

**THE RESERVE ON THE EAGLE RIVER
SOLAR GENERATION PROJECT
SETTING GOALS. LOOKING FORWARD.**

Priority #1: Financial Responsibility to Association Members

Priority #2: Legal, Ethical and Responsible Governance

Priority #3: Equitable Use of Common Elements

Priority #4: Becoming a Model Community

Dear Homeowners,

Our Annual Meeting in December 2017 included a discussion with the attending Association Members regarding the budding idea of pursuing financing for and creating a solar energy generation array of solar panels on a small portion, approximately 6%, of our vacant land. Concerns and solutions were suggested by Homeowners and considered by your Board as we have been pursuing the feasibility of such an environmentally responsible endeavor. Using this small amount of our total vacant land for our common element utility needs will not eliminate the possibility of other types of land use that future Boards may find desirable, including garages or other types of development.

Progress Report:

At our February Board meeting, Kevin Morse - VP of Lever Energy Capital, presented a partnership proposal which will allow The Reserve Association to:

- Design and Construct a solar PV array of approximately 125 kW in nameplate capacity on a portion of The Reserve's vacant land on the north end of our common property, which will be designed to:
 - Provide 100% offset to the estimated electricity expense for the common area of The Reserve
 - Require no upfront out of pocket capital from The Reserve, (Lever to originate 100% of upfront capital: Tax Equity and Debt)
 - Over the life span of the Project, based on estimated production and energy usage, result in an annual net cash-flow neutral or positive position for The Reserve.

Additional presentation specifics are recorded in your February meeting minutes. Further details will be available for discussion at our next regular Board meeting on March 19, 2018 at 6:30pm, at our Clubhouse.

This is a complex plan and, I believe, a one-time chance to accomplish this fiduciary and environmentally responsible plan. To be honest, we have been given such unexpected state and local support because we are breaking new ground, as an HOA. This type of opportunity will not come around again and would not be possible now without this carefully crafted partnership put

together by Kevin Morse, VP Lever Capital Energy. Thank you, Kevin, for taking us seriously and so far into our future, with a positive cash flow model for The Reserve from day one. Incredible!

Partnership Participants and Project Advisors:

Kevin has worked diligently, on our behalf to create a stakeholders' coalition, dovetailing needs, desires, benefits and responsibilities. Our greater community partners include:

Community Partners

- Walking Mountains Science Center
- Energy Smart Colorado
- Eagle County; Adam Palmer, Sustainable Communities Director
- Holy Cross Energy

Financial Partners

- Lever Energy Capital
- Third Party Investor
- ANB Bank of Avon

Advisory Partners

- David A. Firmin, Managing Partner at HindmanSanchez
- Kevin Morse, Vice President, Lever Energy Capital
- Dan McNeill, McNeill Property Management
- Bob Oppenheimer, Avalanche Property Maintenance

Please join us at our March 19, 2018 Board Meeting to learn more and contribute to the discussion. We expect to close this deal this spring with construction being complete by the end of this summer.

Enthusiastically,
Deb Forsline, President
The Reserve on the Eagle River