

CourseSide Homeowners Association

Design Guidelines

April 25, 2016

Contents

Introduction	3
Rules and Regulations.....	4
Common Appurtenant Area ("CAA")	4
CAA Improvements	4
New Construction	6
City of Lakewood Development & Building Requirements.....	8
Procedure for DRC Approval of New Construction and Property Improvements	9
Construction Materials	10
Property Improvement Application	10
Where to Submit Your Request	10
Appendices.....	11
Appendix A - Property Improvement Application Process	12
DRC Application Requirements.....	12
Design Review Application Form	13
Appendix B - Prohibited Activities	14
Appendix C - Internal Dispute Resolution.....	15
Appendix D - Variances and Remedies	16
Appendix E - Enforcement and Remedies	17

Introduction

CourseSide is a planned development composed of single-family homes that are part of the CourseSide Homeowners Association. A planned development is a community that is developed pursuant to a master plan designed to create a total living environment. Part of the concept of a total living environment is the allocation of different parcels of land for different uses and the maintenance of landscape and architectural design throughout the community that is in conformance with specific community standards. The Design Guidelines would allow for reasonable individual expression within a standard of attractive aesthetic appearance to maximize property values in the community. This planning concept is for the benefit of all of those who live in the community and, if applied properly and consistently, will help CourseSide maintain its unique appeal and to foster a growth in property values. Pursuant to the Association's Covenants, Conditions and Restrictions (the "CCRs"), the Board of Directors is to ensure implementation of set provisions and specific supplemental rules to ensure that these guidelines are met. Those rules are described in this document.

The Design Review Committee (DRC) has the authority, as noted in the CourseSide CCRs, to review any and all plans to construct any residence or improvements within this subdivision. **No construction of any residence or improvements can be legally commenced in this subdivision without the approval of the DRC.**

The Association's Board (or its designees) has the authority to supervise the exterior maintenance of all lots within this subdivision. This is in accordance with the CCRs and bylaws of the CourseSide Homeowners Association and the Colorado Common Interest Ownership Act. The Association's Board has adopted this document, the CourseSide Homeowners Association Design Guidelines, and applicable City Codes for subdivisions within the City of Lakewood, in order to maintain and improve this subdivision. The Design Guidelines and the CourseSide CCRs will be enforced by the Association's Board to the fullest extent permitted by law.

It shall be the responsibility of the homeowner (whether residing within the home or acting as the landlord) to fully comply with the Design Guidelines and the CourseSide CCRs. Homeowners must prevent the occurrence of any unclean or unsightly condition of structures on a lot that does (or could) decrease the attractiveness or value of any property in the CourseSide development.

A variance is defined as a need to apply for an official permit to do something normally forbidden by regulations.

Rules and Regulations

CCR Section 5.02: **No Improvements shall be constructed, erected, placed, planted, applied or installed upon any Lot unless complete plans and specifications, shall have been first submitted to and approved in writing by the Design Review Committee.** The plans and specifications must show exterior design, height, materials, color, and location of the Improvements and type of landscaping, fencing, walls, windbreaks and grading plans, as well as such other materials and information as may be required by the Committee. The Design Review Committee shall exercise its reasonable judgment to the end that all Improvements conform with and harmonize with the existing surroundings, residences, landscaping and structures, and that such Improvements are consistent with the Design Guidelines. In its review of such plans, specifications and other materials and information, the Design Review Committee may require that the applicants reimburse the Committee for the actual expenses incurred by the Committee in the review and approval process. Such amounts, if any, shall be levied in addition to the Assessment against the Lot for which the request for Design Review Committee approval was made, but shall be subject to the Association's lien for Assessments and subject to all other rights of the Association for the collection of such Assessments, as more fully provided in this Declaration. Notwithstanding the foregoing provisions of this Section 5.02, Design Review Committee approval is not required before performing maintenance or repairs of existing Improvements in the same manner as originally approved by the Design Review Committee, or as installed by the builder.

Common Appurtenant Area ("CAA")

Defined as the area outside of the walls of each home, such as front, side and back yards, that is not Common Area. An owner may install an improvement on Common Appurtenant Area provided that the improvements are approved by the DRC and comply with applicable laws and regulations. The DRC's approval process will be based upon the rules and regulations as set forth throughout this document and the restrictions in the CCRs.

CAA Improvements

For ease of reference, the following sections list some common CAA improvements:

1. Exterior Decorative Objects, Lighting, and Architectural or Ventilation Grilles: Improvements requiring approval include, but are not limited to, exterior decorative objects, lighting, architectural features, bird baths, wagon wheels, sculptures, fountains, and free-standing poles of all types. Owners may install these items without approval if the improvements are not visible from outside the CAA.
2. Garages may not be converted into living space and must be kept available for the parking of at least one vehicle at all times.
3. Clotheslines are not permitted in the CourseSide development, except that the Association may approve retractable clotheslines subject to reasonable aesthetic standards that may include screening from neighboring lots, common areas and streets.
4. Hoses & Water Lines: Hose reels may be left in beds outside the home but must be kept off lawn after use.
5. Signs: Only signs indicating "For Rent" or "For Sale" are permitted. One political sign per political race or ballot issue is permitted no earlier than 45 days prior to a pending election and no later than seven days

following the election. No other signs of any kind shall be erected on the property without written approval of the Board.

6. Landscaping: To the extent the improvement will change the appearance of the CAA, DRC approval is required if the improvement is visible from outside the CAA or may cause additional maintenance charges for the HOA.
 - a. Perennials and bushes from the list of pre-approved plants may be planted without approval if planted in the beds directly adjacent to the home.
 - b. Homeowners may plant annuals in beds on the property or have pots of flowers on decks or porches without seeking approval from the DRC.
7. Vacant lots are to be kept clean of debris, and weeds are to be kept cut to within 6" for fire mitigation.
8. Decks: Decks may be constructed, with approval of the DRC, subject to the following:
 - a. Plans submitted to the DRC should show details, colors and types of construction materials. Railings should follow the wrought iron design established with the original 50% of homes built. Composite decking should be used on all decks to insure uniformity within the neighborhood and to provide for reduced maintenance.
 - b. The sizing of patios and decks is not to exceed the lot's building envelope unless an approved variance application has been obtained from the City of Lakewood.
 - c. Designs must be harmonious with surrounding structures.
9. No screening fences on projecting decks will be permitted if they would block the side views of neighbors.
 - a. Fences: Individual Property Fences must be wrought iron, painted black and of the style and color used in the development (see example below)



Example: Fence Approved for CourseSide community

- b. Generally, the height of any fence will be limited to 5 feet. However, approval to exceed that height will be considered. Access to Association property, which is required for maintenance of the Common Areas, must be provided by a gate or gates in all fences. Gates must be kept clear

and operable at all times so they can be used in case of emergency, such as a fire. Refer to the Access Easement section of the CCRs.

- i. All fences will require gate access from the front of the property.
 - ii. Any developer or homeowner landscaping that is installed shall be designed to accommodate front gate access.
 - iii. Walls may only be developed for retaining purposes. The materials and design require prior approval from the DRC.
 - iv. No chain-link fences, wire fencing, or polyethylene netting will be permitted.
10. Outside Play Equipment: Permanent play equipment as well as large temporary items like swing sets will require approval from the DRC.
11. Garage Doors: Styles falling outside those on existing homes must be submitted to the DRC for approval.
12. Satellite Dishes: To the extent these rules do not conflict with any federal, state or local law, regulation or code, satellite dishes, which do not exceed 24 inches in diameter and are professionally installed in an area that is not visible from common areas or streets, do not require DRC approval. All other installations require DRC approval, which will not be unreasonably withheld.
13. Exterior Finishes: Hardie board (or Hardiboard) siding, stone exterior wainscoting, asphalt shingles, and over-sized window wells are required finishes and components for homes within CourseSide. Any variances in materials may be presented to the DRC for consideration. Stone wainscoting is required for exterior walls that face community streets.
14. Paint Colors: All exterior trim is to be painted white as per the original Design Guidelines for the neighborhood. Earth tones are required for the exterior of home. DRC approval is required for the following:
 - a. New construction - The developer/builder shall present exterior color schemes to the DRC for consideration.
 - b. Changes to any existing home exterior color.

New Construction

New Construction: New construction shall remain consistent with existing homes in development and shall be subject to other sections of these Rules and Regulations, as applicable.

- a. Plans for new construction require approval by the DRC and the City of Lakewood Building and Planning Department prior to building permits being issued.
- b. Manufactured homes are not permitted in CourseSide – New construction shall be on-site construction. (i.e. no pre-manufactured homes)
- c. Square footage requirements refer to livable, above grade square footage, excluding garage and basement space.
 - i. Minimum square footage for a single story home shall be 1500 square feet.
 - ii. Minimum square footage for a two-story home shall be 2000 square feet.
- d. Sidewalks and concrete drives shall be built with rebar to provide structural integrity.

- e. Utilities must be installed underground.
- f. REHAU PEX plumbing systems shall be installed.
- g. Air conditioning units, electrical panels, and irrigation timer boxes installed on properties must be screened or otherwise located in a place not visible from the entrance of the development.
- h. To remain consistent with existing construction, all street facing windows shall have windows with “designer grid” installed.
- i. Homes that line the streets require dusk to dawn photocell sensors for permanent, automatic lighting of front porch and exterior garage lights.
- j. Each home must have its own irrigation system.
- k. No common areas may be watered by tapping into a homeowner’s irrigation system.
- l. Construction debris must be stored during/post project in construction dumpsters located on property. Construction debris must be removed within thirty (30) days after cessation of work, completion of project, or final inspection.
- m. Hours and days of construction are permitted as per Lakewood City ordinances (7AM to 5PM). Repair costs for any damage to existing homes, common areas, sidewalks, common drives, driveways or streets, during construction is to be paid for by the builder/developer.
- n. The lot owner shall provide a surety bond, cash, or letter of credit, or a combination thereof, or other suitable form of guarantee as approved by the Association’s Board of Directors (“Performance Guarantee”) for all proposed improvements. The Performance Guarantee shall be provided to the Association before construction commences and shall be for one hundred twenty-five percent (125%) of the total costs of the improvements proposed as part of the new construction, or such other amount agreed upon by the Board, based on estimates presented to the DRC and any consultant opinion obtained by the Association. The Performance Guarantee shall serve to ensure that the owner completes the proposed improvements, as approved, and shall provide security for any damages to the common areas, including the roads, as a result of construction activities. The terms and conditions for a Performance Guarantee shall be set forth in a separate standard agreement between the owner and the Association.

City of Lakewood Development & Building Requirements

1. All structures shall be consistent and compatible with the existing homes in CourseSide in terms of form, scale, mass, bulk, height, materials, orientation, and similar design considerations.
2. Garage door openings shall not be more than 50% of the street facade of the new home, nor shall an attached garage project more than 8 feet in front of the habitable portion of the new home.
3. Landscaping shown on the Lakewood Site Plan, including any landscaping shown in the public right-of-way, shall be continuously maintained including necessary watering, weeding, pruning, pest control and replacement of dead or diseased plant material. Replacement for dead or diseased plant material shall be of the same type of plant material as set forth in the approved site plan. Replacement shall occur in the next planting season. Any replacement which conforms to the requirements of this section shall not be considered an amendment to the site plan.
4. The water retaining area (Tract C) is dedicated to the City of Lakewood and shall be landscaped by the owner in accordance with the landscape plans approved with the preliminary map. Landscaping shall not be altered without the express written consent of the city. The HOA shall be responsible for the maintenance of all landscaping within all of the common area tracts.
5. Eight (8) foot wide utility easements are hereby granted on private property adjacent to the front and rear lot lines of each lot in the installation for maintenance and replacement of electric, gas, television, cable and telecommunications facilities.
6. Kendall Circle and Kendall Way tracts (all except Tract C which is the drainage area) are for private ingress/egress and for service and emergency vehicle access and utility easement purposes. These tracts will be owned and maintained by the HOA.
7. Each individual lot owner is required to provide architectural and final front yard landscape plans for approval by the city at the time of building permit application. All plans shall be in conformance with Article 15 of the City of Lakewood zoning ordinance.
8. House entries will include significant architectural elements such as gable roofs, structural columns, porches, railing, etc. Only two homes of the same model and elevation shall be permitted to be built next to each other.
9. Zoning Regulations:
 - a. Permitted uses: small lot single-family residential
 - b. Height Limitations: No main building or structure shall exceed 35' in height. No accessory structure shall be allowed.
 - c. Front Setback: Minimum front setback shall be 15' to wall for "front-on" unit, 10' to wall for side-in unit, always providing a 20' driveway apron allowing 2 parking spaces.
 - d. Rear Setback: The minimum rear setback for any building shall be 15 ' (excluding decks and patios).
 - e. Encroachments: Architectural features (i.e. box or bay windows, eaves, fireplaces and overhangs) may extend into the setback a maximum of 24". Decks shall be designed to be integrated into the architecture to prevent a "tacked on" look.
 - f. Off Street Parking: All units shall have a minimum two (2) car garage with two parking spaces in the driveway. Guest parking is provided in driveways and guest parking bays. No parking will be permitted within the private drive tracts. No street parking is permitted.
 - g. Fencing: Site perimeter fencing screening not to exceed 5' in height should occur along lot lines, and an "open" more decorative low fencing should occur along the golf course and open space areas. Patio privacy fence to be allowed around patio area on a lot by lot basis for privacy or pet enclosure shall not exceed 5' in height.
 - h. No security gate is allowed at the main entry.
 - i. Landscaping: The landscaping plan is as approved by the City of Lakewood. The following minimum sizes apply wherever landscaping is required: Deciduous shade trees (3" caliper), Evergreen trees (6' height), Ornamental trees (3" caliper), Shrubs (5 gallon container). Any landscape area located in the ROW (Right of Way) shall be maintained by the HOA. With new house construction there will be a minimum landscape requirement.

Note: A partial list of approved construction materials are shown in the CAA Improvements Section.

Procedure for DRC Approval of New Construction and Property Improvements

The DRC convenes around the first Monday of every month. DRC meetings are open to all owners. Owners submitting plans are encouraged to attend meetings at which their plans will be evaluated and discussed. Developers/builders are encouraged to select a representative to stay in close contact with the DRC and attend meetings when applicable.

All plans detailing improvement requests should be submitted for approval 30 days prior to commencement of improvement. If plans are submitted less than 30 calendar days prior to property improvement commencement, the DRC will use its best efforts to review and vote prior to the project start date, but cannot guarantee it. The DRC will review all applications within 30 days of submittal of property improvement plans. If the Design Review Committee fails to decide any request within thirty days (30) after the complete submission of the plans, specifications, materials and other information with respect thereto, then approval shall be deemed to have been approved. **No project can begin without approval.**

Plans may be delivered via e-mail or in person to a DRC member. Plans should be submitted in duplicate and to the extent reasonably practical show size and dimensions of all improvements proposed.

1. Landscaping Plans: the plan should indicate the common name of all the proposed trees and shrubs to be planted and the placement of such trees and shrubs on the property.
2. The application should contain a color sample, and if possible the brand and color of the paint or other covering.
3. Submissions should also include emailed or signed approval from neighbors who can see the proposed improvements.
4. Please see Appendix A for DRC Application Process.

Upon receipt of the plans/application, the DRC may visit the property to compare the specifications depicted on the plans with the actual property. The DRC will review each improvement request received and render a decision based upon a majority vote of the committee members at the DRC meeting. The homeowner will then receive written notice from the DRC concerning disposition of the submitted plan. If the original plan with all of the supporting documentation has been reviewed and denied by the DRC, the homeowner can then appeal to the Board of the CourseSide Homeowners Association for approval.

In connection with the DRC determining under the CCRs that expert consultation is required to review an improvement request for which the applicant may have to reimburse the Association, the applicant shall have the opportunity to be heard on the merits of securing such consultation prior to the decision being made by the Board to retain such consultation.

The DRC shall have no power to approve any architectural or landscaping improvement/alteration request submitted by an owner who is deemed by the DRC or the Board, at the time the request is submitted, to be in violation of any of the provisions of the governing documents of the Association or is otherwise not in good

standing. Any such request shall be deemed denied, and the owner shall be so notified in writing by the HOA Board. When and if the violation has been fully remedied, including, without limitation, payment has been received of any fines which are outstanding, the owner may submit a new request or application which shall be ruled upon by the DRC in accordance with the governing documents.

Before any improvements, renovations, or building commences on any lot, approval from the DRC must be received. Examples of improvements, renovations, or building projects include but are not limited to:

1. Any additions to a home, such as deck, patio slabs and covers
2. Fencing
3. Landscaping
4. Drive/walk additions or alterations
5. Roofing
6. Room addition
7. Change of Exterior Paint Color
8. Outside Play Equipment

Construction Materials

The DRC has established guidelines in the *CAA Improvements* section for construction materials, home improvements, decks, fences, signs, yard maintenance, trees, driveways, motor vehicles, recreational vehicles, etc.

Property Improvement Application

Please see Appendix A for Improvement Application and DRC requirements for submitting applications.

Where to Submit Your Request

All requests and/or questions should be submitted in writing to the CourseSide Homeowners' Association Design Review Committee via e-mail to members.

Appendices

Appendix A - Property Improvement Application Process

DRC Application Requirements

All requests must be submitted in writing by the first of each month or within 30 days of the planned construction start date and include the following:

1. Completed and signed Design Review Application Form (see below)
2. Where feasible, one complete set of full size (24" by 36") plans and three complete sets of reduced plans (8.5" by 11"). Complete sets of plans should include a detailed site plan, building elevations, and foundations plans.
3. Where applicable, the site plan should include:
 - a. Site address and lot number (if known), North arrow, and assessor's parcel number (APN)
 - b. Proposed use of structure
 - c. Lot dimensions showing property lines of subject property and adjacent properties.
 - d. Building footprint and square footage. Provide dimensions to property lines and show all front, side and rear building setback lines, finished floor elevations for both house and garage.
 - e. Show existing and proposed grade contours of the lot
 - f. Driveway--Show intersection with roadway.
 - g. Location of:
 - i. All existing structures and landscaping.
 - ii. Retaining walls (show height).
 - iii. Direction and location of lot drainage.
 - iv. Public and private easements, correctly labeled.
 - v. Any equipment that may be ground-mounted that is typically roof-mounted.
4. Material and color samples.
5. If applicable, a copy of all entitlements granted for the subject property by the City of Lakewood, including conditions of approval.
6. Emails or signed statements from neighbors adjacent to the property supporting the improvement.
7. Photographs of the project site taken within 30 days prior to the application submittal which accurately depicts the project location.
8. Other material and information as requested by the Design Review Committee, which may include signed, stamped architect and/or engineer plans.

Appeals

If the original plan with all of the supporting documentation has been reviewed and denied by the DRC, the homeowner can then appeal to the Board of the CourseSide Homeowners Association for approval. Again, this documentation must be received by the first day of the month for consideration in that month. The Board will consult with the DRC and do its best to respond as quickly as possible, typically within 6-8 weeks of submittal.

Design Review Application Form

Applicant Information:

Name:	Phone: ()	Fax: ()
Address:		
Email Address:		

Property Owner Information (if different):

Name:	Phone: ()	Fax: ()
Address:		
<u>Owner/Agent Statement</u> Property Owner Consent – I am the legal owner of record of the land specified in this application or am authorized and empowered to act as an agent on behalf of the owner of record on all matters relating to this application. I declare that the foregoing is true and correct and accept that false or inaccurate owner authorization may invalidate or delay action on this application. Signature: _____ Date: _____		

Project Information:

Description: (Addition, Landscaping, etc.)	
Builder/Contractor:	Phone: ()

Are there any trees on site? Yes No Please Describe:	Are there any easements on site? Yes No Please Describe:
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Subdivision Name: CourseSide	Lot #:
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Current Bldg. Size:	s.f.	Total Lot Size:	s.f.	Current Lot Coverage:	%
1st Floor:	s.f.	2nd Floor:	s.f.	Garage:	s.f.
Driveway Slope:	%	Addition:	s.f.	New Lot Coverage:	%

APPLICANT SIGNATURE: _____ DATE: _____

You will be notified within three business days if your submittal is incomplete or does not comply with code.

***** DRC USE ONLY *****

Meeting Date:	Project #	Planner:
Action: Approved Denied	Continued to _____	Appeal Deadline _____
Conditions of Approval:		
Zoning:	General Plan:	Meeting Date:

Meeting Date:

CourseSide HOA Design Review Committee

Appendix B - Prohibited Activities

Provided below is an overview of the provisions of the CCRs as they apply to the DRC:

1. No structure shall be erected, altered, or permitted to remain on the CourseSide development and/or property other than a single residence and attached garage (the garage being for not more than 2 1/2 vehicles).
2. No lot shall be subdivided or its boundary lines changed.
3. No metal buildings are permitted as outbuildings or any outbuildings of any kind on any lot.
4. No above ground pool shall be erected on any lot.
5. No commercial builder of residences will be permitted to have a model home in the development unless they are actively building homes in CourseSide.
6. No livestock of any kind shall be raised, bred, or kept on any lot.
7. Any signs to be displayed to public view on any lot must meet the requirements outlined in the CCRs.
8. No lot shall be used or maintained as dumping ground for rubbish.
9. No vehicle shall be parked, permanently or temporarily, on any exterior area of the lot other than on the primary driveway serving the residence.

Appendix C - Internal Dispute Resolution

This Internal Dispute Resolution (IDR) Process applies to the Association, as well as an Owner, as a prerequisite to the filing of any litigation related to a dispute involving their respective rights, duties or liabilities under the governing documents. It does not relate to any collections of assessments or any action by the Association to obtain a temporary restraining order or preliminary or permanent injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to enjoin any immediate threat to persons or property.

Either party (Association or Owner) to a dispute may invoke the following procedure:

The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

1. An owner may refuse an Association request to meet and confer. The Association may not refuse an owner's request to meet.
2. The Board hereby designates the President, or in his/her absence the Vice President, to meet with the owner. The Board designee shall also have the right to request the chairperson of any other applicable committee involved in the dispute to assist the Board and attend the meeting with the owner. If the Association is pursuing litigation related to a delinquent assessment and decides by resolution to apply this IDR process, the Board designates the Treasurer in lieu of the President as the Board designee.
3. Although not precluded, attorney participation in the dispute process is discouraged in order to maintain direct discussions between the principals of the dispute and to maintain the goal of resolution through an expeditious process. To the extent the owner requires an attorney attend the dispute process, the owner shall be required to give five (5) business days written notice to the Association so that the Association can ascertain if it desires proper counsel to also attend.
 - a. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
 - b. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by both parties, including the Board designee on behalf of the Association.
 - c. The agreement reached by the owner and the Board designee binds the parties and is judicially enforceable if both the following conditions are satisfied:
 - i. The agreement is not in conflict with the law or the governing document of the Association; and
 - ii. The agreement is ratified by the Board of Directors within thirty (30) days of the date that the agreement is executed by the owner and the Board designee.
 - d. The owner participating in the dispute process shall not be charged a fee to participate in the process but, if the dispute is not resolved, the Association may seek reimbursement of any attorney's fees incurred.

Appendix D - Variances and Remedies

The DRC may make exceptions to and grant variances from the restrictions as set forth in the Covenants. All requests for variances and exceptions must be submitted to the DRC in writing, and must include the following information:

1. Details as to the specific reason why you are making the request.
2. All the same information noted under Appendix A in this document.
3. Any additional information that may be required for the specific project as outlined above.
4. Written approval from any other homeowner that may be affected by your requested variance or exception.

Appendix E - Enforcement and Remedies

Whenever a violation or breach of the General Rules and Regulations or the CCRs is brought to the attention of a homeowner by the DRC or the Association's Board, the homeowner has a period of fifteen (15) days from the date of receipt in which to remedy the violation or breach, unless the Board determines that a shorter or longer period of time applies.

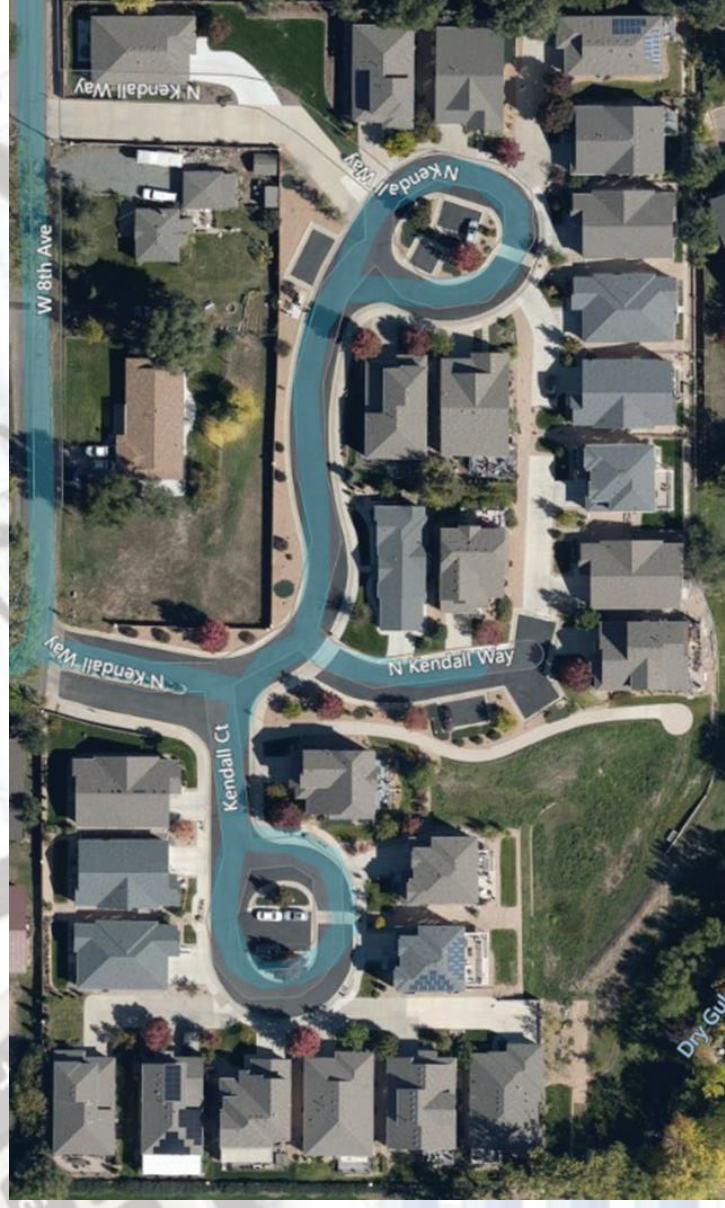
If the violation or breach is not remedied within the allowed time, the Association's Board shall have the power to levy charges against the member for the violation and suspend the member's voting rights. The Association's Board shall give the member the opportunity to be heard and to be represented by counsel before the Association's Board of Directors prior to charges being assessed. The Association's Board can and will take the necessary legal action to remedy the violation. If it becomes necessary for the Association to take legal action, the homeowner will be responsible for any and all costs associated with the collection and/or charges.

The CCRs shall remain in effect at all times, and may be enforced at any time at the discretion of the CourseSide Homeowners Association Board of Directors.

In the event of a violation of any condition and/or restriction as set forth in the CCRs or the General Rules and Regulations, the CourseSide Homeowners Association shall have the right to proceed at law or in equity to compel any such violation or breach.

2020

Impact of Funding If Special Projects Are Approved



Impact of Special Projects

- The following section analyzes the impact of the approval of the proposed improvements to the reserve balance.
- Items listed below are included in the analysis

Item #	Project or Expense Description	Estimated Cost	Year	Include or Exclude
1	East Border Privacy Fence	\$ 21,480	2020	Include
2	Lighting	\$ 17,700	2020	Include
3	Concrete Work	\$ 1,900	2020	Include

- Once installed, maintenance and replacement of these items would need to be factored into future reserve budgets and financial plans.
 - The fence will most likely have a 40-year estimated useful life and would not be included in a 30-year reserve analysis
 - The estimated useful life of the lights and their components would need to be determined and incorporated into the reserve plan.

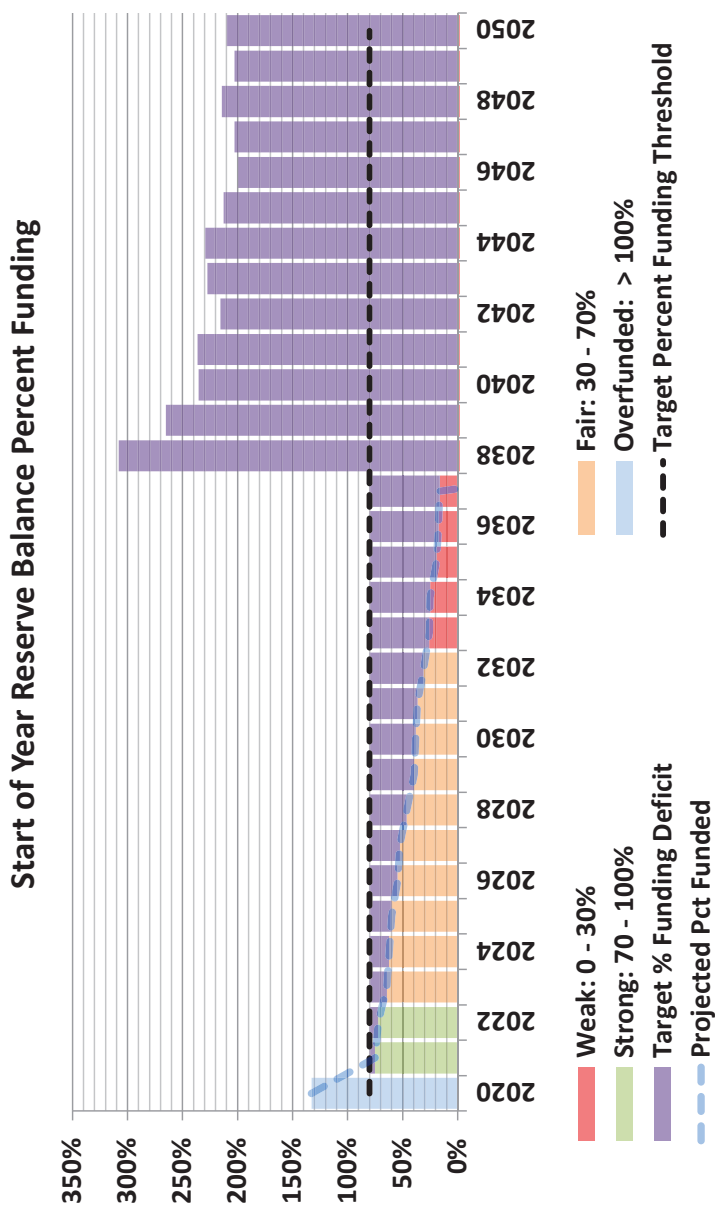
With the addition of the special projects, over the next 30 years, the association must provide \$1.78 M for all operational and reserve funding expenses.*



*Maintenance and/or replacement of new components not included

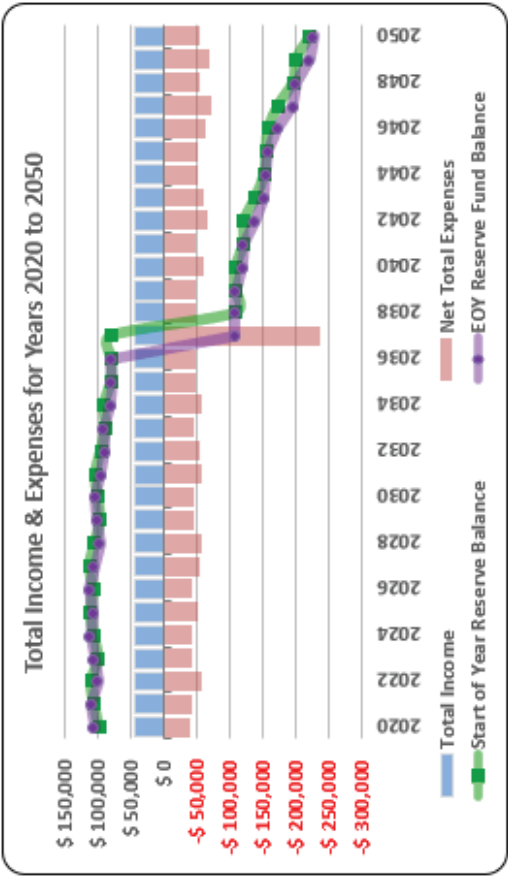
Maintaining the reserve fund between 80% and 100% of the fully funded balance (FFB) would provide assurance that funding is available to meet all current and future needs. Approval of the special project would result in the following changes to the reserve balance:

- The approval of the special project would result in us dropping below 80% in 2021 at 75% FFB.
- After 2023, the percent of FFB trends decreases to 64% which increases risk of special assessment to moderate risk.
- In 2026 the reserve fund drops below 60% of the fully funded balance increasing the risk of special assessment to high risk.
- In 2037, the annual reserve contribution balance will not be sufficient to cover the cost of the replacement of the road. At this point replacement would need to be deferred or there would need to be a special assessment to cover the deficit of over \$108,000.
- Additionally, beginning in 2038 the annual dues will no longer cover the cost of operating expenses.



A comparison of the 30-year financial summary with and without the special project included.

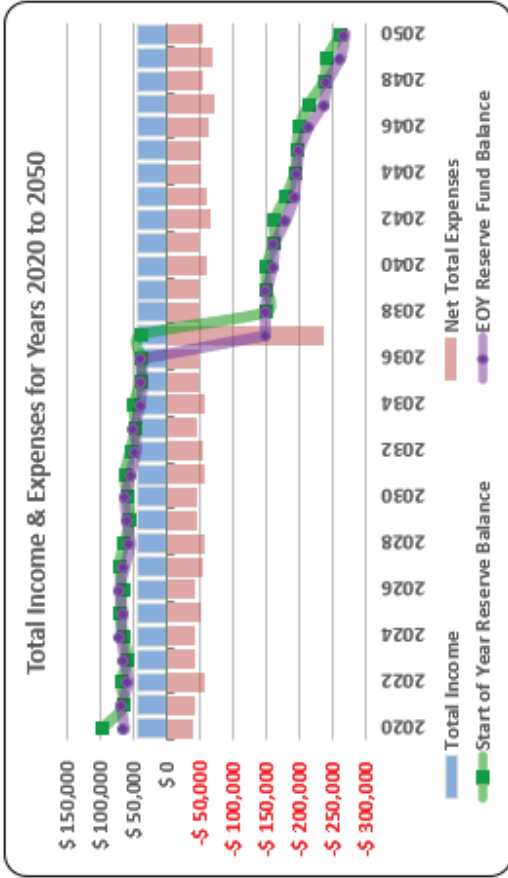
Before the proposed special project expenses are included



30-Year Financial Projection

Minimum Reserve Fund Balance:	-\$ 233,026
Maximum Reserve Fund Balance:	\$ 112,685
Minimum Annual Reserve Fund Contribution:	-\$ 6,424
Maximum Annual Reserve Fund Contribution:	\$ 7,331
Minimum Contingency Fund Balance:	\$ 0
Maximum Contingency Fund Balance:	\$ 0
Minimum Reserve Funding Percent of FFB:	-165%
Maximum Reserve Funding Percent of FFB:	133%

After the proposed special project expenses are included



30-Year Financial Projection

Minimum Reserve Fund Balance:	-\$ 274,176
Maximum Reserve Fund Balance:	\$ 71,581
Minimum Annual Reserve Fund Contribution:	-\$ 6,424
Maximum Annual Reserve Fund Contribution:	\$ 7,331
Minimum Contingency Fund Balance:	\$ 0
Maximum Contingency Fund Balance:	\$ 0
Minimum Reserve Funding Percent of FFB:	-228%
Maximum Reserve Funding Percent of FFB:	133%