the component list to prioritize the assets that are the responsibility of the HOA to repair or replace or maintain. The top priorities should be of utmost concern to the HOA Board as disrepair and further damages can occur as more time passes. Neglect of these concerns will escalate the costs of repair. A physical assessment of the property in question has been documented in the following statements. The list of top priorities will change as time passes and as projects are completed.

In addition to the component list is a professional recommendation and a financial suggestion for each recommendation. These recommendations by no means are required by law to follow, but it is in the best interest of the HOA and homeowners to address the concerns in the Component List. The recommendations in this report should be completed by year-end 2015 if not sooner.

NEGATED PROPERTY:

La Roche HOA is responsible for the premises legally described under the general address of "406 Ridges Blvd" including the road to access the permanent easement known as Phase 4 including these specified properties listed below:

Address	Mesa County Parcel Number
E1 (#9)	2945-163-26-033
E2 (#10)	2945-163-26-034
F1 (#11)	2945-163-26-035
F2 (#12)	2945-163-26-036
G1 (#13)	2945-163-26-037
G2 (#14)	2945-163-26-038

The above listed negated properties are not part of the responsibilities maintained by La Roche and will not be included in this study.

LEGEND:

UL = useful life in years. Example, UL = 25 is the expected useful life of a component that should remain functional for 25 years before it needs to be replaced.

RUL = remaining useful life in years. Example, RUL = 1 is the expected useful life of a component that has one more year of useful life left before it needs to be replaced.

The top priority components are listed in numerical order as followed in the Component List.

PRIORITY:

The architectural list of priority is given by four main criteria:

- 1) Human safety
- 2) Obvious signs of entropy

- 3) Age of building(s)
- 4) Areas that may not be up to current building code standards
- 5) Sequence. A job done in-tandem with a high-priority project.

To determine the age of the buildings in question, the construction sequence has been noted below for easy reference.

Address Mesa County Parcel Number

“Building 1” Constructed Year: 1982

#15	2945-163-26-004
#16	2945-163-26-005
#17	2945-163-26-006
#18	2945-163-26-007
#19	2945-163-26-008

“Building 2” Constructed Year: 1981

#20	2945-163-26-009
#21	2945-163-26-010
#22	2945-163-26-011
#23	2945-163-26-012
#24	2945-163-26-013
#25	2945-163-26-014

“Building 3” Constructed Year: 1993

#26	2945-163-26-026
#27	2945-163-26-027
#28	2945-163-26-028
#29	2945-163-26-029

“Condo” Constructed Year: 1993

#1	2945-163-26-024
#2	2945-163-26-023

“Condo” Constructed Year: 1983

#3	2945-163-26-020
#4	2945-163-26-021

“Condo” Constructed Year: 1982

#5	2945-163-26-016
#6	2945-163-26-017

“Condo” Constructed Year: 1982

#7	2945-163-26-018
#8	2945-163-26-019

COMPONENT/ASSET LIST:

Asphalt/road maintenance
Asphalt/road replacement
Concrete driveways
Irrigation pump maintenance
Irrigation pump replacement
Landscaping
Light fixtures maintenance
Light fixtures replacement
Light posts
Retaining walls
Roof
Security camera battery maintenance
Security camera replacement
Siding maintenance
Siding replacement
Stucco maintenance
Stucco replacement
Trash dumpster gate & housing
Window replacement

La Roche HOA is responsible for the above listed components/assets. All components are on the Google Calendar Reserve Schedule for maintenance or replacement depending on the useful life expectancy of each asset.

COMPONENT PRIORITY LIST:

PRIORITY 1: RUL = 10. Human safety is of concern. The deck/stair structures at Buildings 1 and 2 are not up to code. La Roche HOA is not responsible for this component, however, could be held liable should human injury occur due to negligence. Small children can easily fit through the vertical rails. Furthermore, handrails should be continuous through the stairs; stopping only at the landings. The current handrails are not continuous landing-to-landing. Aside from the obvious safety issues, the overall structure is poorly constructed using an excess of materials at each stairwell. If cost is not an issue, an engineer, architect, or experienced contractor can sketch plans to eliminate some of the excess materials to remove the “birdcage” design of the stairwells.

Professional Recommendations:

A. Rail augmentation: UL = 15+. This is the most straight-forward repair to get the stairwells up to a safe standard. Consult an experienced licensed contractor and have them install more vertical 2”x2” rails between the current 2”x4” vertical rails in the stairwells. An added horizontal rail will also need to be added to cap the added vertical rails for structural support. Cost: \$1,000.

B. Handrails. UL = 15+. Add continuous handrails that terminate upon each landing throughout the stairwells. Repair current rails to meet code. Cost: \$1,000.

PRIORITY 1a: RUL = 0. Human safety is of concern. The deck structure of Building 1 is in serious disrepair. La Roche HOA is NOT responsible for the main decking structure servicing entry to the homes in Building 1. If La Roche HOA were responsible for this component, this entry would earn top priority. Considering the safety concerns regarding this structure and the poor conditions shown, it is critical to get the structure up to Mesa County Building Code standards. Due to erosion or movement of soils, the concrete footers of this structure have shifted in a northerly transition approximately 4". A substandard attempted repair was performed by an unknown source at an unknown time to the base of western corner at ground level. Due to improper roofline water evacuation, numerous floor boards on the second and third level have higher than normal decay. These floor boards are primarily located approximately 18"-3' from the handrails on the second floor.

Professional Recommendations:

A: Maintenance. Replace rotten fascia boards, reattach seamless gutters to prevent further water drippings from roof line. Keeping water off the structure will slow wood decay and prevent ice build-up during winter months. Replace joists, stringers, and other sub-par portions of the structure that show obvious signs of decay. Replace the floor boards with a composite (Trex-like) material. This composite material is suggested due to the long life and no maintenance required. Approximately 25-30% of the materials on the structure should be replaced. Financially, this option is the most affordable. This option is the most practical as home owners will still have access to their units during this upgrade. This option will take approximately 7-10 days to complete. Best option. Cost: \$16,000. Expected UL = 25+.

B. Replace entire decking structure. Replace rotten fascia boards, reattach seamless gutters to prevent water drippings from roof line. Keeping water off the structure will slow wood decay and prevent ice build-up during winter months. A composite (Trex-like) material is suggested due to the long life and no maintenance required. Home owner access to their units will be limited. Having a new deck structure built will take approximately 4-6 weeks to complete. Cost: \$25,000. Expected UL = 25+.

PRIORITY 2: RUL = 0. Building damage. The siding on the southernmost walls of Condo units 5-8 show signs of dry rot. To repaint these surfaces would be very temporary and quality results would not be produced. Lower portions of certain walls on the Condo units aforementioned have already sustained water damage due to dry rotten siding.

Professional Recommendations:

A: Siding. UL = 25+. Replace the siding with updated siding of a similar design. Repaint every 4-5 years as maintenance requires. Financially, this option is less expensive initially compared to stucco but will need regular maintenance and will cost more over time.

B: Stucco. UL = 75+. Replace the current siding with Hard Kote Permaflex stucco and expansion joints to avoid settling cracks due to swelling soils. New windows are to be installed just prior to stucco installation. Financially, this option is initially more expensive than siding, but will not require significant regular maintenance. Cost \$10,000.

PRIORITY 2a: RUL = 0. Building damage. Since La Roche HOA has more projects than funding, it is recommended to maintain the portions of the buildings that can still be maintained rather than replaced. The La Roche HOA Reserve Schedule on Google Calendar has stucco replacing siding over the next several years, but the current paint on the following walls has expired and no longer seals out the weather. The walls not repainted at this time should withstand the weather for the next few years until stucco can replace siding.

Professional Recommendations:

A: Building 1 & 2 southern most wall. Repaint.

B: Building 3 south-western and south-eastern walls. Repaint.

C: Condos 1-4 western wall and eastern garage wall. Repaint.

PRIORITY 3: RUL = 5. Sequence. New white vinyl windows should be installed to match the already replaced windows in the HOA.

Professional Recommendation:

New windows should be installed just prior to stucco systems being installed. An experienced contractor can orchestrate the timing of windows and stucco installation for a near-fluid construction schedule to reduce construction traffic in the association.

PRIORITY 4: RUL = 5. Fascia, as needed. Without getting an up-close view of the fascia and soffit, it is difficult to determine which boards need to be replaced. There are boards that are obviously decayed due to improper installation of the rain gutters. Two areas of decayed fascia are Building 1 northern fascia and Building 2 northern fascia. There are probably other areas with decayed fascia. A contractor can more closely inspect the fascia when scaffold is in place for windows and stucco.

Professional Recommendation:

Replace fascia and soffits as needed. Adjust or replace rain gutters as needed.

GENERAL DISCUSSION:

La Roche HOA is responsible for maintaining the numerous assets on the property. The La Roche HOA Google Calendar Reserve Schedule has these following assets scheduled for replacement or repair as the asset usefulness expires or as the asset needs maintenance. The Reserve Schedule should be published in full view of the homeowners - preferably on the HOA website. Homeowners and perspective buyers should have access to upcoming projects and possible special assessments in a transparent manner.

Each year the assets needing attention are pre-entered into the Reserve Schedule so the managing Board can act accordingly. All assets are currently scheduled for maintenance or repair on Google Calendar. If a certain asset cannot be replaced or does not need to be replaced, the managing Board can simply edit the Reserve Schedule to have the asset replaced at a later date. If an asset needs to be replaced sooner than scheduled, the Board can edit the schedule accordingly.

The Reserve Schedule is a tool, use it. Neglecting the maintenance schedule of assets needing attention is irresponsible and will only further damage the assets and expedite the decline of the property. Not all homeowners will be able to afford the maintenance required on their units, but not doing the maintenance should rarely be an option. If homeowners cannot afford to help pay for the maintenance and reserve fund on their building, they should not own their home.

Typical reserve studies are the most useful the first year. After that, the information is exponentially outdated. Companies that perform reserve studies regularly charge thousands of dollars for each study, and then charge again for periodic revisions. HOAs that use paid reserve studies pay \$1,250/year. For a long-term plan that rarely needs revisions and no updating costs, use an electronic site-based calendar such as Google Calendar. This platform is no-cost, can be edited from anywhere, shared with the Board, can be integrated into HOA websites, and can repeat projects for eternity with no effort from the managing Board.

The Reserve Schedule is designed with the homeowners and managing Board in mind. Consider the Reserve Schedule a financial planning tool used to properly manage the assets of the homeowners association to help avoid special assessments. With that being said, La Roche is deficient in capital reserves for the amount of projects the property requires. Special assessments or an increase dues will be required to help fund the capital reserves to adequately improve and maintain the property.

Keep homeowners focused on responsibility. Updating assets will only increase property values, improve the pride of ownership, and increase demand for future homeowners. A well-kept responsibly managed community will prove to be a desirable community.

It is advisable to the help build a Reserve Fund by integrating these proven successful recommendations:

1. Amend the proper documents to include a \$500 fee to every purchase and sale of each property within the HOA. For example, unit J-230 is for sale. As part of the sale, the buyer and seller each pay \$500 toward the Reserve Fund at closing.
A total of \$1,000 is collected from the sale and put into the Reserve Fund.
2. Incur a \$500 special assessment split into two special assessments. For example, charge a \$250 special assessment in April and another \$250 in September. Announce the special assessments early in the year so low-income homeowners have time to save.

It is unfortunate that La Roche is under-funded, but the issue can be corrected over time. With proper planning, responsible management, and some creative funding, the HOA can be updated and well-maintained without undue financial strain on homeowners.