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"Full" Reserve Study

Locksley Woods COA
Greenville, NC

Report #: 32686-0
For Period Beginning: January 1, 2018
Expires: December 31, 2018

Date Prepared: September 11, 2017

ROBERT M. NORDLUND
CAI-RS
00005
DESIGNATION
RESERVE SPECIALIST

Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

704-960-1711

ASSOCIATION RESERVES
Est. 1986

Table of Contents

3- Minute Executive Summary

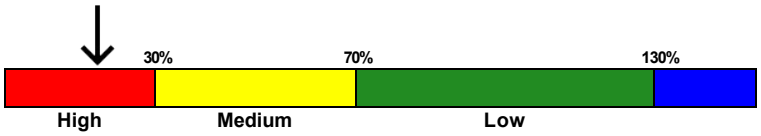
Association:	**Locksley Woods COA**	**Assoc. #: 32686-0**
Location:	**Greenville, NC**	**# of Units:178**
Report Period:	**January 1, 2018 through December 31, 2018**	

Findings/Recommendations as-of: January 1, 2018

Project Starting Reserve Balance	**$208,866**
Currently Fully Funding Reserve Balance	**$1,130,086**
Average Reserve Deficit (Surplus) Per Unit	**$5,175**
Percent Funded	**18.5 %**
Recommended 2018 "Monthly Fully Funding Contributions"	**$7,120**
Recommended 2018 Special Assessments for Reserves	**$0**
Most Recent Reserve Contribution Rate	**$1,667**

Reserves % Funded: 18.5%

Special Assessment Risk:



Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	**1.00 %**
Annual Inflation Rate	**3.00 %**

This is a(n) "Full" Reserve Study,

-Full: (original, created “from scratch”), based on our site inspection on 6/22/2017.

-Because your Reserve Fund is below the 30% level at 18.5 % Funded, this represents that you have a higher risk of special assessments or deferred maintenance. In perspective, most associations in this position have to increase their reserve contributions significantly to try to avoid special assessments. Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.

-Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to $7,120/month. We are also recommending a 7% increase over the next 7 years. This will then level out to at recommended 3.9% increase moving forward. It is important to increase monthly reserve contributions as the association is aging and some large projects are expected within the next 10 years.

Executive Summary 32686-0

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Site and Grounds			
2123	Asphalt - Seal/Repair	5	3	$21,550
2125	Asphalt - Resurface	30	12	$221,900
2166	Mailboxes - Replace	25	7	$15,600
2183	Trees - Trim	1	0	$3,150
2587	Irrig. Controllers - Part.Allowance	7	5	$1,245
	Pool Area			
2367	Pool House Doors - Replace	40	17	$5,150
2750	Bathrooms - Refurbish	30	7	$4,300
2763	Pool Deck Furniture - Replace	10	3	$4,500
2769	Pool Deck - Resurface (15%)	25	7	$9,075
2771	Pool Fence - Replace	30	12	$11,400
2773	Pool - Resurface	12	6	$13,050
2779	Pool Filters - Replace	15	7	$3,850
2783	Pool Pumps - Replace	10	5	$1,550
2792	Pool Cover - Replace	15	10	$6,350
	Building Exteriors			
2303	Ext. Lights (Decorative) - Replace	25	5	$14,450
2326	Balcony Railings - Replace	30	12	$39,050
2328	Walkway Deck Railings - Replace	30	12	$44,550
2343	Building Exterior Trim- Seal/Paint	15	11	$14,000
2356	Vinyl Siding - Replace	40	22	$824,750
2381	Roof (Asphalt Shingle) - Replace	25	7	$670,550
2387	Gutters/Dspts - Replace	30	12	$33,250
21	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this intial year.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.

RESERVE STUDY RESULTS

Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology

For this Full Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

RESERVE COMPONENT "FOUR-PART TEST"

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client History (install dates & previous life cycle information)
4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

1) Actual client cost history, or current proposals
2) Comparison to Association Reserves database of work done at similar associations
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
2) Compare that to the Reserve Fund Balance, and express as a percentage.

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?

RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

FUNDING OBJECTIVES

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 6/22/2017, we were able to access all common areas. We were not able to inspect the roofs closely but were able to obtain all of the recent project information. We re-measured the roofs, asphalt and other component from Google Earth which confirmed our on ground measurements. We are a few components (Roofs, Siding and asphalt) that make up the majority of the reserve costs. As these components approach the end of their predicted UL they should be reevaluated.

During our site inspection we were informed that some of the repairs and landscaping projects are being handled from the Operational maintenance budget, not Reserves.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Your first five years of projected Reserve expenses total $45,190. Adding the next five years, your first ten years of projected Reserve expenses are $992,513. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

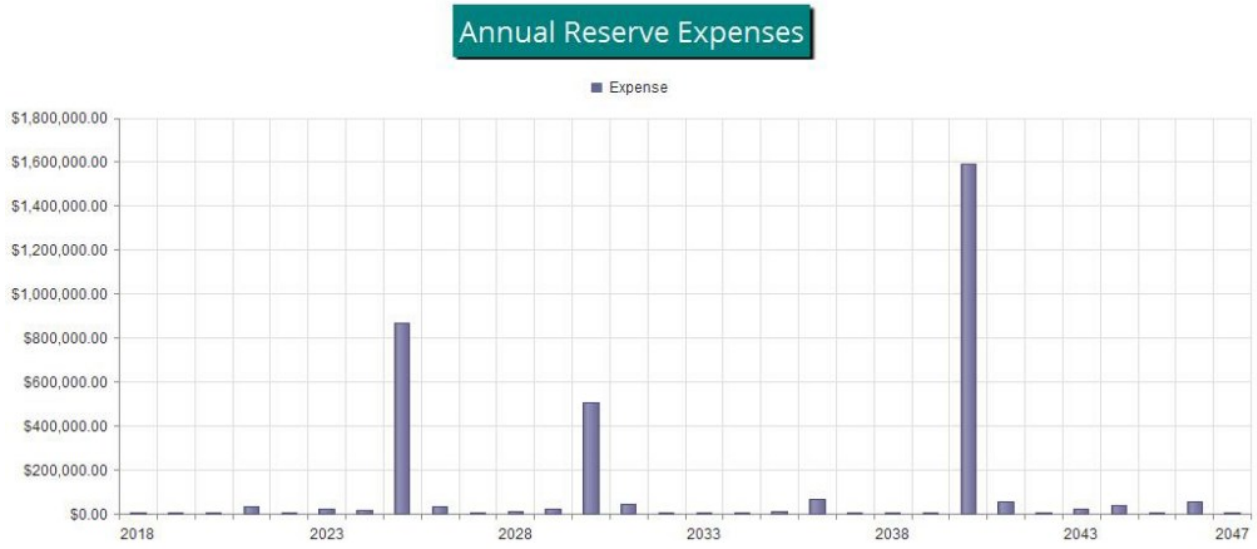


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $208,866 as-of the start of your Fiscal Year on 1/1/2018. As of your Fiscal Year Start, your Fully Funded Balance is computed to be $1,130,086. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 18.5 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of $7,120 per month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

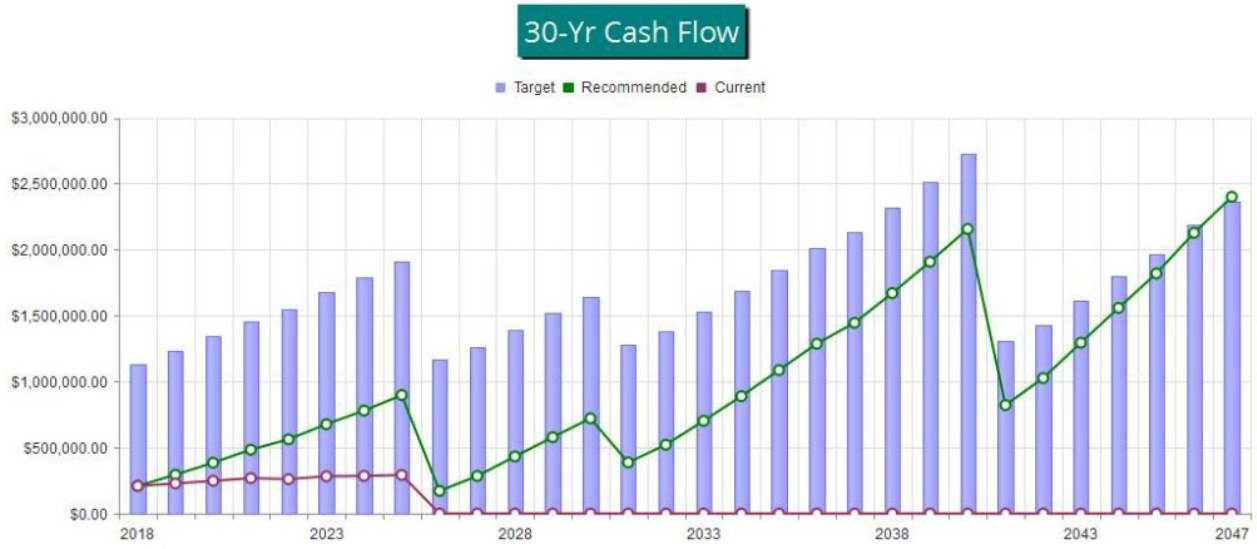


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

Figure 4

Table Descriptions

The tabular information in this Report is broken down into nine tables, not all which may have been chosen by your Project Manager to appear in your report. Tables are listed in the order in which they appear in your Report.

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Analysis Summary provides a summary of the starting financial information and your Project Manager's Financial Analysis decision points.

Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the association total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Acct/Tax Summary provides information on each Component's proportionate portion of key totals, valuable to accounting professionals primarily during tax preparation time of year.

30-Yr Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

Cash Flow Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

Analysis Summary

32686-0
Full

Starting Information:			
# Units:	178		
Base Year:	2018		
Period Start:	01/01/2018		
Period End:	12/31/2018		
Site Inspection Date:	06/22/2017		
Total Asessments:	$31,301	Per Unit	$175.85
Budgeted Res Contrib:	$1,667	Per Unit	$9.36
Starting Reserve Bal:	$208,866		
Interest:	1.00 %		
Inflation:	3.00 %		
Status:			
Proportional FFB:	$1,130,086		
Percent Funded:	18.5 %		
Swain Factor:	2.946 %		
Recommendation:			
Recommended Contribution Rate:	$7,120	Per Unit	$40.00
Alternate Contribution Rate:	$0	Per Unit	$0.00
Annual Increase:	7.00 %		
# of Years:	7		
Secondary Annual Increase:	3.90 %		
# of Years:	30		
1st Yr S.A.:	$0	Per Unit	$0.00
2nd Yr S.A.:	$0	Per Unit	$0.00
3rd Yr S.A.:	$0	Per Unit	$0.00
4th Yr S.A.:	$0	Per Unit	$0.00
5th Yr S.A.:	$0	Per Unit	$0.00
Minimum Balance (Full):	$171,024.29		
Min Margin (Full):	19.68 %		
Minimum Balance (Alt):	($3,261,495.76)		
Min Margin (Alt):	-48,846.01 %		
System Defaults:			
Current Annual Increase:	3.00 %		
Budget Cycles Per Year:	12		

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate Best Case	Current Cost Estimate Worst Case
	Site and Grounds					
2123	Asphalt - Seal/Repair	Approx 16,400 GSY	5	3	$19,200	$23,900
2125	Asphalt - Resurface	Approx 16,400 GSY	30	12	$196,800	$247,000
2166	Mailboxes - Replace	(12) Mailbox Kiosks	25	7	$13,200	$18,000
2183	Trees - Trim	Numerous Trees	1	0	$2,900	$3,400
2587	Irrig. Controllers - Part.Allowance	(13) Controllers	7	5	$950	$1,540
	Pool Area					
2367	Pool House Doors - Replace	(1) Pool House, 4 doors	40	17	$4,000	$6,300
2750	Bathrooms - Refurbish	(2) Bathrooms	30	7	$3,900	$4,700
2763	Pool Deck Furniture - Replace	(37) Pieces	10	3	$3,900	$5,100
2769	Pool Deck - Resurface (15%)	Approx 4,300 GSF	25	7	$7,750	$10,400
2771	Pool Fence - Replace	Approx 285 LF	30	12	$9,900	$12,900
2773	Pool - Resurface	(1) Pool	12	6	$10,900	$15,200
2779	Pool Filters - Replace	(2) Triton TR-100	15	7	$3,100	$4,600
2783	Pool Pumps - Replace	(2) 1.5 Pumps	10	5	$1,200	$1,900
2792	Pool Cover - Replace	(1) Pool Cover	15	10	$5,600	$7,100
	Building Exteriors					
2303	Ext. Lights (Decorative) - Replace	(138) Lights	25	5	$12,400	$16,500
2326	Balcony Railings - Replace	Approx 975 LF	30	12	$34,200	$43,900
2328	Walkway Deck Railings - Replace	Approx 1,620 LF	30	12	$40,500	$48,600
2343	Building Exterior Trim- Seal/Paint	178 Units	15	11	$12,100	$15,900
2356	Vinyl Siding - Replace	Approx 131,900 GSF	40	22	$725,500	$924,000
2381	Roof (Asphalt Shingle) - Replace	Approx 181,100 GSF	25	7	$525,200	$815,900
2387	Gutters/Dspts - Replace	Approx 4,020 LF	30	12	$28,200	$38,300

21 Total Funded Components

Component Significance

32686-0
Full

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Site and Grounds				
2123	Asphalt - Seal/Repair	5	$21,550	$4,310	6.00 %
2125	Asphalt - Resurface	30	$221,900	$7,397	10.29 %
2166	Mailboxes - Replace	25	$15,600	$624	0.87 %
2183	Trees - Trim	1	$3,150	$3,150	4.38 %
2587	Irrig. Controllers - Part.Allowance	7	$1,245	$178	0.25 %
	Pool Area				
2367	Pool House Doors - Replace	40	$5,150	$129	0.18 %
2750	Bathrooms - Refurbish	30	$4,300	$143	0.20 %
2763	Pool Deck Furniture - Replace	10	$4,500	$450	0.63 %
2769	Pool Deck - Resurface (15%)	25	$9,075	$363	0.50 %
2771	Pool Fence - Replace	30	$11,400	$380	0.53 %
2773	Pool - Resurface	12	$13,050	$1,088	1.51 %
2779	Pool Filters - Replace	15	$3,850	$257	0.36 %
2783	Pool Pumps - Replace	10	$1,550	$155	0.22 %
2792	Pool Cover - Replace	15	$6,350	$423	0.59 %
	Building Exteriors				
2303	Ext. Lights (Decorative) - Replace	25	$14,450	$578	0.80 %
2326	Balcony Railings - Replace	30	$39,050	$1,302	1.81 %
2328	Walkway Deck Railings - Replace	30	$44,550	$1,485	2.07 %
2343	Building Exterior Trim- Seal/Paint	15	$14,000	$933	1.30 %
2356	Vinyl Siding - Replace	40	$824,750	$20,619	28.68 %
2381	Roof (Asphalt Shingle) - Replace	25	$670,550	$26,822	37.31 %
2387	Gutters/Dspts - Replace	30	$33,250	$1,108	1.54 %
21	Total Funded Components			$71,893	100.00 %

Accounting Tax Summary

32686-0
Full

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Current Fund Balance	Proportional Reserve Contribs
	Site and Grounds						
2123	Asphalt - Seal/Repair	5	3	$21,550	$8,620	$8,620	$427
2125	Asphalt - Resurface	30	12	$221,900	$133,140	$0	$733
2166	Mailboxes - Replace	25	7	$15,600	$11,232	$11,232	$62
2183	Trees - Trim	1	0	$3,150	$3,150	$3,150	$312
2587	Irrig. Controllers - Part.Allowance	7	5	$1,245	$356	$356	$18
	Pool Area						
2367	Pool House Doors - Replace	40	17	$5,150	$2,961	$0	$13
2750	Bathrooms - Refurbish	30	7	$4,300	$3,297	$0	$14
2763	Pool Deck Furniture - Replace	10	3	$4,500	$3,150	$3,150	$45
2769	Pool Deck - Resurface (15%)	25	7	$9,075	$6,534	$6,534	$36
2771	Pool Fence - Replace	30	12	$11,400	$6,840	$0	$38
2773	Pool - Resurface	12	6	$13,050	$6,525	$6,525	$108
2779	Pool Filters - Replace	15	7	$3,850	$2,053	$2,053	$25
2783	Pool Pumps - Replace	10	5	$1,550	$775	$775	$15
2792	Pool Cover - Replace	15	10	$6,350	$2,117	$0	$42
	Building Exteriors						
2303	Ext. Lights (Decorative) - Replace	25	5	$14,450	$11,560	$11,560	$57
2326	Balcony Railings - Replace	30	12	$39,050	$23,430	$0	$129
2328	Walkway Deck Railings - Replace	30	12	$44,550	$26,730	$0	$147
2343	Building Exterior Trim- Seal/Paint	15	11	$14,000	$3,733	$0	$92
2356	Vinyl Siding - Replace	40	22	$824,750	$371,138	$0	$2,042
2381	Roof (Asphalt Shingle) - Replace	25	7	$670,550	$482,796	$154,911	$2,656
2387	Gutters/Dspts - Replace	30	12	$33,250	$19,950	$0	$110
21	Total Funded Components				$1,130,086	$208,866	$7,120

30-Year Reserve Plan Summary

32686-0
Full

Fiscal Year Start: 2018	Interest: 1.00 %	Inflation: 3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2018	$208,866	$1,130,086	18.5 %	High	$85,440	$0	$2,512	$3,150
2019	$293,667	$1,234,795	23.8 %	High	$91,421	$0	$3,393	$3,245
2020	$385,237	$1,344,768	28.6 %	High	$97,820	$0	$4,345	$3,342
2021	$484,060	$1,460,229	33.1 %	Medium	$104,668	$0	$5,228	$31,908
2022	$562,048	$1,552,087	36.2 %	Medium	$111,994	$0	$6,191	$3,545
2023	$676,688	$1,678,342	40.3 %	Medium	$119,834	$0	$7,281	$23,643
2024	$780,160	$1,790,184	43.6 %	Medium	$128,222	$0	$8,384	$19,344
2025	$897,423	$1,912,385	46.9 %	Medium	$137,198	$0	$5,340	$868,937
2026	$171,024	$1,165,824	14.7 %	High	$142,549	$0	$2,277	$31,289
2027	$284,561	$1,262,375	22.5 %	High	$148,108	$0	$3,582	$4,110
2028	$432,141	$1,392,631	31.0 %	Medium	$153,884	$0	$5,050	$12,767
2029	$578,308	$1,520,777	38.0 %	Medium	$159,886	$0	$6,494	$23,740
2030	$720,948	$1,644,451	43.8 %	Medium	$166,121	$0	$5,538	$505,496
2031	$387,111	$1,278,701	30.3 %	Medium	$172,600	$0	$4,540	$42,881
2032	$521,370	$1,381,639	37.7 %	Medium	$179,331	$0	$6,115	$4,765
2033	$702,051	$1,530,188	45.9 %	Medium	$186,325	$0	$7,952	$7,322
2034	$889,006	$1,683,919	52.8 %	Medium	$193,592	$0	$9,878	$5,055
2035	$1,087,421	$1,848,058	58.8 %	Medium	$201,142	$0	$11,866	$13,719
2036	$1,286,710	$2,011,763	64.0 %	Medium	$208,987	$0	$13,653	$64,267
2037	$1,445,083	$2,131,986	67.8 %	Medium	$217,137	$0	$15,569	$7,707
2038	$1,670,083	$2,317,855	72.1 %	Low	$225,606	$0	$17,882	$5,689
2039	$1,907,882	$2,515,274	75.9 %	Low	$234,404	$0	$20,314	$5,860
2040	$2,156,741	$2,722,451	79.2 %	Low	$243,546	$0	$14,885	$1,593,719
2041	$821,452	$1,304,481	63.0 %	Medium	$253,044	$0	$9,234	$57,629
2042	$1,026,101	$1,430,402	71.7 %	Low	$262,913	$0	$11,597	$6,403
2043	$1,294,208	$1,617,247	80.0 %	Low	$273,167	$0	$14,257	$23,136
2044	$1,558,496	$1,796,978	86.7 %	Low	$283,820	$0	$16,883	$39,670
2045	$1,819,528	$1,969,723	92.4 %	Low	$294,889	$0	$19,725	$6,997
2046	$2,127,145	$2,186,094	97.3 %	Low	$306,390	$0	$22,624	$56,512
2047	$2,399,647	$2,362,890	101.6 %	Low	$318,339	$0	$25,668	$7,423

30-Year Income/Expense Detail (yrs 0 through 4)

32686-0 Full

	Fiscal Year	2018	2019	2020	2021	2022
	Starting Reserve Balance	$208,866	$293,667	$385,237	$484,060	$562,048
	Annual Reserve Contribution	$85,440	$91,421	$97,820	$104,668	$111,994
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,512	$3,393	$4,345	$5,228	$6,191
	Total Income	$296,817	$388,481	$487,401	$593,956	$680,233
#	Component					
	Site and Grounds					
2123	Asphalt - Seal/Repair	$0	$0	$0	$23,548	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2166	Mailboxes - Replace	$0	$0	$0	$0	$0
2183	Trees - Trim	$3,150	$3,245	$3,342	$3,442	$3,545
2587	Irrig. Controllers - Part.Allowance	$0	$0	$0	$0	$0
	Pool Area					
2367	Pool House Doors - Replace	$0	$0	$0	$0	$0
2750	Bathrooms - Refurbish	$0	$0	$0	$0	$0
2763	Pool Deck Furniture - Replace	$0	$0	$0	$4,917	$0
2769	Pool Deck - Resurface (15%)	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Pool - Resurface	$0	$0	$0	$0	$0
2779	Pool Filters - Replace	$0	$0	$0	$0	$0
2783	Pool Pumps - Replace	$0	$0	$0	$0	$0
2792	Pool Cover - Replace	$0	$0	$0	$0	$0
	Building Exteriors					
2303	Ext. Lights (Decorative) - Replace	$0	$0	$0	$0	$0
2326	Balcony Railings - Replace	$0	$0	$0	$0	$0
2328	Walkway Deck Railings - Replace	$0	$0	$0	$0	$0
2343	Building Exterior Trim- Seal/Paint	$0	$0	$0	$0	$0
2356	Vinyl Siding - Replace	$0	$0	$0	$0	$0
2381	Roof (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
2387	Gutters/Dspts - Replace	$0	$0	$0	$0	$0
	Total Expenses	$3,150	$3,245	$3,342	$31,908	$3,545
	Ending Reserve Balance	$293,667	$385,237	$484,060	$562,048	$676,688

	Fiscal Year	2023	2024	2025	2026	2027
	Starting Reserve Balance	$676,688	$780,160	$897,423	$171,024	$284,561
	Annual Reserve Contribution	$119,834	$128,222	$137,198	$142,549	$148,108
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$7,281	$8,384	$5,340	$2,277	$3,582
	Total Income	$803,803	$916,767	$1,039,961	$315,850	$436,251
#	Component					
	Site and Grounds					
2123	Asphalt - Seal/Repair	$0	$0	$0	$27,299	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2166	Mailboxes - Replace	$0	$0	$19,186	$0	$0
2183	Trees - Trim	$3,652	$3,761	$3,874	$3,990	$4,110
2587	Irrig. Controllers - Part.Allowance	$1,443	$0	$0	$0	$0
	Pool Area					
2367	Pool House Doors - Replace	$0	$0	$0	$0	$0
2750	Bathrooms - Refurbish	$0	$0	$5,288	$0	$0
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$0
2769	Pool Deck - Resurface (15%)	$0	$0	$11,161	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Pool - Resurface	$0	$15,582	$0	$0	$0
2779	Pool Filters - Replace	$0	$0	$4,735	$0	$0
2783	Pool Pumps - Replace	$1,797	$0	$0	$0	$0
2792	Pool Cover - Replace	$0	$0	$0	$0	$0
	Building Exteriors					
2303	Ext. Lights (Decorative) - Replace	$16,752	$0	$0	$0	$0
2326	Balcony Railings - Replace	$0	$0	$0	$0	$0
2328	Walkway Deck Railings - Replace	$0	$0	$0	$0	$0
2343	Building Exterior Trim- Seal/Paint	$0	$0	$0	$0	$0
2356	Vinyl Siding - Replace	$0	$0	$0	$0	$0
2381	Roof (Asphalt Shingle) - Replace	$0	$0	$824,692	$0	$0
2387	Gutters/Dspts - Replace	$0	$0	$0	$0	$0
	Total Expenses	$23,643	$19,344	$868,937	$31,289	$4,110
	Ending Reserve Balance	$780,160	$897,423	$171,024	$284,561	$432,141

	Fiscal Year	2028	2029	2030	2031	2032
	Starting Reserve Balance	$432,141	$578,308	$720,948	$387,111	$521,370
	Annual Reserve Contribution	$153,884	$159,886	$166,121	$172,600	$179,331
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,050	$6,494	$5,538	$4,540	$6,115
	Total Income	$591,075	$744,687	$892,607	$564,251	$706,816
#	Component					
	Site and Grounds					
2123	Asphalt - Seal/Repair	$0	$0	$0	$31,647	$0
2125	Asphalt - Resurface	$0	$0	$316,376	$0	$0
2166	Mailboxes - Replace	$0	$0	$0	$0	$0
2183	Trees - Trim	$4,233	$4,360	$4,491	$4,626	$4,765
2587	Irrig. Controllers - Part.Allowance	$0	$0	$1,775	$0	$0
	Pool Area					
2367	Pool House Doors - Replace	$0	$0	$0	$0	$0
2750	Bathrooms - Refurbish	$0	$0	$0	$0	$0
2763	Pool Deck Furniture - Replace	$0	$0	$0	$6,608	$0
2769	Pool Deck - Resurface (15%)	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$16,254	$0	$0
2773	Pool - Resurface	$0	$0	$0	$0	$0
2779	Pool Filters - Replace	$0	$0	$0	$0	$0
2783	Pool Pumps - Replace	$0	$0	$0	$0	$0
2792	Pool Cover - Replace	$8,534	$0	$0	$0	$0
	Building Exteriors					
2303	Ext. Lights (Decorative) - Replace	$0	$0	$0	$0	$0
2326	Balcony Railings - Replace	$0	$0	$55,676	$0	$0
2328	Walkway Deck Railings - Replace	$0	$0	$63,518	$0	$0
2343	Building Exterior Trim- Seal/Paint	$0	$19,379	$0	$0	$0
2356	Vinyl Siding - Replace	$0	$0	$0	$0	$0
2381	Roof (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
2387	Gutters/Dspts - Replace	$0	$0	$47,407	$0	$0
	Total Expenses	$12,767	$23,740	$505,496	$42,881	$4,765
	Ending Reserve Balance	$578,308	$720,948	$387,111	$521,370	$702,051

	Fiscal Year	2033	2034	2035	2036	2037
	Starting Reserve Balance	$702,051	$889,006	$1,087,421	$1,286,710	$1,445,083
	Annual Reserve Contribution	$186,325	$193,592	$201,142	$208,987	$217,137
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$7,952	$9,878	$11,866	$13,653	$15,569
	Total Income	$896,329	$1,092,476	$1,300,429	$1,509,350	$1,677,790
#	Component					
	Site and Grounds					
2123	Asphalt - Seal/Repair	$0	$0	$0	$36,687	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2166	Mailboxes - Replace	$0	$0	$0	$0	$0
2183	Trees - Trim	$4,908	$5,055	$5,206	$5,363	$5,524
2587	Irrig. Controllers - Part.Allowance	$0	$0	$0	$0	$2,183
	Pool Area					
2367	Pool House Doors - Replace	$0	$0	$8,512	$0	$0
2750	Bathrooms - Refurbish	$0	$0	$0	$0	$0
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$0
2769	Pool Deck - Resurface (15%)	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Pool - Resurface	$0	$0	$0	$22,217	$0
2779	Pool Filters - Replace	$0	$0	$0	$0	$0
2783	Pool Pumps - Replace	$2,415	$0	$0	$0	$0
2792	Pool Cover - Replace	$0	$0	$0	$0	$0
	Building Exteriors					
2303	Ext. Lights (Decorative) - Replace	$0	$0	$0	$0	$0
2326	Balcony Railings - Replace	$0	$0	$0	$0	$0
2328	Walkway Deck Railings - Replace	$0	$0	$0	$0	$0
2343	Building Exterior Trim- Seal/Paint	$0	$0	$0	$0	$0
2356	Vinyl Siding - Replace	$0	$0	$0	$0	$0
2381	Roof (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
2387	Gutters/Dspts - Replace	$0	$0	$0	$0	$0
	Total Expenses	$7,322	$5,055	$13,719	$64,267	$7,707
	Ending Reserve Balance	$889,006	$1,087,421	$1,286,710	$1,445,083	$1,670,083

	Fiscal Year	2038	2039	2040	2041	2042
	Starting Reserve Balance	$1,670,083	$1,907,882	$2,156,741	$821,452	$1,026,101
	Annual Reserve Contribution	$225,606	$234,404	$243,546	$253,044	$262,913
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$17,882	$20,314	$14,885	$9,234	$11,597
	Total Income	$1,913,571	$2,162,600	$2,415,171	$1,083,730	$1,300,611
#	Component					
	Site and Grounds					
2123	Asphalt - Seal/Repair	$0	$0	$0	$42,531	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2166	Mailboxes - Replace	$0	$0	$0	$0	$0
2183	Trees - Trim	$5,689	$5,860	$6,036	$6,217	$6,403
2587	Irrig. Controllers - Part.Allowance	$0	$0	$0	$0	$0
	Pool Area					
2367	Pool House Doors - Replace	$0	$0	$0	$0	$0
2750	Bathrooms - Refurbish	$0	$0	$0	$0	$0
2763	Pool Deck Furniture - Replace	$0	$0	$0	$8,881	$0
2769	Pool Deck - Resurface (15%)	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Pool - Resurface	$0	$0	$0	$0	$0
2779	Pool Filters - Replace	$0	$0	$7,377	$0	$0
2783	Pool Pumps - Replace	$0	$0	$0	$0	$0
2792	Pool Cover - Replace	$0	$0	$0	$0	$0
	Building Exteriors					
2303	Ext. Lights (Decorative) - Replace	$0	$0	$0	$0	$0
2326	Balcony Railings - Replace	$0	$0	$0	$0	$0
2328	Walkway Deck Railings - Replace	$0	$0	$0	$0	$0
2343	Building Exterior Trim- Seal/Paint	$0	$0	$0	$0	$0
2356	Vinyl Siding - Replace	$0	$0	$1,580,306	$0	$0
2381	Roof (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
2387	Gutters/Dspts - Replace	$0	$0	$0	$0	$0
	Total Expenses	$5,689	$5,860	$1,593,719	$57,629	$6,403
	Ending Reserve Balance	$1,907,882	$2,156,741	$821,452	$1,026,101	$1,294,208

	Fiscal Year	2043	2044	2045	2046	2047
	Starting Reserve Balance	$1,294,208	$1,558,496	$1,819,528	$2,127,145	$2,399,647
	Annual Reserve Contribution	$273,167	$283,820	$294,889	$306,390	$318,339
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$14,257	$16,883	$19,725	$22,624	$25,668
	Total Income	$1,581,632	$1,859,199	$2,134,142	$2,456,159	$2,743,655
#	Component					
	Site and Grounds					
2123	Asphalt - Seal/Repair	$0	$0	$0	$49,305	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2166	Mailboxes - Replace	$0	$0	$0	$0	$0
2183	Trees - Trim	$6,595	$6,793	$6,997	$7,207	$7,423
2587	Irrig. Controllers - Part.Allowance	$0	$2,685	$0	$0	$0
	Pool Area					
2367	Pool House Doors - Replace	$0	$0	$0	$0	$0
2750	Bathrooms - Refurbish	$0	$0	$0	$0	$0
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$0
2769	Pool Deck - Resurface (15%)	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Pool - Resurface	$0	$0	$0	$0	$0
2779	Pool Filters - Replace	$0	$0	$0	$0	$0
2783	Pool Pumps - Replace	$3,245	$0	$0	$0	$0
2792	Pool Cover - Replace	$13,295	$0	$0	$0	$0
	Building Exteriors					
2303	Ext. Lights (Decorative) - Replace	$0	$0	$0	$0	$0
2326	Balcony Railings - Replace	$0	$0	$0	$0	$0
2328	Walkway Deck Railings - Replace	$0	$0	$0	$0	$0
2343	Building Exterior Trim- Seal/Paint	$0	$30,192	$0	$0	$0
2356	Vinyl Siding - Replace	$0	$0	$0	$0	$0
2381	Roof (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
2387	Gutters/Dspts - Replace	$0	$0	$0	$0	$0
	Total Expenses	$23,136	$39,670	$6,997	$56,512	$7,423
	Ending Reserve Balance	$1,558,496	$1,819,528	$2,127,145	$2,399,647	$2,736,231

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

Site and Grounds

Comp #: 2107 Concrete Sidewalks - Repair **Quantity: Numerous 30,850 GSF**
Location: Common area sidewalks
Funded?: No.
History:
Evaluation: Some minor cracks noticed. Repair any trip and fall hazards immediately to ensure safety. As routine maintenance, inspect regularly, pressure wash for appearance and repair promptly as needed to prevent water penetrating into the base and causing further damage. In our experience, larger repair/replacement expenses may emerge as the community ages. At this time, no recommendation for Reserve funding, but this component should be re-evaluated during future Reserve Study updates based on conditions at that time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2109 Concrete Curbs & Gutters - Repair **Quantity: Numerous LF**
Location: Throughout property
Funded?: No.
History:
Evaluation: Again, normal cracking and minor breakage was noticed. Curbs and gutters are typically not life-limited components and can often be repaired as needed for relatively low cost using Operating funds. If potholes, large cracks, or other drainage impediments develop, these should be addressed to ensure proper water flow. No need for Reserve funding at this time. If cost become more consistent then reserve funding should be added.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2113 Site Drainage System - Clean/Repair **Quantity: (1) System**

Location: Throughout development

Funded?: No.

History:

Evaluation: No areas were noticed to be blocked. Best to inspect these areas regularly. No access to inspect in-ground drainage infrastructure. Annual preventive maintenance work is typically performed as part of an Association's general maintenance/operating fund. Under normal circumstances, site drainage components are constructed of very durable materials which should have an very long useful life (often assumed to be 50 years or more). Repairs may occasionally be required, but timing and scope of work is too unpredictable for Reserve funding in accordance with National Reserve Study Standards. If there are specific, known concerns with drainage system, we recommend further investigation using cameras or other means to document and identify conditions. Some Associations consult with civil and/or geotechnical engineers in order to develop scopes of work for repair/replacement. If more comprehensive analysis becomes available, findings should be incorporated into Reserve Study updates as appropriate.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2123 Asphalt - Seal/Repair **Quantity: Approx 16,400 GSY**

Location: Roadways throughout development

Funded?: Yes.

History:

Evaluation: Asphalt appeared to be raveling in areas with cracking also noticed in isolated areas. Asphalt seal-coat determined to be in fair condition typically exhibits a mostly uniform but lighter, faded coloring. Traffic markings still make contrast with pavement, but are showing some fading and wear. Regular cycles of seal coating (along with any needed repair) has proven to be the best program in our opinion for the long term care of asphalt pavement. The primary reason to seal coat asphalt pavement is to protect the pavement from the deteriorating effects of sun and water. When asphalt pavement is exposed, the asphalt oxidizes, or hardens which causes the pavement to become more brittle. As a result, the pavement will be more likely to crack because it is unable to bend and flex when subjected to traffic and temperature changes. A seal coat combats this situation by providing a water-resistant membrane, which not only slows down the oxidation process but also helps the pavement to shed water, preventing it from entering the base material. Seal coating also provides uniform appearance, concealing the inevitable patching and repairs which accumulate over time. Seal coating ultimately can extend the useful life of asphalt, postponing the need for asphalt resurfacing. If asphalt is already cracked, raveled and otherwise deteriorated, seal-coating will not provide much physical benefit, but still may have aesthetic benefits for curb appeal.

Useful Life:
5 years

Remaining Life:
3 years

Best Case: $ 19,200 Worst Case: $ 23,900

Lower estimate to seal/repair Higher estimate

Cost Source: AR Cost Database

Comp #: 2125 Asphalt - Resurface **Quantity: Approx 16,400 GSY**

Location:

Funded?: Yes.

History:

Evaluation: Large repairs and minor replacement projects were noticed. As routine maintenance, keep roadway clean, free of debris and well drained; fill/seal cracks to prevent water from penetrating into the sub-base and accelerating damage. Even with ordinary care and maintenance, plan for eventual large scale resurface (milling and overlay of all asphalt surfaces is recommended here, unless otherwise noted) at roughly the time frame below. Take note of any areas of ponding water or other drainage concerns, and incorporate repairs into scope of work for resurfacing. Our inspection is visual only and does not incorporate any core sampling or other testing, which may be advisable when asphalt is nearing end of useful life. Some communities choose to work with independent paving consultants or engineering firms in order to identify any hidden concerns and develop scope of work prior to bidding. If more comprehensive analysis becomes available, incorporate findings into future Reserve Study updates as appropriate.

Useful Life:
30 years

Remaining Life:
12 years

Best Case: $ 196,800 Worst Case: $ 247,000

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Comp #: 2137 Entry Fencing (Metal) - Replace **Quantity: Approx 58 LF**

Location: Perimeter areas of development

Funded?: No.

History:

Evaluation: No major damage. Surface wear was noticed with rusting in areas. Metal fencing will eventually break down due to sunlight and weather exposure. This fence is not expected to be fully replaced. Refurbish as needed with exterior painting projects. Steel brushing and repainting could help improve the surface appearance and could help extend the RUL of the entry fence.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2139 Site Fencing (Wood) - Replace **Quantity: Approx 70 LF**
Location: Perimeter areas of development
Funded?: No.
History:
Evaluation: Powerwashing should occur regularly. Replacement costs should be minor and replaced as a operating cost. As routine maintenance, inspect regularly for any damage, repair as needed and avoid contact with ground and surrounding vegetation wherever possible.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2151 Trash Enclosures - Replace **Quantity: (1) Enclosures (30 LF)**
Location: Parking lot
Funded?: No.
History:
Evaluation: There is minimal LF of trash enclosure. Surface wear noticed mo major damage. Replacement should be handled as an operating expense if needed. Trash enclosures should be cleaned and inspected regularly, and repaired as needed to ensure safety and good function. Enclosures left to deteriorate can become an eyesore and will have a negative effect on the aesthetic value in the common areas.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2158 Retaining Walls - Repair **Quantity: Minimal LF**
Location: Common areas adjacent to buildings
Funded?: No.
History:
Evaluation: These areas were not in fair condition. Assumed to have been properly designed and installed with adequate base and surrounding drainage. Inspect regularly, repair as needed from Operating budget. If shifting, cracking, etc. are observed, consult with civil or geotechnical engineer for repair scope. At this time, no expectation of large scale repairs or replacement; no Reserve funding recommended. An allowance for partial repairs/replacements may be added during future Reserve Study updates if warranted by association history.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2160 Retention Ponds - Maintain **Quantity: 1.7 Acre Pond**
Location: Throughout development
Funded?: No.
History:
Evaluation: Under normal circumstances, well-maintained retention ponds should not require major repair/refurbishing projects. In some cases, large projects such as erosion control, weed abatement or dredging may be required, but the scope and frequency of such projects is very unpredictable. As a precaution, the association may want to budget an "allowance" for repairs to the ponds. The association should consult with pond service vendor on a regular basis to identify any necessary projects, which may be included within future Reserve Study updates as needed.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2166 Mailboxes - Replace **Quantity: (12) Mailbox Kiosks**
Location: At each home
Funded?: Yes.
History:
Evaluation: Minor surface wear was noticed. No major damage. Inspect regularly and clean by wiping down exterior surfaces. If necessary, change lock cylinders, lubricate hinges and repair as an Operating expense. Best to plan for total replacement at roughly the time frame below due to constant exposure, usage and wear over time.

Useful Life:
25 years

Remaining Life:
7 years

Best Case: $ 13,200 Worst Case: $ 18,000

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2169 Entry Sign - Refurbish **Quantity: (1) Sign**
Location: Main entry to community
Funded?: No.
History:
Evaluation: This brick entry sign was in fair condition and a full replacement is not expected. No reserve funding required at this time. Powerwashing the entry sign will help maintain a welcoming appearance for the association. Entry sign had simple surfaces and should be repairs as needed. As routine maintenance, inspect regularly, clean/touch-up and repair as an Operating expense.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2173 Street Lights - Replace **Quantity: Numerous Lights**
Location: Throughout development
Funded?: No.
History:
Evaluation: Street lights are not owned by the Association. No obligation to pay for replacement, so no Reserve funding is required. Lights were older and surface wear was noticed.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2183 Trees - Trim **Quantity: Numerous Trees**
Location: Throughout development
Funded?: Yes.
History:
Evaluation: This component may be utilized for larger tree removal/trimming projects. If the community has not already done so, consult with a qualified arborist or other landscaping professional for a long term plan for the care and management of the trees within the community, balancing aesthetics with protection of Association assets. Reserve funding recommend at level indicated below for periodic, larger tree removal/trimming needs. Track actual expenses and adjust in reserve study updates if needed.

Useful Life:
1 years

Remaining Life:
0 years

Best Case: $ 2,900 Worst Case: $ 3,400

Lower Cost Esimate Higher Estimate

Cost Source: Client Cost History

Comp #: 2185 Landscaping - Refurbish **Quantity: Numerous Areas**
Location: Landscaped common areas
Funded?: No.
History:
Evaluation: Landscaping costs are expected to be included in the Association's annual Operating budget. However some larger projects have occurred recently that are not expected again in the near future. No recommendation for Reserve funding at this time. Monitor and include funding in Reserve Study updates if needed.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2587 Irrig. Controllers - Part.Allowance **Quantity: (13) Controllers**
Location: Misc. common areas
Funded?: Yes.
History:
Evaluation: No issues were reported. Irrigation controllers should have a relatively long life expectancy under normal circumstances. Replacement is often required due to lack of available replacement parts, lightning strikes, etc. as opposed to complete failure of existing equipment. Exposure to the elements can affect overall life expectancy, and controllers should be located in protected areas or within protective enclosures whenever possible. When evaluating replacement options, the Association should consider replacement with "smart" models (i.e. respond to projected weather data) to minimize unnecessary water usage. Payback period for efficient controllers that minimize water use is typically very short, easily justifying the additional costs of these options.

Useful Life:
7 years

Remaining Life:
5 years

Best Case: $ 950 Worst Case: $ 1,540

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2591 Irrigation System - Repair **Quantity: (1) System**

Location: Landscaped common areas

Funded?: No.

History:

Evaluation: It was reported that an inspection will occur and a possible refurbishment project could be expected. Scope and cost are unpredictable at this point but funding should be added to the reserve study if project cost are above a minimal cost theshold. As routine maintenance, inspect regularly, test system and repair as needed from Operating budget. Consult with irrigation vendor to determine what types of repairs and replacements are included in the landscaping contract. If properly installed without defect, the elements within this system are generally low-cost and have a failure rate that is difficult to predict, making it best-suited to be handled through the Operating budget. No basis for Reserve funding at this time. If significant problems and systemic replacements become a concern over time, an allowance for ongoing replacements may need to be added during future Reserve Study updates.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2803 BBQs - Replace **Quantity: Approx 22 BBQs**

Location: Adjacent to pool deck

Funded?: No.

History:

Evaluation: Surface wear was noticed. Some grills appeared to be older. Barbecues were not tested during site inspection, and are assumed to be functional. It was reported that these grills are being removed systematically and not being replaced due to the low use. No reserve funding required. Should be cleaned after each use and covered when not in use in order to prolong life expectancy. Removal costs should be handled as an operating expense.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Pool Area

Comp #: 2181 Picnic Tables - Replace **Quantity: (2) Tables**
Location: Common areas throughout development
Funded?: No.
History:
Evaluation: These table were in fair condition with no major damage. Plan for future replacement as an operating expense.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2367 Pool House Doors - Replace **Quantity: (1) Pool House, 4 doors**
Location: Doors for the pool house building
Funded?: Yes.
History:
Evaluation: No leaking issues reported. Doors were older and showed signs of deterioration. All doors are assumed to have been compliant with applicable building codes at time of installation. Inspect regularly for leaks and cracks around frame and repair as needed.

Useful Life:
40 years

Remaining Life:
17 years

Best Case: $ 4,000 Worst Case: $ 6,300

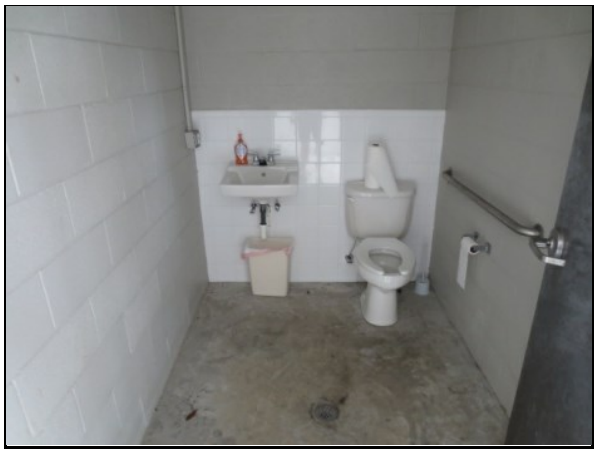
Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2750 Bathrooms - Refurbish **Quantity: (2) Bathrooms**
Location: Common area bathrooms
Funded?: Yes.
History:
Evaluation: Minor surface wear was noticed. Bathrooms are older and simple. As routine maintenance, inspect regularly and perform any needed repairs promptly utilizing general Operating funds. Typical remodeling project can include some or all of the following: replacement of plumbing fixtures, partitions, countertops, lighting, flooring, ventilation fans, accessories, décor, etc. Costs can vary greatly depending on scope of work involved. In general, estimates shown are based primarily on cosmetic remodeling, not necessarily total "gut" remodel projects unless otherwise noted.

Useful Life:
30 years

Remaining Life:
7 years



Best Case: $ 3,900 Worst Case: $ 4,700

Lower allowance to remodel Higher allowance

Cost Source: AR Cost Database

Comp #: 2763 Pool Deck Furniture - Replace **Quantity: (37) Pieces**
Location: Pool deck
Funded?: Yes.
History:
Evaluation: Surface wear was noticed along with staining on most surfaces. (22) lounge chairs and (15) chairs counted during inspection. We recommend regular inspections and repair or replacement of any damaged pieces promptly to ensure safety. Protected storage of furniture when not in use can help to extend useful life. Best practice is to replace all pieces together in order to maintain consistent style and quality in the pool/recreation area. Costs can vary greatly based on type of pieces selected for replacement. Funding recommendation shown here is based on replacement with comparable number and quality of pieces.

Useful Life:
10 years

Remaining Life:
3 years

Best Case: $ 3,900 Worst Case: $ 5,100

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2769 Pool Deck - Resurface (15%) **Quantity: Approx 4,300 GSF**

Location: Pool deck

Funded?: Yes.

History:

Evaluation: Breakage and cracking were noticed in isolated areas. Significant cracking was noticed near the stairs leading into the pool. Concrete pool decks should have a long useful life under normal circumstances. Should be pressure-washed as needed to preserve appearance and remove stains, chemical residue, etc. Replacement costs can vary depending on style of concrete chosen, configuration of deck, etc. We recommend budgeting for replacement at the approximate interval shown here. Normally these deck need a one time larger project. Scope is hard to define but we are funding for a 15% replacement project.

Useful Life:
25 years

Remaining Life:
7 years

Best Case:	$ 7,750	Worst Case:	$ 10,400
	Lower estimate to resurface		Higher estimate

Cost Source: AR Cost Database

Comp #: 2771 Pool Fence - Replace **Quantity: Approx 285 LF**

Location: Perimeter of pool area
Funded?: Yes.
History:
Evaluation: Fence appeared to be a iron fence which should have a long useful life. Repainting project should occur to rejuvenate fence and help the fence extend its remaining useful life. Rusting was noticed in areas. As a routine maintenance item, fence should be inspected regularly and repaired as-needed to ensure safety. Periodically clean with an appropriate cleaner and touch up paint as needed in between regular paint cycles. When evaluating replacements, be sure to comply with any applicable building codes. Gates and locks should be inspected to make sure they close and lock properly. Faulty perimeter around a pool area can expose an Association to significant liability risk. When possible, replacement should be coordinated with other projects, such as pool deck projects, other fencing/railing work, etc.

Useful Life:
30 years

Remaining Life:
12 years

Best Case:	$ 9,900	Worst Case:	$ 12,900
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Comp #: 2773 Pool - Resurface **Quantity: (1) Pool**

Location: Interior finishes of pool
Funded?: Yes.
History:
Evaluation: Pool surfaces were noticed to have blistering, minor cracking and staining in certain areas. Approximately 1,590 GSF footprint area with 175 LF waterline/perimeter length. Depth ranges from 3' to 5'. Pool resurfacing will restore the aesthetic quality of the pool while protecting the actual concrete shell of the pool from deterioration. While drained for resurfacing, any other repairs to lighting, handrails, stairs, ladders, etc. should be conducted as needed. This type of project is best suited for slow/offseason to minimize downtime during periods when pool is used heavily. Should be expected at the approximate interval shown below; in some cases, schedule may need to be accelerated due to improper chemical balances or aesthetic preferences of the Association.

Useful Life:
12 years

Remaining Life:
6 years

Best Case: $ 10,900 Worst Case: $ 15,200

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Comp #: 2779 Pool Filters - Replace **Quantity: (2) Triton TR-100**

Location: Pool equipment room
Funded?: Yes.
History: Manufacture date 2009
Evaluation: No issues were reported or noticed. Appeared to have minor surface wear. Pool vendor should inspect regularly for optimal performance and address any repairs or preventive maintenance as needed. Life can vary depending on location, as well as level of use and preventive maintenance. Plan to replace at the approximate interval shown below.

Useful Life:
15 years

Remaining Life:
7 years

Best Case: $ 3,100 Worst Case: $ 4,600

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2783 Pool Pumps - Replace **Quantity: (2) 1.5 Pumps**
Location: Pool equipment room
Funded?: Yes.
History:
Evaluation: No issues reported. Pumps should be inspected regularly for leaks and other mechanical problems. Cost shown is based on replacement with the same type and size unless otherwise noted, and includes small allowance for new piping/valves/other repairs as needed.

Useful Life:
10 years

Remaining Life:
5 years

Best Case: $ 1,200 Worst Case: $ 1,900

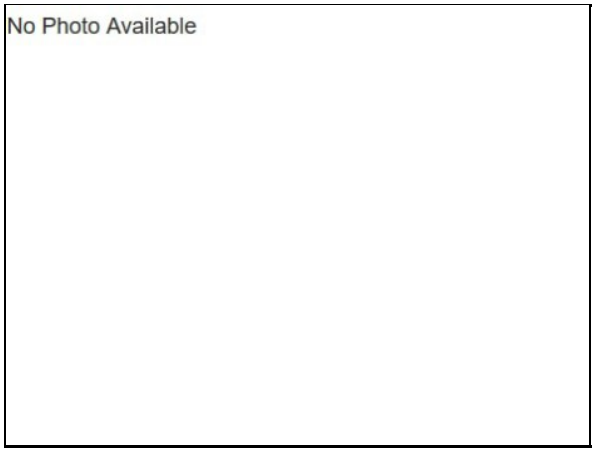
Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2792 Pool Cover - Replace **Quantity: (1) Pool Cover**
Location: Pool area
Funded?: Yes.
History:
Evaluation: Pool cover was not inspected or photographed during inspection. Google Earth images showed a cover on the pool at some point and therefore funding has been added. No reported issues and assumed to aging normally.

Useful Life:
15 years

Remaining Life:
10 years



Best Case: $ 5,600 Worst Case: $ 7,100

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 3000 Pool House - Refurbish **Quantity: (1) Pool House**

Location: Pool Area

Funded?: No.

History:

Evaluation: Roofing and vinyl replacement should be coordinated with larger projects. Associated cost have been added to the building exterior components. Full replacement of this structure is not expected. No funding required.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2303 Ext. Lights (Decorative) - Replace **Quantity: (138) Lights**

Location: Building exterior
Funded?: Yes.
History:
Evaluation: Fixture were older in appearance but still assumed to be functional. Observed during daylight hours, but assumed to be in functional operating condition. As routine maintenance, clean by wiping down with an appropriate cleaner, change bulbs and repair as needed. Best practice is to plan for replacement of all lighting together at roughly the time frame below for cost efficiency and consistent quality/appearance throughout development. Should be coordinated with exterior painting projects whenever possible. Individual replacements should be considered an Operating expense. If available, an extra supply of replacement fixtures should be kept on-site to allow for prompt replacement.

Useful Life:
25 years

Remaining Life:
5 years

Best Case:	$ 12,400	Worst Case:	$ 16,500
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Comp #: 2316 Balcony Decks - Replace **Quantity: Approx 5,200 GSF**
Location: Unit balconies
Funded?: No.
History:
Evaluation: The balconies Even with regular preventive maintenance (cleaning/repairing/sealing), most decking systems will eventually wear down to the point of failure. However, these surfaces are all concrete and should have a long useful life. Typical warning signs that the surface may be failing include large cracks visible on surface or from beneath the deck, staining patterns, spalling/chipping concrete, etc. These decks are not expected to be replaced all at once time but rather as needed if advanced deterioration occurs. No reserve funding required at this time. Should be re-evaluated during later reserve studies.

Useful Life:

Remaining Life:

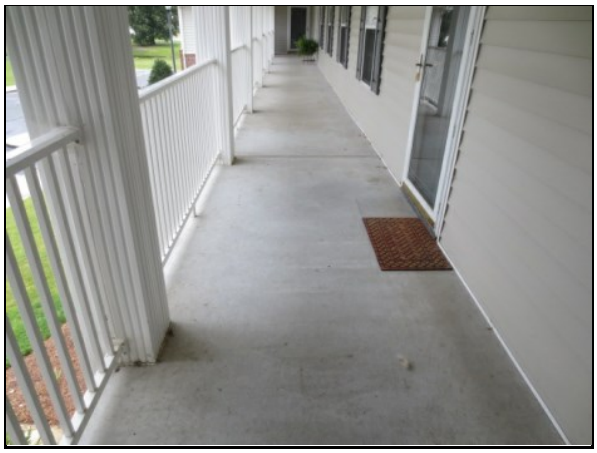
Best Case: Worst Case:

Cost Source:

Comp #: 2318 Walkway Decks - Resurface **Quantity: Approx 10,000 GSF**
Location: Exterior walkway decks
Funded?: No.
History:
Evaluation: Surface wear noticed. Some minor cracking noticed. Even with regular preventive maintenance (cleaning/repairing/sealing), most decking systems will eventually wear down to the point of failure. However, this type of concrete walkway normally has a long unpredictable useful life. Best to have these walkway decks inspected to ensure there is no subsurface rusting or cracking. Typical warning signs that the surface may be failing include large cracks visible on surface or from beneath the deck, staining patterns, spalling/chipping concrete, etc. We recommend consulting with a structural engineer or building envelope or waterproofing specialist to define a comprehensive scope of work if large project are needed. No reserve funding at this time but should be reevaluated during a future reserve study.

Useful Life:

Remaining Life:



Best Case: Worst Case:

Cost Source:

Comp #: 2326 Balcony Railings - Replace **Quantity: Approx 975 LF**

Location: Unit balconies

Funded?: Yes.

History:

Evaluation: Surfaces were not closely inspected. No major damage noticed. Post attachments and hardware should be inspected periodically for corrosion/rust and any waterproofing issues. As routine maintenance, inspect regularly to ensure safety and stability; repair promptly as needed using general operating/maintenance funds. We suggest Reserve funding for regular intervals of total replacement as indicated below. Costs shown are based on replacement with a similar style of railing.

Useful Life:
30 years

Remaining Life:
12 years

Best Case: $ 34,200 Worst Case: $ 43,900

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2328 Walkway Deck Railings - Replace **Quantity: Approx 1,620 LF**

Location: Exterior walkway decks

Funded?: Yes.

History:

Evaluation: Surface wear noticed but no major damage. Post attachments and hardware should be inspected periodically for damage and any waterproofing issues. As routine maintenance, inspect regularly to ensure safety and stability; repair promptly as needed using general operating/maintenance funds. We suggest Reserve funding for regular intervals of total replacement as indicated below. Costs shown are based on replacement with a similar style of railing.

Useful Life:
30 years

Remaining Life:
12 years

Best Case: $ 40,500 Worst Case: $ 48,600

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2337 Staircases/Handrails - Maintain **Quantity: Numerous Staircases**

Location: Exterior staircases

Funded?: No.

History:

Evaluation: These railings were a combined 640 LF total. They are stable and should have a long useful life. No reserve funding required at this time. As routine maintenance, inspect regularly and perform any needed local repairs promptly as general maintenance expense. Staircases should be inspected regularly to ensure safety and stability; repair promptly as needed using general Operating funds. Make sure that all steps and landings drain properly to avoid standing water which can lead to slip and fall hazards.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2341 Brick Exteriors - Tuckpointing **Quantity: Approx 86,900**

Location: Building exterior

Funded?: No.

History:

Evaluation: There is no expected tuckpointing projects in the future. Normally this type of climate does not affect the mortar as much as in other more fluctuating climates. Funding is not required but should be reevaluated during future reserve studies. Best to have surfaces inspected to ensure there are no major issues.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2343 Building Exterior Trim- Seal/Paint **Quantity: 178 Units**

Location: Unit doors and shutters

Funded?: Yes.

History:

Evaluation: The doors and shutters were repainted and make up the majority of the painted surfaces on the buildings. Minor scuffing and surface wear was noticed. No major damage was noticed. Painted exterior surfaces (Doors and shutters) determined to be in fair condition typically exhibit some minor to moderate signs of wear and age such as chalking, peeling, blistering, etc. Problems tend to develop in more exposed areas first. Hairline cracks may be present at this stage. Overall appearance is satisfactory. There are two important reasons for painting and waterproofing a building: to protect the structure from damage caused by exposure to the elements, and to restore or maintain good aesthetic standards for curb appeal. As routine maintenance, we recommend that regular inspections, spot repairs and touch-up painting be included in the operating budget.

Useful Life:
15 years

Remaining Life:
11 years

Best Case: $ 12,100 Worst Case: $ 15,900

Lower estimate to seal/repaint Higher estimate

Cost Source: AR Cost Database

Comp #: 2356 Vinyl Siding - Replace **Quantity: Approx 131,900 GSF**

Location: Building exterior

Funded?: Yes.

History:

Evaluation: Vinyl surfaces were in fair condition overall. No major damage was noticed. Surface wear was noticeable throughout. No view of the underlying waterproofing was undertaken as part of this limited visual review. Vinyl siding will fade over the years and when replacing pieces it may be difficult to match the faded color. This component does not include the recent walkway ceiling replacement project. Those ceiling areas are protected from the elements and should have a long useful life. Repair the ceiling areas as needed. Possible funding could be required in future reserve studies. Best to reevaluate at a later date. The useful life expectancy shown below is for financial planning purposes. Evaluate the siding, and the critical underlying waterproofing (building paper or house wrap) as the remaining useful life approaches zero years. Adjust remaining useful life as dictated by the evaluation of performance of the underlying waterproofing. Cost estimates shown here assume that siding will be replaced with a similar vinyl material again; if other siding types are considered for replacement, the Reserve Study should be updated accordingly to incorporate new estimates.

Useful Life:
40 years

Remaining Life:
22 years

Best Case:	$ 725,500	Worst Case:	$ 924,000
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Comp #: 2363 Unit Windows & Doors - Replace **Quantity: 1,932 Windows, 368 Doors**

Location: Building exteriors

Funded?: No.

History:

Evaluation: No leaking reported. Based on limited review of the Association's governing documents, individual owners are believed to be responsible for window and door replacement at their units. However, our review is not intended to be a professional legal opinion and we reserve the right to revise this component if the Association is otherwise found to be responsible for replacement. No recommendation for Reserve funding at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2381 Roof (Asphalt Shingle) - Replace **Quantity: Approx 181,100 GSF**

Location: Building rooftop

Funded?: Yes.

History:

Evaluation: These roofs were either partially replaced, repaired or fully replaced in 2017. However, most of the roof surfaces were not replaced. Therefore we are assuming the RUL is 7 years. Some shingles appeared to be older with surface wear noticed. Also known as architectural shingles, these types of roofs are typically more durable and wind-resistant than 3-tab shingles. Typical signs of wear and failure include curling or cupping of shingle edges, loss of granule cover, slipping or missing sections, etc. Costs shown here assume that only a minimal amount of substrate/decking repairs or replacement will be required. For very old roofs or those with significant leak problems, additional repair costs may be incurred. As routine maintenance, many manufacturers recommend inspections at least twice annually and after large storm events. Promptly replace any damaged/missing sections or conduct any other repair needed to ensure waterproof integrity of roof. Keep roof surface, gutters and downspouts clear and free of moss or debris. Moss growth can decrease the life of the roofing shingles and should be removed promptly. We recommend having roof inspected in greater detail (including conditions of sub-surface materials) by an independent roofing consultant prior to replacement. There is a wealth of information available through organizations such as the Roof Consultant Institute http://www.rci-online.org/ and the National Roofing Contractors Association (NRCA) http://www.nrca.net/. If the roof has a warranty, be sure to review terms and conduct proper inspections/repairs as needed to keep warranty in force.

Useful Life:
25 years

Remaining Life:
7 years

Best Case: $ 525,200 Worst Case: $ 815,900

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2387 Gutters/Dspts - Replace **Quantity: Approx 4,020 LF**
Location: Roof perimeters
Funded?: Yes.
History:
Evaluation: No issues reported or noticed. Gutters and downspouts are assumed to be functioning properly unless otherwise noted. As routine maintenance, inspect regularly, keep gutters and downspouts free of debris. If buildings are located near trees, keep trees trimmed back to avoid accumulation of leaves on the roof surface which will accumulate in the gutters and increase maintenance requirements while reducing life expectancy. Repair or replace individual sections as needed as an Operating expense. We generally recommend that the gutters and downspouts be replaced when the roof is being resurfaced/replaced. National Roofing Contractor Association (NRCA) roofing standard includes installing eave flashings at the gutters. We suggest to plan for total replacement of gutter and downspouts at the same intervals as roof replacement for cost efficiency. Costs shown here assume replacement with similar type as are currently in place.

Useful Life:
30 years

Remaining Life:
12 years

Best Case: $ 28,200 Worst Case: $ 38,300

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2525 HVAC (Units) - Replace **Quantity: (178) Systems**
Location: Condensing unit at exterior, air handler at interior
Funded?: No.
History:
Evaluation: All of the HVACs throughout the association are the responsibility of the individual homeowners. No reserve funding required.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:
