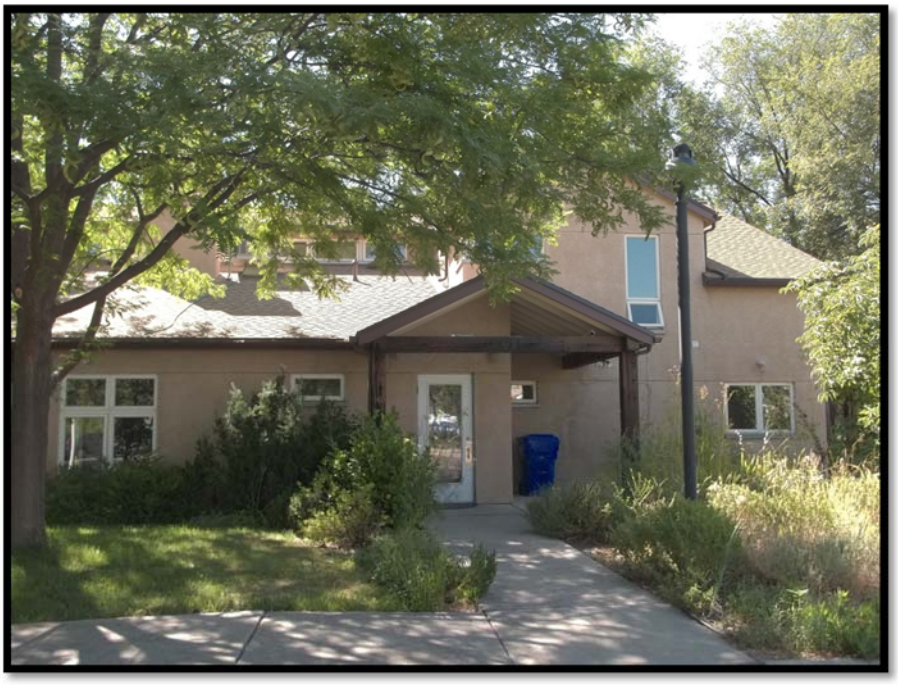
Wasatch Commons Condo Association

Level 1 Reserve Study



Report Period – 01/01/2018 – 12/31/2018

Client Reference Number	**18304**
Property Type	**Condominium**
Number of Units	**26**
Fiscal Year End	**12/31**

Type of Study	**Full Study**
Date of Property Inspection	**6/27/2017**
Prepared By	**Dale Gifford**
Analysis Method	**Cash Flow**
Funding Goal	**Full Funding**

Report prepared on – Tuesday, September 12, 2017

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Glossary of Commonly used Words and Phrases

Executive Summary – Wasatch Commons Condo Association – ID # 18304

Information to complete this Reserve Study was gathered by performing an on-site inspection of the common area elements. In addition, we also obtained information by contacting any vendors and/or contractors that have worked on the property recently, as well as communicating with the property representative (BOD Member and/or Community Manager). To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

Projected Starting Balance as of 01/01/2018	**$55,300**
Ideal Reserve Balance as of 01/01/2018	**$192,503**
Percent Funded as of 01/01/2018	**29%**
Recommended Reserve Contribution (per month)	**$2,640**
Minimum Reserve Contribution (per month)	**$2,405**
Recommended Special Assessment	**$0**

Wasatch Commons Condo Association is a 26-unit Condominium community. The community offers covered parking, a clubhouse, wood shop and landscaped areas as amenities. Construction on the community was completed in 1998.

Currently Programmed Projects
Projects programmed to occur this fiscal year (FY2018) include roofs 2018 replace (Comp# 105), rain gutters/downspouts replace (Comp# 120), wood trim repaint (Comp# 202), doors repaint (Comp# 204), wood surfaces stain (Comp# 212), carports repaint (Comp# 223), asphalt west seal coat (Comp# 402), and carpeting replace (Comp# 1501). We have programmed an estimated $60,930 in reserve expenditures toward the completion of these projects. (See page 17)

Significant Reserve Projects
The association's significant reserve projects are wood trim repaint (Comp# 202), solar panels replace (Comp# 790), asphalt major rehab (Comp# 401), and roofs 2016 replace (Comp# 105). The fiscal significance of these components is approximately 15%, 7%, 5%, and 5% respectively (see page 9). A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives.

Reserve Funding
In comparing the projected starting reserve balance of $55,300 versus the ideal reserve balance of $192,503 we find the association's reserve fund to be approximately 29% funded. This indicates a weak reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of $2,640 ($101.54/unit) per month. We have also included a minimum reserve contribution of $2,405 ($92.50/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Introduction

Reserve Study Purpose
The purpose of this Reserve Study is to provide the Association with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. The detailed schedules will serve as an advance warning that major projects will need to be addressed in the future. This will allow the Association to have ample time to obtain competitive bids for each project. It will also help to ensure the physical well-being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to special assessments.

Preparer's Credentials
Mr. Gifford has been working in the community association industry for the last 14 years. Prior to taking a position, as the Regional Project Manager covering the Utah region, at Complex Solutions, he worked in community association management in Utah. While in community association management his positions included, Maintenance Supervisor, Senior Portfolio Manager and Vice President of Community Management. His work in community association management gave him extensive experience with; budget creation, reserves and reserve budgeting, community inspections and analyzing common area components.

- Professional Reserve Analyst (PRA) designation from Association of Professional Reserve Analysts (APRA), PRA #2320
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231
- Personally has prepared over 1,100 reserve studies in Salt Lake City Utah and surrounding areas
- Bachelor of Science in Chemistry from Emporia State University
- Certified Manager of Community Associations® (CMCA®) designation from the National Board of Certification for Community Association Managers (NBC-CAM)
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI)
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI), PCAM# 1740,
- Active member and former Board member and chapter President of the Utah Chapter of Community Associations Institute (UCCAI)
- Recipient of Community Associations Institute's (CAI) annual award of Excellence in Chapter Leadership for service an achievement in 2010

Budget Breakdown
Every association conducts their business within a budget. There are typically two main parts to this budget, the Operating budget and the Reserve budget. The operating budget includes all expenses that occur on an annual basis as well as general maintenance and repairs. Typical operating budget line items include management fees, maintenance expenses, utilities, etc. The reserve budget is primarily made up of replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

Report Sections
Reserve Analysis: this section contains the evaluation of the association's reserve balance, income, and expenses. It includes a finding of the client's current reserve fund status (measured as percent funded) and a recommendation for an appropriate reserve allocation rate (also known as the funding plan).
Component Evaluation: this section contains information regarding the physical status and replacement cost of reserve components the association is responsible to maintain. It is important to understand that while the component inventory will remain relatively "stable" from year to year, the condition assessment and life estimates will most likely vary from year to year.

General Information and Frequently Asked Questions

Is it the law to have a Reserve Study conducted?
The Government requires a reserve study in approximately 20 states. Also, the Association's governing documents may require a reserve fund be established. This does not mean a Reserve Study is required, but how are you going to know if you have enough money in the reserve fund if you do not have the proper information?

Why is it important to perform a Reserve Study?
This report provides the essential information that is needed to guide the Association in establishing the reserve portion of the total monthly assessment. The reserve fund is critical to the future of the association because it helps ensure that reserve projects can be completed on time. When projects are completed on time, deferred maintenance and the lower property values that typically accompany it can be avoided. It is suggested that a third party professionally prepare the Reserve Analysis Study since there is no vested interest in the property.

After we have a Reserve Study, what do we do with it?
Please take the time to review the report carefully and make sure the component information is complete and accurate. If there are any inaccuracies, or changes such as a component that the association feels should be added, removed, or altered, please inform us immediately so we may revise the report. Use the report to help establish your budget for the upcoming fiscal year.

How often do we review and update our Reserve Study?
There is a misconception that a Reserve Study is good for an extended period of time since the report has projections for a thirty year period. The assumptions, interest rates, inflation rates and other information used to create this report change each year. Scheduled events may not happen, unpredictable circumstances could occur, deterioration rates can be unpredictable and repair/replacement costs will vary from causes that are unforeseen. These variations alter the results of the Reserve Study. The Reserve Study should be professionally reviewed each year by having a Level III "no site visit" update reserve study performed. The Reserve Study should be professionally updated every three years by having a Level II "site visit" update reserve study performed.

What is a "Reserve Component" versus an "Operating Component"?
A "Reserve" component is an item that is the responsibility of the association to maintain, has a limited useful life, predictable remaining useful life, typically occurs on a cyclical basis that exceeds one year, and costs above a minimum threshold amount. An "Operating" component is typically a fixed expense that occurs on an annual basis.

What are the GREY areas of "maintenance" items that are often seen in a Reserve Study?
One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, it cannot be considered a reserve component. However, it is the opinion of several major Reserve Study providers, including Complex Solutions, that these components meet the criteria of a reserve component.

Information and Data Gathered:
The information contained in this report is based on estimates and assumptions gathered from various sources. Estimated life expectancies are based upon conditions that were readily visible and accessible at the time of the site visit. While every effort has been made to ensure accurate results, this report reflects the judgment of Complex Solutions, Ltd. and should not be construed as a guarantee or assurance of predicting future events.

What happens during the Site Visit?
During the site visit we identify the common area components that we have determined require reserve funding. These components are quantified and a physical condition is observed. The site visit is conducted on the common areas as reported by client.

What is the Financial Analysis?
We project the starting balance by taking the most recent reserve fund balance as stated by the client and add expected reserve contributions to the end of the fiscal year. We then subtract the expenses of any pending projects. We compare this number to the Fully Funded Balance and arrive at the Percent Funded level. Based on that level of funding we then recommend a Funding Plan to help ensure the adequacy of funding in the future.

Measures of reserve fund financial strength are as follows:

0% - 30% Funded is considered a “weak” financial position. Associations that fall into this category are more likely to have special assessments and deferred maintenance. Action should be taken to improve the financial strength of the reserve fund.

31% - 69% Funded is considered a “fair” financial position. Associations that fall into this category are less likely to experience special assessments and deferred maintenance than being in a weak financial position. Action should be taken to improve the financial strength of the reserve fund.

70% - 99% Funded is considered a “strong” financial position. Associations that fall into this category are less likely to experience special assessments and deferred maintenance than being in a fair financial position. Action should be taken to improve the financial strength of the reserve fund.

100% Funded is considered an “ideal” financial position. Action should be taken to maintain the financial strength of the reserve fund.

Disclosures:

Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will be a reflection of information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited.

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. An on-site inspection conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection.

The results of this study are based on the independent opinion of the preparer and his experience and research during the course of his career in preparing Reserve Studies. In addition the opinions of experts on certain components have been gathered through research within their industry and with client’s actual vendors. There is no implied warrantee or guarantee regarding our life and cost estimates/predictions. There is no implied warrantee or guarantee in any of our work product. Our results and findings will vary from another preparer’s results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

The projected life expectancy of the reserve components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each component. Failure to perform such maintenance can negatively impact the remaining useful life of the component and dramatically increase the funding needs of the reserves of the association.

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach the full and expected useful lives.

Site Visits: Should a site visit have been performed during the preparation of this reserve study no invasive testing was performed. The physical analysis performed during the site visit was not intended to be exhaustive in nature and may have included representative sampling. Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We have assumed any and all components have been properly built and will reach normal, typical life expectancies. A reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), have been excluded from this report.

Update Reserve Studies:

Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies.

Level III Studies: In addition to the above we have not visited the property when completing a Level III “No Site Visit” study. Therefore we have not verified the current condition of the components.

Insurance: We carry general and professional liability insurance as well as workers’ compensation insurance.

Actual or Perceived Conflicts of Interest: There are no potential actual or perceived conflicts of interest that we are aware of.

Inflation and Interest Rates: The after tax interest rate used in the financial analysis may or may not be based on the clients reported after tax interest rate. If it is, we have not verified or audited the reported rate. The inflation rate may also be based on an amount we believe appropriate given the 30-year horizon of this study and may or may not reflect current or historical inflation rates.

Funding Summary

Beginning Assumptions

# of units		26
Fiscal Year End		31-Dec
Budgeted Monthly Reserve Allocation		$2,021
Projected Starting Reserve Balance		$55,300
Ideal Starting Reserve Balance		$204,026

Economic Assumptions

Projected Inflation Rate	f	3.00%
Reported After-Tax Interest Rate		0.10%

Current Reserve Status

Current Balance as a % of Ideal Balance	27%

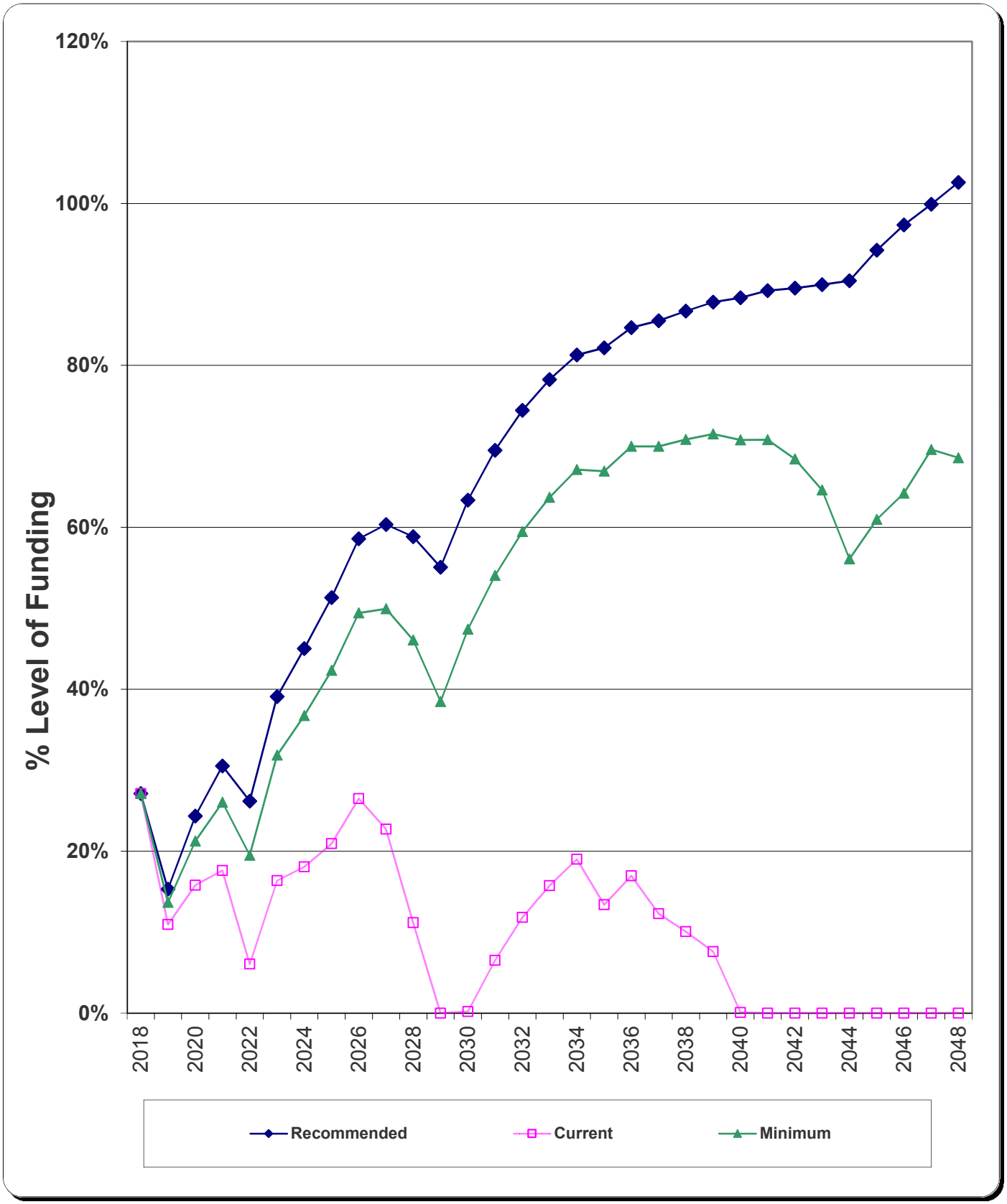
Recommendations

Recommended Monthly Reserve Allocation	$2,640
Per Unit	$101.54
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
Minimum Recommended Monthly Reserve Allocation	$2,405
Per Unit	$92.50
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation	$619
as Percentage	31%
Minimum Recommended Increase to Reserve Allocation	$384
as Percentage	19%

Percent Funded - Graph



Component Inventory

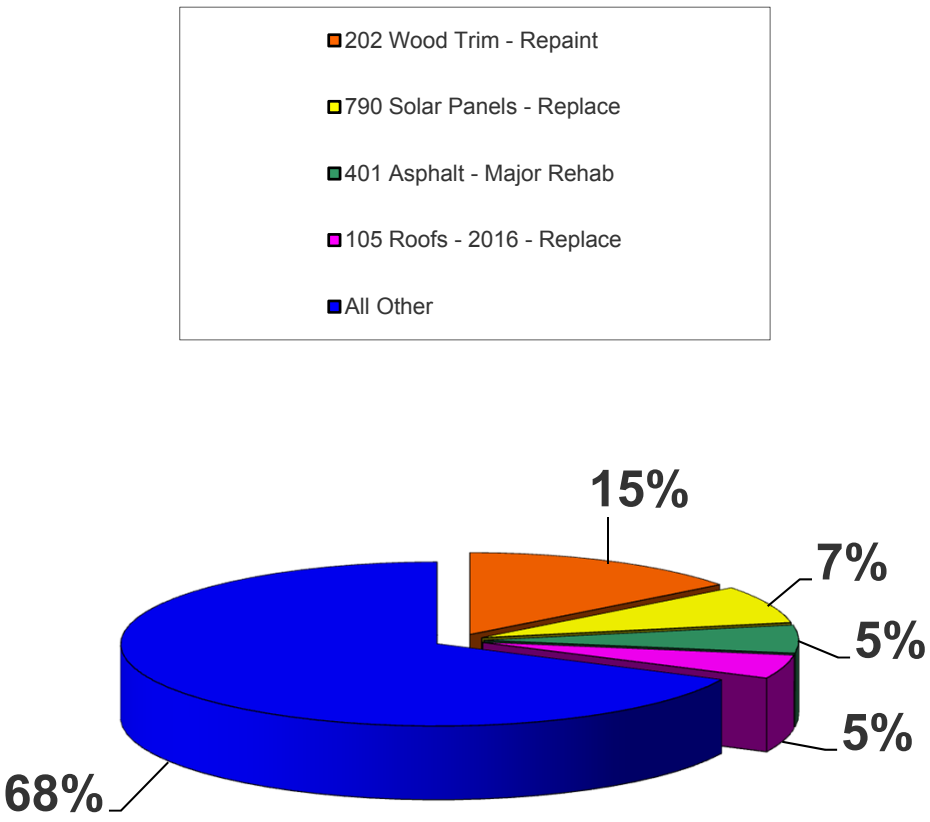
Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Roofs - 2012 - Replace	25	19	$9,000	$11,000
	105	Roofs - 2014 - Replace	25	21	$24,000	$26,000
	105	Roofs - 2015 - Replace	25	22	$24,000	$26,000
	105	Roofs - 2016 - Replace	25	23	$25,000	$27,000
	105	Roofs - 2017 - Replace	25	24	$24,000	$26,000
	105	Roofs - 2018 - Replace	25	0	$14,000	$16,000
	105	Roofs - 2019 - Replace	25	1	$9,000	$11,000
	105	Roofs - 2020 - Replace	25	2	$16,000	$18,000
	120	Rain Gutters/Downspouts - Replace	1	0	$800	$1,200
Painted Surfaces	201	Stucco Surfaces - Residential - Repair	10	9	$4,500	$5,500
	201	Stucco Surfaces - Storage - Repair/Repa	15	6	$4,500	$5,500
	202	Wood Trim - Repaint	8	0	$20,800	$31,200
	204	Doors - Repaint	10	0	$2,700	$4,500
	212	Wood Surfaces - Stain	6	0	$2,600	$3,900
	216	Interior Surfaces - Repaint	N/A		$0	$0
	223	Carports - Repaint	10	0	$3,000	$5,000
Drive Materials	401	Asphalt - Major Rehab	30	10	$31,500	$42,000
	402	Asphalt - East - Seal Coat	5	1	$2,204	$2,436
	402	Asphalt - West - Seal Coat	5	0	$1,786	$1,974
	403	Brick & Concrete - Repair/Replace	10	9	$2,000	$3,000
Decking	609	Decking - Replace	N/A		$0	$0
Mechanical Equip.	703	Water Heater - Replace	15	13	$2,100	$2,300
	706	Furnaces - 2017 - Replace	20	3	$3,000	$3,200
	706	Furnaces - Replace	20	3	$9,000	$9,600
	790	Solar Panels - Replace	30	25	$49,000	$51,000
Fencing	1001	Wood Fencing - Replace	20	5	$1,725	$2,025
	1008	Composite Fencing - Replace	N/A		$0	$0
Recreation Equip.	1390	Patio Furniture - Replace	N/A		$0	$0
Interiors	1401	Laundry Equipment - 2007-08 - Replace	15	5	$2,400	$2,600
	1401	Laundry Equipment - 2010 - Replace	15	7	$600	$700
	1401	Laundry Equipment - 2017 - Replace	15	14	$650	$750
	1402	Dishwasher - Replace	25	5	$7,500	$9,500
	1402	Fume Hood - Replace	15	3	$5,000	$6,000
	1402	Ovens - Replace	15	14	$1,800	$2,000
	1402	Refrigerator/Freezer - Replace	15	3	$9,000	$11,000
	1402	Stove Top - Replace	15	3	$6,000	$7,000
	1405	Furniture - Replace	N/A		$0	$0
	1413	Restrooms - Remodel	20	9	$8,000	$12,000
	1417	Kitchen - Remodel	20	9	$15,000	$20,000
Flooring	1501	Carpeting - Replace	10	0	$5,580	$6,820

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Flooring	1590	Laminate Flooring - Replace	25	9	$8,000	$10,000
Light Fixtures	1601	Interior Light Fixtures - Replace	N/A		$0	$0
	1602	Exterior Light Fixtures - Replace	N/A		$0	$0
	1609	Street Light Fixtures - Replace	20	3	$7,500	$9,500
Landscaping	1804	Tree - Trimming/Replacement	N/A		$0	$0
	1812	Landscaping & Irrigation System - Renov	N/A		$0	$0

Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
105	Roofs - 2012 - Replace	25	19	$10,000	$400	1.7923%
105	Roofs - 2014 - Replace	25	21	$25,000	$1,000	4.4809%
105	Roofs - 2015 - Replace	25	22	$25,000	$1,000	4.4809%
105	Roofs - 2016 - Replace	25	23	$26,000	$1,040	4.6601%
105	Roofs - 2017 - Replace	25	24	$25,000	$1,000	4.4809%
105	Roofs - 2018 - Replace	25	0	$15,000	$600	2.6885%
105	Roofs - 2019 - Replace	25	1	$10,000	$400	1.7923%
105	Roofs - 2020 - Replace	25	2	$17,000	$680	3.0470%
120	Rain Gutters/Downspouts - Replace	1	0	$1,000	$1,000	4.4809%
201	Stucco Surfaces - Residential - Repair	10	9	$5,000	$500	2.2404%
201	Stucco Surfaces - Storage - Repair/Rep	15	6	$5,000	$333	1.4936%
202	Wood Trim - Repaint	8	0	$26,000	$3,250	14.5628%
204	Doors - Repaint	10	0	$3,600	$360	1.6131%
212	Wood Surfaces - Stain	6	0	$3,250	$542	2.4271%
223	Carports - Repaint	10	0	$4,000	$400	1.7923%
401	Asphalt - Major Rehab	30	10	$36,750	$1,225	5.4891%
402	Asphalt - East - Seal Coat	5	1	$2,320	$464	2.0791%
402	Asphalt - West - Seal Coat	5	0	$1,880	$376	1.6848%
403	Brick & Concrete - Repair/Replace	10	9	$2,500	$250	1.1202%
703	Water Heater - Replace	15	13	$2,200	$147	0.6572%
706	Furnaces - 2017 - Replace	20	3	$3,100	$155	0.6945%
706	Furnaces - Replace	20	3	$9,300	$465	2.0836%
790	Solar Panels - Replace	30	25	$50,000	$1,667	7.4681%
1001	Wood Fencing - Replace	20	5	$1,875	$94	0.4201%
1401	Laundry Equipment - 2007-08 - Replace	15	5	$2,500	$167	0.7468%
1401	Laundry Equipment - 2010 - Replace	15	7	$650	$43	0.1942%
1401	Laundry Equipment - 2017 - Replace	15	14	$700	$47	0.2091%
1402	Dishwasher - Replace	25	5	$8,500	$340	1.5235%
1402	Fume Hood - Replace	15	3	$5,500	$367	1.6430%
1402	Ovens - Replace	15	14	$1,900	$127	0.5676%
1402	Refrigerator/Freezer - Replace	15	3	$10,000	$667	2.9872%
1402	Stove Top - Replace	15	3	$6,500	$433	1.9417%
1413	Restrooms - Remodel	20	9	$10,000	$500	2.2404%
1417	Kitchen - Remodel	20	9	$17,500	$875	3.9208%
1501	Carpeting - Replace	10	0	$6,200	$620	2.7781%
1590	Laminate Flooring - Replace	25	9	$9,000	$360	1.6131%
1609	Street Light Fixtures - Replace	20	3	$8,500	$425	1.9044%

Significant Components - Graph

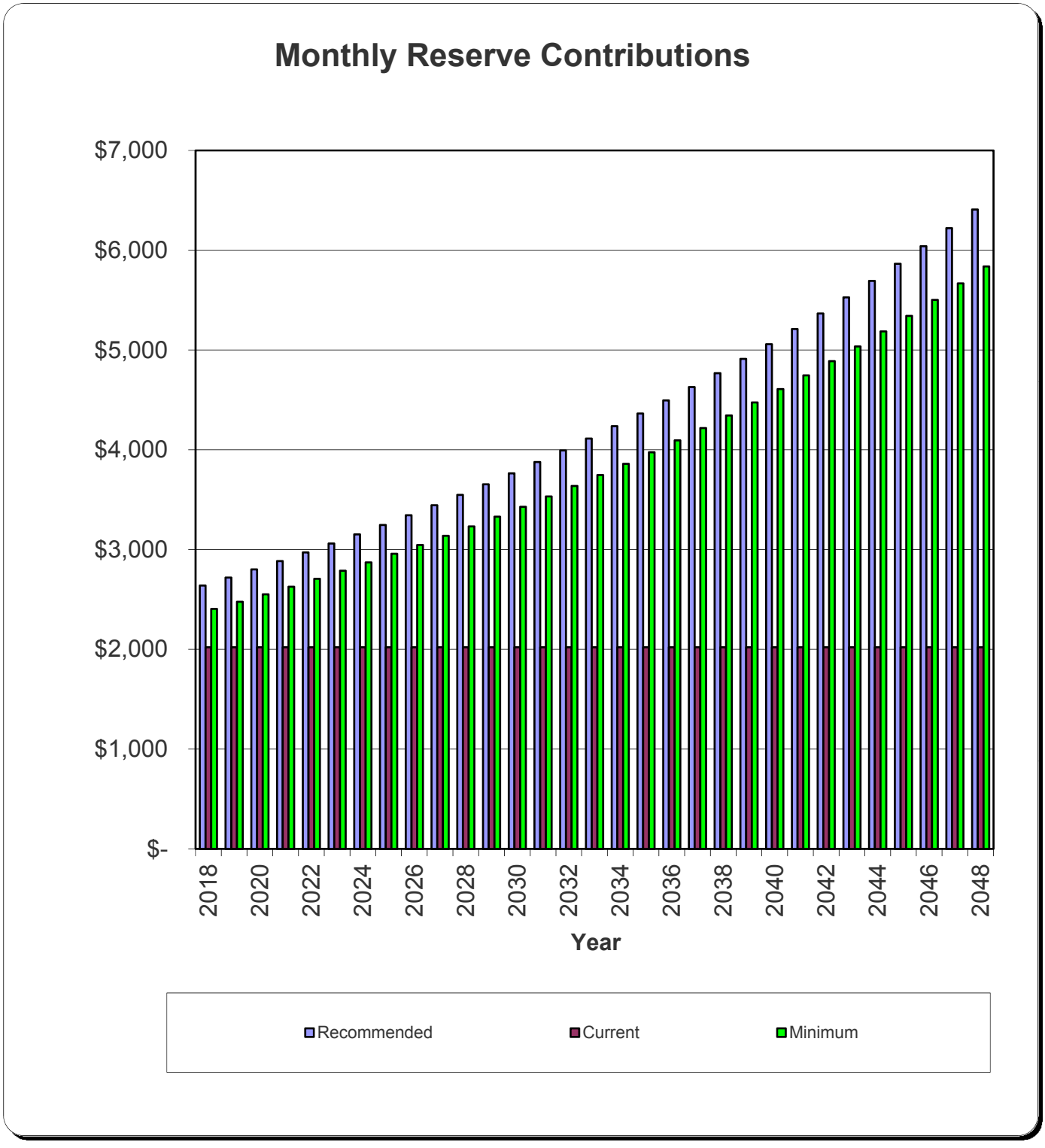


ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
202	Wood Trim - Repaint	8	0	$26,000	$3,250	15%
790	Solar Panels - Replace	30	25	$50,000	$1,667	7%
401	Asphalt - Major Rehab	30	10	$36,750	$1,225	5%
105	Roofs - 2016 - Replace	25	23	$26,000	$1,040	5%
All Other	See Expanded Table For Breakdown				$15,135	68%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2018	$204,026	$55,300	27%	$31,680	$41	$60,930	$26,091
2019	$170,375	$26,091	15%	$32,630	$36	$13,720	$45,037
2020	$185,031	$45,037	24%	$33,609	$52	$19,096	$59,602
2021	$195,300	$59,602	31%	$34,618	$53	$47,971	$46,302
2022	$176,867	$46,302	26%	$35,656	$64	$1,126	$80,897
2023	$206,885	$80,897	39%	$36,726	$90	$18,264	$99,448
2024	$220,927	$99,448	45%	$37,828	$112	$13,815	$123,572
2025	$240,773	$123,572	51%	$38,962	$142	$2,029	$160,647
2026	$274,176	$160,647	59%	$40,131	$164	$34,203	$166,739
2027	$276,291	$166,739	60%	$41,335	$158	$58,715	$149,518
2028	$254,096	$149,518	59%	$42,575	$135	$71,805	$120,423
2029	$218,652	$120,423	55%	$43,853	$140	$4,596	$159,820
2030	$252,296	$159,820	63%	$45,168	$179	$6,059	$199,108
2031	$286,397	$199,108	70%	$46,523	$220	$4,699	$241,152
2032	$323,906	$241,152	74%	$47,919	$263	$5,445	$283,888
2033	$362,783	$283,888	78%	$49,356	$306	$4,487	$329,064
2034	$404,858	$329,064	81%	$50,837	$331	$47,050	$333,182
2035	$405,429	$333,182	82%	$52,362	$359	$1,653	$384,250
2036	$453,882	$384,250	85%	$53,933	$389	$44,689	$393,883
2037	$460,602	$393,883	86%	$55,551	$406	$32,440	$417,400
2038	$481,315	$417,400	87%	$57,218	$429	$34,641	$440,405
2039	$501,590	$440,405	88%	$58,934	$439	$61,985	$437,794
2040	$495,555	$437,794	88%	$60,702	$443	$51,064	$447,874
2041	$501,870	$447,874	89%	$62,523	$432	$94,535	$416,295
2042	$464,922	$416,295	90%	$64,399	$393	$112,312	$368,774
2043	$409,915	$368,774	90%	$66,331	$329	$146,051	$289,383
2044	$319,908	$289,383	90%	$68,321	$309	$28,726	$329,287
2045	$349,491	$329,287	94%	$70,370	$345	$39,983	$360,019
2046	$369,852	$360,019	97%	$72,482	$393	$7,321	$425,572
2047	$425,999	$425,572	100%	$74,656	$418	$90,963	$409,682

Reserve Contributions - Graph



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Roofs - 2012 - Replace	25	19	Multiple Segments	$10,000	$2,400	$0	$47.32
105	Roofs - 2014 - Replace	25	21	Multiple Segments	$25,000	$4,000	$0	$118.30
105	Roofs - 2015 - Replace	25	22	Multiple Segments	$25,000	$3,000	$0	$118.30
105	Roofs - 2016 - Replace	25	23	Multiple Segments	$26,000	$2,080	$0	$123.03
105	Roofs - 2017 - Replace	25	24	Multiple Segments	$25,000	$1,000	$0	$118.30
105	Roofs - 2018 - Replace	25	0	Multiple Segments	$15,000	$15,000	$15,000	$70.98
105	Roofs - 2019 - Replace	25	1	Multiple Segments	$10,000	$9,600	$0	$47.32
105	Roofs - 2020 - Replace	25	2	Multiple Segments	$17,000	$15,640	$0	$80.44
120	Rain Gutters/Downspouts - Replace	1	0	(16) Structures	$1,000	$1,000	$1,000	$118.30
201	Stucco Surfaces - Residential - Repair	10	9	(26) Units	$5,000	$500	$0	$59.15
201	Stucco Surfaces - Storage - Repair/Repaint	15	6	Approx 2,925 Sq.ft.	$5,000	$3,000	$0	$39.43
202	Wood Trim - Repaint	8	0	(26) Units	$26,000	$26,000	$26,000	$384.46
204	Doors - Repaint	10	0	(36) Doors	$3,600	$3,600	$3,600	$42.59
212	Wood Surfaces - Stain	6	0	(26) Units	$3,250	$3,250	$3,250	$64.08
223	Carports - Repaint	10	0	(3) Carports	$4,000	$4,000	$4,000	$47.32
401	Asphalt - Major Rehab	30	10	Approx 21,000 Sq.ft.	$36,750	$24,500	$0	$144.91
402	Asphalt - East - Seal Coat	5	1	Approx 11,600 Sq.ft.	$2,320	$1,856	$0	$54.89
402	Asphalt - West - Seal Coat	5	0	Approx 9,400 Sq.ft.	$1,880	$1,880	$1,880	$44.48
403	Brick & Concrete - Repair/Replace	10	9	(1) Community	$2,500	$250	$0	$29.57
703	Water Heater - Replace	15	13	(1) Water Heater	$2,200	$293	$0	$17.35
706	Furnaces - 2017 - Replace	20	3	(1) Furnace	$3,100	$2,635	$0	$18.34
706	Furnaces - Replace	20	3	(3) Furnaces	$9,300	$7,905	$0	$55.01
790	Solar Panels - Replace	30	25	(1) System	$50,000	$8,333	$0	$197.16
1001	Wood Fencing - Replace	20	5	Approx 75 Linear ft.	$1,875	$1,406	$0	$11.09
1401	Laundry Equipment - 2007-08 - Replace	15	5	(1) Dryer & (1) Washer	$2,500	$1,667	$0	$19.72
1401	Laundry Equipment - 2010 - Replace	15	7	(1) Dryer	$650	$347	$0	$5.13
1401	Laundry Equipment - 2017 - Replace	15	14	(1) Washer	$700	$47	$0	$5.52
1402	Dishwasher - Replace	25	5	(1) Dishwasher	$8,500	$6,800	$0	$40.22
1402	Fume Hood - Replace	15	3	(1) Fume Hood	$5,500	$4,400	$0	$43.37
1402	Ovens - Replace	15	14	(2) Ovens	$1,900	$127	$0	$14.98

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
1402	Refrigerator/Freezer - Replace	15	3	(1) Refrigerator/Freezer	$10,000	$8,000	$0	$78.86
1402	Stove Top - Replace	15	3	(1) Stove Top	$6,500	$5,200	$0	$51.26
1413	Restrooms - Remodel	20	9	(2) Restrooms	$10,000	$5,500	$0	$59.15
1417	Kitchen - Remodel	20	9	(1) Kitchen	$17,500	$9,625	$0	$103.51
1501	Carpeting - Replace	10	0	Approx 1,240 Sq.ft.	$6,200	$6,200	$570	$73.34
1590	Laminate Flooring - Replace	25	9	Approx 1,000 Sq.ft.	$9,000	$5,760	$0	$42.59
1609	Street Light Fixtures - Replace	20	3	(10) Fixtures	$8,500	$7,225	$0	$50.28
					$398,225	$204,026	$55,300	$2,640

Current Fund Balance as a percentage of Ideal Balance: 27%

Yearly Cash Flow

Year	2018	2019	2020	2021	2022
Starting Balance	$55,300	$26,091	$45,037	$59,602	$46,302
Reserve Income	$31,680	$32,630	$33,609	$34,618	$35,656
Interest Earnings	$41	$36	$52	$53	$64
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$87,021	$58,757	$78,699	$94,273	$82,022
Reserve Expenditures	$60,930	$13,720	$19,096	$47,971	$1,126
Ending Balance	$26,091	$45,037	$59,602	$46,302	$80,897

Year	2023	2024	2025	2026	2027
Starting Balance	$80,897	$99,448	$123,572	$160,647	$166,739
Reserve Income	$36,726	$37,828	$38,962	$40,131	$41,335
Interest Earnings	$90	$112	$142	$164	$158
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$117,712	$137,387	$162,677	$200,942	$208,233
Reserve Expenditures	$18,264	$13,815	$2,029	$34,203	$58,715
Ending Balance	$99,448	$123,572	$160,647	$166,739	$149,518

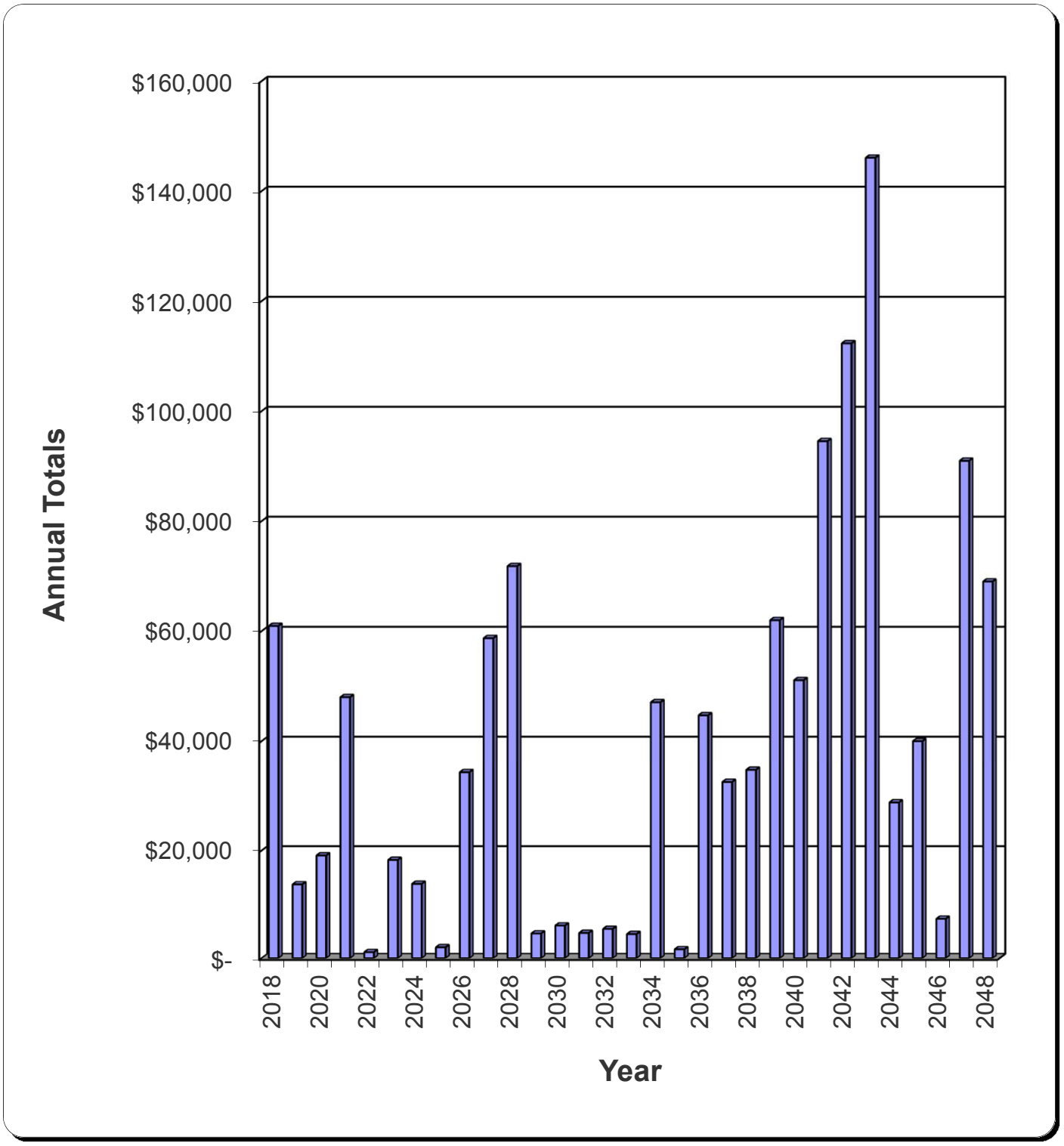
Year	2028	2029	2030	2031	2032
Starting Balance	$149,518	$120,423	$159,820	$199,108	$241,152
Reserve Income	$42,575	$43,853	$45,168	$46,523	$47,919
Interest Earnings	$135	$140	$179	$220	$263
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$192,228	$164,415	$205,167	$245,851	$289,333
Reserve Expenditures	$71,805	$4,596	$6,059	$4,699	$5,445
Ending Balance	$120,423	$159,820	$199,108	$241,152	$283,888

Year	2033	2034	2035	2036	2037
Starting Balance	$283,888	$329,064	$333,182	$384,250	$393,883
Reserve Income	$49,356	$50,837	$52,362	$53,933	$55,551
Interest Earnings	$306	$331	$359	$389	$406
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$333,551	$380,232	$385,903	$438,572	$449,840
Reserve Expenditures	$4,487	$47,050	$1,653	$44,689	$32,440
Ending Balance	$329,064	$333,182	$384,250	$393,883	$417,400

Year	2038	2039	2040	2041	2042
Starting Balance	$417,400	$440,405	$437,794	$447,874	$416,295
Reserve Income	$57,218	$58,934	$60,702	$62,523	$64,399
Interest Earnings	$429	$439	$443	$432	$393
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$475,047	$499,779	$498,939	$510,830	$481,086
Reserve Expenditures	$34,641	$61,985	$51,064	$94,535	$112,312
Ending Balance	$440,405	$437,794	$447,874	$416,295	$368,774

Year	2043	2044	2045	2046	2047
Starting Balance	$368,774	$289,383	$329,287	$360,019	$425,572
Reserve Income	$66,331	$68,321	$70,370	$72,482	$74,656
Interest Earnings	$329	$309	$345	$393	$418
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$435,434	$358,013	$400,002	$432,893	$500,646
Reserve Expenditures	$146,051	$28,726	$39,983	$7,321	$90,963
Ending Balance	$289,383	$329,287	$360,019	$425,572	$409,682

Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2018	105	Roofs - 2018 - Replace	$15,000	
	120	Rain Gutters/Downspouts - Replace	$1,000	
	202	Wood Trim - Repaint	$26,000	
	204	Doors - Repaint	$3,600	
	212	Wood Surfaces - Stain	$3,250	
	223	Carports - Repaint	$4,000	
	402	Asphalt - West - Seal Coat	$1,880	
	1501	Carpeting - Replace	$6,200	$60,930
2019	105	Roofs - 2019 - Replace	$10,300	
	120	Rain Gutters/Downspouts - Replace	$1,030	
	402	Asphalt - East - Seal Coat	$2,390	$13,720
2020	105	Roofs - 2020 - Replace	$18,035	
	120	Rain Gutters/Downspouts - Replace	$1,061	$19,096
2021	120	Rain Gutters/Downspouts - Replace	$1,093	
	706	Furnaces - 2017 - Replace	$3,387	
	706	Furnaces - Replace	$10,162	
	1402	Fume Hood - Replace	$6,010	
	1402	Refrigerator/Freezer - Replace	$10,927	
	1402	Stove Top - Replace	$7,103	
	1609	Street Light Fixtures - Replace	$9,288	$47,971
2022	120	Rain Gutters/Downspouts - Replace	$1,126	$1,126
2023	120	Rain Gutters/Downspouts - Replace	$1,159	
	402	Asphalt - West - Seal Coat	$2,179	
	1001	Wood Fencing - Replace	$2,174	
	1401	Laundry Equipment - 2007-08 - Replace	$2,898	
	1402	Dishwasher - Replace	$9,854	$18,264
2024	120	Rain Gutters/Downspouts - Replace	$1,194	
	201	Stucco Surfaces - Storage - Repair/Repaint	$5,970	
	212	Wood Surfaces - Stain	$3,881	
	402	Asphalt - East - Seal Coat	$2,770	$13,815
2025	120	Rain Gutters/Downspouts - Replace	$1,230	
	1401	Laundry Equipment - 2010 - Replace	$799	$2,029
2026	120	Rain Gutters/Downspouts - Replace	$1,267	
	202	Wood Trim - Repaint	$32,936	$34,203
2027	120	Rain Gutters/Downspouts - Replace	$1,305	
	201	Stucco Surfaces - Residential - Repair	$6,524	
	403	Brick & Concrete - Repair/Replace	$3,262	
	1413	Restrooms - Remodel	$13,048	
	1417	Kitchen - Remodel	$22,834	
	1590	Laminate Flooring - Replace	$11,743	$58,715
2028	120	Rain Gutters/Downspouts - Replace	$1,344	
	204	Doors - Repaint	$4,838	
	223	Carports - Repaint	$5,376	
	401	Asphalt - Major Rehab	$49,389	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	402	Asphalt - West - Seal Coat	$2,527	
	1501	Carpeting - Replace	$8,332	$71,805
2029	120	Rain Gutters/Downspouts - Replace	$1,384	
	402	Asphalt - East - Seal Coat	$3,211	$4,596
2030	120	Rain Gutters/Downspouts - Replace	$1,426	
	212	Wood Surfaces - Stain	$4,634	$6,059
2031	120	Rain Gutters/Downspouts - Replace	$1,469	
	703	Water Heater - Replace	$3,231	$4,699
2032	120	Rain Gutters/Downspouts - Replace	$1,513	
	1401	Laundry Equipment - 2017 - Replace	$1,059	
	1402	Ovens - Replace	$2,874	$5,445
2033	120	Rain Gutters/Downspouts - Replace	$1,558	
	402	Asphalt - West - Seal Coat	$2,929	$4,487
2034	120	Rain Gutters/Downspouts - Replace	$1,605	
	202	Wood Trim - Repaint	$41,722	
	402	Asphalt - East - Seal Coat	$3,723	$47,050
2035	120	Rain Gutters/Downspouts - Replace	$1,653	$1,653
2036	120	Rain Gutters/Downspouts - Replace	$1,702	
	212	Wood Surfaces - Stain	$5,533	
	1402	Fume Hood - Replace	$9,363	
	1402	Refrigerator/Freezer - Replace	$17,024	
	1402	Stove Top - Replace	$11,066	$44,689
2037	105	Roofs - 2012 - Replace	$17,535	
	120	Rain Gutters/Downspouts - Replace	$1,754	
	201	Stucco Surfaces - Residential - Repair	$8,768	
	403	Brick & Concrete - Repair/Replace	$4,384	$32,440
2038	120	Rain Gutters/Downspouts - Replace	$1,806	
	204	Doors - Repaint	$6,502	
	223	Carports - Repaint	$7,224	
	402	Asphalt - West - Seal Coat	$3,395	
	1401	Laundry Equipment - 2007-08 - Replace	$4,515	
	1501	Carpeting - Replace	$11,198	$34,641
2039	105	Roofs - 2014 - Replace	$46,507	
	120	Rain Gutters/Downspouts - Replace	$1,860	
	201	Stucco Surfaces - Storage - Repair/Repaint	$9,301	
	402	Asphalt - East - Seal Coat	$4,316	$61,985
2040	105	Roofs - 2015 - Replace	$47,903	
	120	Rain Gutters/Downspouts - Replace	$1,916	
	1401	Laundry Equipment - 2010 - Replace	$1,245	$51,064
2041	105	Roofs - 2016 - Replace	$51,313	
	120	Rain Gutters/Downspouts - Replace	$1,974	
	706	Furnaces - 2017 - Replace	$6,118	
	706	Furnaces - Replace	$18,354	
	1609	Street Light Fixtures - Replace	$16,775	$94,535
2042	105	Roofs - 2017 - Replace	$50,820	
	120	Rain Gutters/Downspouts - Replace	$2,033	
	202	Wood Trim - Repaint	$52,853	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	212	Wood Surfaces - Stain	$6,607	$112,312
2043	105	Roofs - 2018 - Replace	$31,407	
	120	Rain Gutters/Downspouts - Replace	$2,094	
	402	Asphalt - West - Seal Coat	$3,936	
	790	Solar Panels - Replace	$104,689	
	1001	Wood Fencing - Replace	$3,926	$146,051
2044	105	Roofs - 2019 - Replace	$21,566	
	120	Rain Gutters/Downspouts - Replace	$2,157	
	402	Asphalt - East - Seal Coat	$5,003	$28,726
2045	105	Roofs - 2020 - Replace	$37,762	
	120	Rain Gutters/Downspouts - Replace	$2,221	$39,983
2046	120	Rain Gutters/Downspouts - Replace	$2,288	
	703	Water Heater - Replace	$5,033	$7,321
2047	120	Rain Gutters/Downspouts - Replace	$2,357	
	201	Stucco Surfaces - Residential - Repair	$11,783	
	403	Brick & Concrete - Repair/Replace	$5,891	
	1401	Laundry Equipment - 2017 - Replace	$1,650	
	1402	Ovens - Replace	$4,477	
	1413	Restrooms - Remodel	$23,566	
	1417	Kitchen - Remodel	$41,240	$90,963

Component Evaluation

Comp #: 105 Roofs - 2012 - Replace

Location: **Building Roofs**

Quantity: **Multiple Segments**

Life Expectancy: **25** *Remaining Life:* **19**

Best Cost: **$9,000**
Estimate to replace

Worst Cost: **$11,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The roofs are in good condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 105 Roofs - 2014 - Replace

Location: **Building Roofs**

Quantity: **Multiple Segments**

Life Expectancy: **25** *Remaining Life:* **21**

Best Cost: **$24,000**
Estimate to replace

Worst Cost: **$26,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The roofs are in good condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 105 Roofs - 2015 - Replace

Location: **Building Roofs**

Quantity: **Multiple Segments**

Life Expectancy: **25** *Remaining Life:* **22**

Best Cost: **$24,000**
Estimate to replace

Worst Cost: **$26,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The roofs are in good condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 105 Roofs - 2016 - Replace

Location: **Building Roofs**

Quantity: **Multiple Segments**

Life Expectancy: **25** *Remaining Life:* **23**

Best Cost: **$25,000**
Estimate to replace

Worst Cost: **$27,000**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The roofs are in good condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 105 Roofs - 2017 - Replace

Location: **Building Roofs**

Quantity: **Multiple Segments**

Life Expectancy: **25** *Remaining Life:* **24**

Best Cost: **$24,000**
Estimate to replace

Worst Cost: **$26,000**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The roofs are in good condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 105 Roofs - 2018 - Replace

Location: **Building Roofs**

Quantity: **Multiple Segments**

Life Expectancy: **25** *Remaining Life:* **0**

Best Cost: **$14,000**
Estimate to replace

Worst Cost: **$16,000**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component will be replaced in 2018. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 105 Roofs - 2019 - Replace

Location: **Building Roofs**

Quantity: **Multiple Segments**

Life Expectancy: **25** *Remaining Life:* **1**

Best Cost: **$9,000**
Estimate to replace

Worst Cost: **$11,000**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component will be replaced in 2019. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 105 Roofs - 2020 - Replace

Location: **Building Roofs**

Quantity: **Multiple Segments**

Life Expectancy: **25** *Remaining Life:* **2**

Best Cost: **$16,000**
Estimate to replace

Worst Cost: **$18,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

Research with the client reveals this component will be replaced in 2020. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 120 Rain Gutters/Downspouts - Replace

Location: **Building & Carport Exteriors**

Quantity: **(16) Structures**

Life Expectancy: **1** *Remaining Life:* **0**

Best Cost: **$800**
Alloowance to replace

Worst Cost: **$1,200**
Higher allowance

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component is inspected and replaced yearly.

Comp #: 201 Stucco Surfaces - Residential - Repair

Location: **Residential Building Exteriors**

Quantity: **(26) Units**

Life Expectancy: **10** *Remaining Life:* **9**

Best Cost: **$4,500**
Allowance to repair

Worst Cost: **$5,500**
Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The stucco surfaces are in good condition. We recommend funding to an allowance to repair this component approximately every 10 years. Remaining life based on current age.

Comp #: 201 Stucco Surfaces - Storage - Repair/Repaint

Location: **Storage Building Exteriors**

Quantity: **Approx 2,925 Sq.ft.**

Life Expectancy: **15** *Remaining Life:* **6**

Best Cost: **$4,500**
Allowance to repair

Worst Cost: **$5,500**
Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The stucco surfaces are in good to fair condition. We recommend funding to repair/repaint this component approximately every 12 - 15 years to protect the stucco surface and maintain appearance. Remaining life based on current condition.

Comp #: 202 Wood Trim - Repaint

Location: **Building Exteriors**

Quantity: **(26) Units**

Life Expectancy: **8** *Remaining Life:* **0**

Best Cost: **$20,800**

$800/Unit; Estimate to repaint

Worst Cost: **$31,200**

$1,200/Unit; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The painted wood trim surfaces are in fair to poor condition. We recommend funding to repaint this component approximately every 6 - 8 years to maintain appearance and protect wood surfaces. Remaining life based on current condition.

Comp #: 204 Doors - Repaint

Location: **Carport, Clubhouse & Shop**

Quantity: **(36) Doors**

Life Expectancy: **10** *Remaining Life:* **0**

Best Cost: **$2,700**

$75/Door; Estimate to repaint

Worst Cost: **$4,500**

$125/Door; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The painted door surfaces are in fair to poor condition. We recommend funding to repaint this component approximately every 8 - 10 years to maintain appearance and protect surfaces. Remaining life based on current average condition.

Comp #: 212 Wood Surfaces - Stain

Location: **Building Exteriors**

Quantity: **(26) Units**

Life Expectancy: **6** *Remaining Life:* **0**

Best Cost: **$2,600**

$100/Unit; Estimate to repaint

Worst Cost: **$3,900**

$150/Unit; Higher estimate

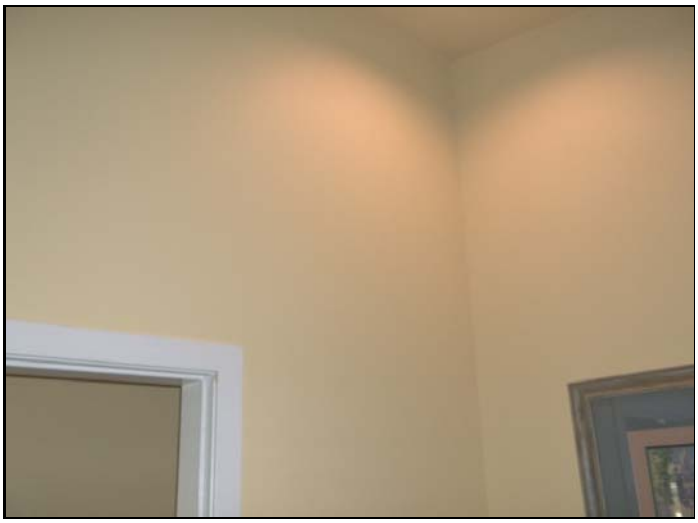
Source of Information: CSL Cost Database

General Notes:

Observations:

The stained wood surfaces are in poor condition. We recommend funding to stain this component approximately every 4 - 6 years to maintain appearance and protect wood surfaces. Remaining life based on current condition.

Comp #: 216 Interior Surfaces - Repaint



Location: **Clubhouse & Shop Interiors**

Quantity: **(2) Buildings**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 223 Carports - Repaint

Location: **Parking Lots**

Quantity: **(3) Carports**

Life Expectancy: **10** *Remaining Life:* **0**

Best Cost: **$3,000**
Estimate to repaint

Worst Cost: **$5,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The paint on the carport structure is in fair to poor condition. We recommend funding to repaint this component approximately every 8 - 10 years to maintain appearance and protect metal surfaces. Remaining life based on current condition.

Comp #: 401 Asphalt - Major Rehab

Location: **Community Parking & Streets**

Quantity: **Approx 21,000 Sq.ft.**

Life Expectancy: **30** *Remaining Life:* **10**

Best Cost: **$31,500**

$1.50/Sq.ft.; Estimate for major rehab

Worst Cost: **$42,000**

$2.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The asphalt surfaces are in fair condition. We recommend funding for a major rehab of this component approximately every 20 - 30 years. Maintain seal coat schedule to ensure full useful life (see Comp# 402 Asphalt - Seal Coat). Remaining life based on current age.

Comp #: 402 Asphalt - East - Seal Coat

Location: **Community Parking & Streets**

Quantity: **Approx 11,600 Sq.ft.**

Life Expectancy: **5** *Remaining Life:* **1**

Best Cost: **$2,204**

$0.19/Sq.ft.; Estimate for seal coat

Worst Cost: **$2,436**

$0.21/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The asphalt seal coat is in fair condition. Seal asphalt surfaces regularly to prevent premature overlay (see Comp# 401 Asphalt - Overlay). We recommend funding to seal this component approximately every 3 - 5 years. Remaining life based on current condition.

Comp #: 402 Asphalt - West - Seal Coat

Location: **Community Parking & Streets**

Quantity: **Approx 9,400 Sq.ft.**

Life Expectancy: **5** *Remaining Life:* **0**

Best Cost: **$1,786**

$0.19/Sq.ft.; Estimate for seal coat

Worst Cost: **$1,974**

$0.21/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The asphalt seal coat is in poor condition. Seal asphalt surfaces regularly to prevent premature overlay (see Comp# 401 Asphalt - Overlay). We recommend funding to seal this component approximately every 3 - 5 years. Remaining life based on current condition.

Comp #: 403 Brick & Concrete - Repair/Replace

Location: **Common Area**

Quantity: **(1) Community**

Life Expectancy: **10** *Remaining Life:* **9**

Best Cost: **$2,000**

Allowance to repair/replace

Worst Cost: **$3,000**

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The brick and concrete are generally in good condition. This component has an extended useful life under normal conditions. We recommend funding to make repairs and partially replace this component approximately every 10 years. Remaining life based on current age.

Comp #: 609 Decking - Replace

Location: **Unit Decks**

Quantity: **Multiple Decks**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is not a responsibility of the association.

Comp #: 703 Water Heater - Replace

Location: **Clubhouse Interior**

Quantity: **(1) Water Heater**

Life Expectancy: **15** *Remaining Life:* **13**

Best Cost: **$2,100**
Estimate to replace

Worst Cost: **$2,300**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The water heater is in working condition. We recommend funding to replace this component approximately every 12 - 15 years. Remaining life based on current age.

Comp #: 706 Furnaces - 2017 - Replace

Location: **Clubhouse**

Quantity: **(1) Furnace**

Life Expectancy: **20** *Remaining Life:* **3**

Best Cost: **$3,000**
Estimate to replace

Worst Cost: **$3,200**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The furnace is in working condition. We recommend funding to replace this component approximately every 20 years. Remaining life based on current age.

Comp #: 706 Furnaces - Replace

Location: **Clubhouse & Shop Interiors**

Quantity: **(3) Furnaces**

Life Expectancy: **20** *Remaining Life:* **3**

Best Cost: **$9,000**

$3,000/Unit; Estimate to replace

Worst Cost: **$9,600**

$3,200/Unit; Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The furnaces are in working condition. We recommend funding to replace this component approximately every 20 years. Remaining life based on current condition.

Comp #: 790 Solar Panels - Replace

Location: **Carport Roofs**

Quantity: **(1) System**

Life Expectancy: **30** *Remaining Life:* **25**

Best Cost: **$49,000**
Estimate to replace

Worst Cost: **$51,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The solar panels are in working condition. We recommend funding to replace this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 1001 Wood Fencing - Replace

Location: **Dumpster Enclosures**

Quantity: **Approx 75 Linear ft.**

Life Expectancy: **20** *Remaining Life:* **5**

Best Cost: **$1,725**

$23/Linear ft.; Estimate to replace

Worst Cost: **$2,025**

$27/Linear ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The wood fencing is in fair condition. We recommend funding to replace this component approximately every 15 - 20 years. Remaining life based on current condition.

Comp #: 1008 Composite Fencing - Replace

Location: **Common Area**

Quantity: **Approx 85 Linear ft.**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is not a responsibility of the association.

Comp #: 1390 Patio Furniture - Replace

Location: **Clubhouse Exterior**

Quantity: **Assorted Pieces**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

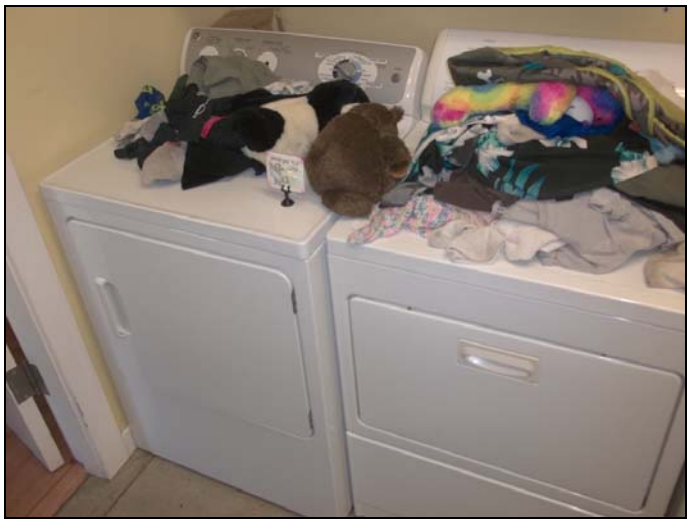
Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1401 Laundry Equipment - 2007-08 - Replace



Location: **Clubhouse Interior**

Quantity: **(1) Dryer & (1) Washer**

Life Expectancy: **15** *Remaining Life:* **5**

Best Cost: **$2,400**
Estimate to replace

Worst Cost: **$2,600**
Higher estimate

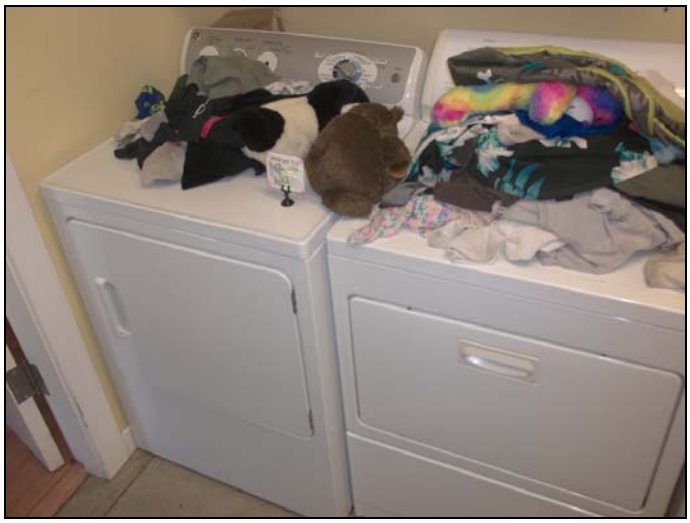
Source of Information: Research with Client

General Notes:

Observations:

The laundry equipment is in working condition. We recommend replacing this component approximately every 10 - 15 years. Remaining life based on current age.

Comp #: 1401 Laundry Equipment - 2010 - Replace



Location: **Clubhouse Interior**

Quantity: **(1) Dryer**

Life Expectancy: **15** *Remaining Life:* **7**

Best Cost: **$600**
Estimate to replace

Worst Cost: **$700**
Higher estimate

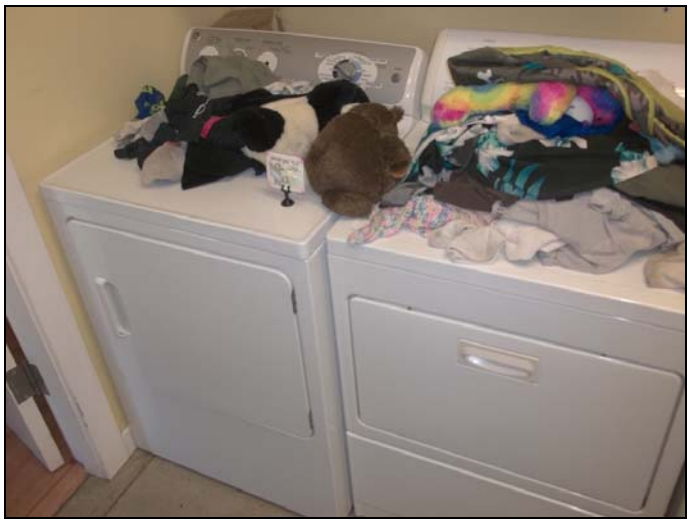
Source of Information: Research with Client

General Notes:

Observations:

The laundry equipment is in working condition. We recommend replacing this component approximately every 10 - 15 years. Remaining life based on current age.

Comp #: 1401 Laundry Equipment - 2017 - Replace



Location: **Clubhouse Interior**

Quantity: **(1) Washer**

Life Expectancy: **15** *Remaining Life:* **14**

Best Cost: **$650**
Estimate to replace

Worst Cost: **$750**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The laundry equipment is in working condition. We recommend replacing this component approximately every 10 - 15 years. Remaining life based on current age.

Comp #: 1402 Dishwasher - Replace

Location: **Clubhouse Interior**

Quantity: **(1) Dishwasher**

Life Expectancy: **25** *Remaining Life:* **5**

Best Cost: **$7,500**
Estimate to replace

Worst Cost: **$9,500**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The dishwasher is in working condition. We typically recommend funding to replace this component approximately every 10 - 15 years, but due to limited use we are increasing this to 20 - 25 years. Remaining life based on current age.

Comp #: 1402 Fume Hood - Replace

Location: **Clubhouse Interior**

Quantity: **(1) Fume Hood**

Life Expectancy: **15** *Remaining Life:* **3**

Best Cost: **$5,000**
Estimate to replace

Worst Cost: **$6,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The fume hood is in working condition. We recommend funding to replace this component approximately every 10 - 15 years. Remaining life based on current condition.

Comp #: 1402 Ovens - Replace

Location: **Clubhouse Interior**

Quantity: **(2) Ovens**

Life Expectancy: **15** *Remaining Life:* **14**

Best Cost: **$1,800**
Estimate to replace

Worst Cost: **$2,000**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component is being replaced in 2017. We recommend funding to replace this component approximately every 10 - 15 years. Remaining life based on current condition.

Comp #: 1402 Refrigerator/Freezer - Replace

Location: **Clubhouse Interior**

Quantity: **(1) Refrigerator/Freezer**

Life Expectancy: **15** *Remaining Life:* **3**

Best Cost: **$9,000**
Estimate to replace

Worst Cost: **$11,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The refrigerator/freezer is in working condition. We recommend funding to replace this component approximately every 10 - 15 years. Remaining life based on current condition.

Comp #: 1402 Stove Top - Replace

Location: **Clubhouse Interior**

Quantity: **(1) Stove Top**

Life Expectancy: **15** *Remaining Life:* **3**

Best Cost: **$6,000**
Estimate to replace

Worst Cost: **$7,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The stove top is in working condition. We recommend funding to replace this component approximately every 10 - 15 years. Remaining life based on current condition.

Comp #: 1405 Furniture - Replace

Location: **Clubhouse Interior**

Quantity: **Assorted Pieces**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1413 Restrooms - Remodel

Location: **Clubhouse Interior**

Quantity: **(2) Restrooms**

Life Expectancy: **20** *Remaining Life:* **9**

Best Cost: **$8,000**
$4,000/Restroom; Estimate to remodel

Worst Cost: **$12,000**
$6,000/Restroom; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The restrooms are in good condition. We recommend funding to remodel this component approximately every 20 years to maintain appearance and keep up with current decorative tastes. Remaining life based on current condition.

Comp #: 1417 Kitchen - Remodel

Location: **Clubhouse Interior**

Quantity: **(1) Kitchen**

Life Expectancy: **20** *Remaining Life:* **9**

Best Cost: **$15,000**
Allowance to remodel

Worst Cost: **$20,000**
Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The kitchen is in good condition. We recommend funding to remodel this component approximately every 20 years to keep up with current decorative tastes and ensure proper function of appliances. Remaining life based on current condition.

Comp #: 1501 Carpeting - Replace

Location: **Clubhouse & Shop Interior**

Quantity: **Approx 1,240 Sq.ft.**

Life Expectancy: **10** *Remaining Life:* **0**

Best Cost: **$5,580**

$4.50/Sq.ft.; Estimate to replace

Worst Cost: **$6,820**

$5.50/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

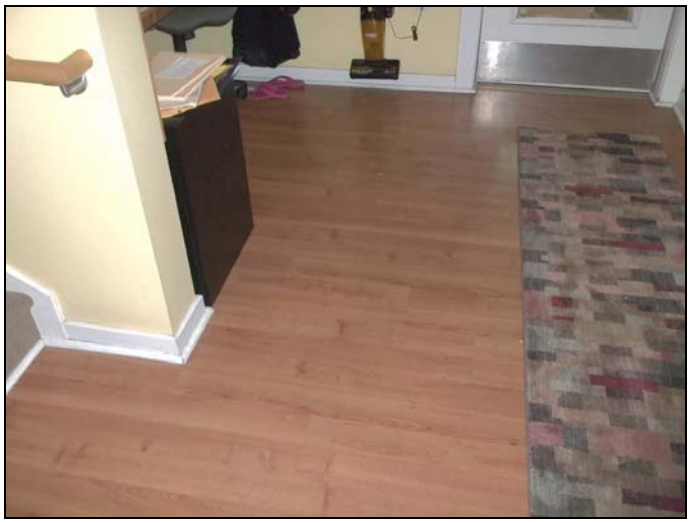
Quantity description:

1,010 Sq.ft. - Clubhouse
230 Sq.ft. - Shop

Observations:

The carpeting is in fair to poor condition. We recommend funding to replace this component approximately every 8 - 10 years assuming normal use and wear. Remaining life based on current age.

Comp #: 1590 Laminate Flooring - Replace



Location: **Clubhouse Interior**

Quantity: **Approx 1,000 Sq.ft.**

Life Expectancy: **25** *Remaining Life:* **9**

Best Cost: **$8,000**

$8/Sq.ft.; Estimate to replace

Worst Cost: **$10,000**

$10/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The laminate flooring is in good to fair condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 1601 Interior Light Fixtures - Replace

Location: **Clubhouse & Shop Interiors**

Quantity: **(2) Buildings**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1602 Exterior Light Fixtures - Replace

Location: **Building & Carport Exteriors**

Quantity: **(16) Structures**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1609 Street Light Fixtures - Replace

Location: **Common Area**

Quantity: **(10) Fixtures**

Life Expectancy: **20** *Remaining Life:* **3**

Best Cost: **$7,500**

$750/Fixture; Estimate to replace

Worst Cost: **$9,500**

$950/Fixture; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The street light fixtures are in working condition. No expectation to replace the light poles. Paint poles as necessary as an operating expense. We recommend funding to replace this component approximately every 20 years to ensure proper function. Remaining life based on current age and condition.

Comp #: 1804 Tree - Trimming/Replacement

Location: **Common Area**

Quantity: **Multiple Trees**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1812 Landscaping & Irrigation System - Renovate

Location: **Common Area**

Quantity: **(1) Community**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Glossary of Commonly Used Words And Phrases

(Provided by the National Reserve Study Standards of the Community Associations Institute)

Cash Flow Method – A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component – Also referred to as an "Asset." Individual line items in the Reserve Study developed or updated in the physical analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited useful life expectancies, 3) have predictable remaining life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Component Full Funding – When the actual (or projected) cumulative reserve balance for all components is equal to the fully funded balance.

Component Inventory – The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

Deficit – An actual (or projected reserve balance), which is less than the fully funded balance.

Effective Age – The difference between useful life and remaining useful life (UL - RUL).

Financial Analysis – The portion of the Reserve Study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived, and the projected reserve income and expenses over time is presented. The financial analysis is one of the two parts of the Reserve Study.

Fully Funded Balance – An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost of a reserve component. This number is calculated for each component, and then summed together for an association total.

FFB = Current Cost * Effective Age / Useful Life

Fund Status – The status of the reserve fund as compared to an established benchmark, such as percent funded.

Funding Goals – Independent of calculation methodology utilized, the following represent the basic categories of funding plan goals:

- *Baseline Funding*: Establishing a reserve-funding goal of keeping the reserve balance above zero.
- *Component Full Funding*: Setting a reserve funding goal of attaining and maintaining cumulative reserves at or near 100% funded.
- *Threshold Funding*: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount.

Funding Plan – An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

Funding Principles –

- Sufficient funds when required
- Stable contributions through the year
- Evenly distributed contributions over the years
- Fiscally responsible

GSF - Gross Square Feet

Life and Valuation Estimates – The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components.

LF - Linear Feet

Percent Funded – The ratio, at a particular point in time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the ideal fund balance, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the component evaluation, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) – Also referred to as "remaining life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the current fiscal year have a "0" remaining useful life.

Replacement Cost – The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components that the association is obligated to maintain. Also known as "reserves," "reserve accounts," or "cash reserves." In this report the reserve balance is based upon information provided and is not audited.

Reserve Study – A budget-planning tool, which identifies the current status of the reserve fund and a stable and equitable funding plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Governing documents or local statutes often regulate special assessments.

Surplus – An actual (or projected) reserve balance that is greater than the fully funded balance.

Useful Life (UL) – Also known as "life expectancy." The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed and maintained in its present application of installation.