

Beachwalk Owners Association

Level 2 Reserve Study



Report Period - 1/1/2015 to 12/31/2015

Client Reference Number	11151
Property Type	Condominium
Number of Units	60
Fiscal Year End	12/31
Date of Site Visit	7/24/2014
Prepared By	Robert Forney
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – Tuesday, November 25, 2014



TEL: (888) 356-3783 | Fax: (866) 279-9662
WWW.COMPLEXSOLUTIONSLTD.COM

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Executive Summary - Beachwalk Owners Association - ID # 11151

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 1/1/2015	\$201,816
Ideal Reserve Balance as of 1/1/2015	\$436,077
Percent Funded as of 1/1/2015	46%
Recommended Reserve Contribution (per month)	\$9,019
Minimum Reserve Contribution (per month)	\$7,500
Recommended Special Assessment	\$0

Property Details

Beachwalk Owners Association is a 60-unit Condominium community. Construction on the community was completed in 1984.

Currently Programmed Projects

Projects programmed to occur this fiscal year (FY 2015) include: Asphalt - Seal (Comp #402), Garage Doors - Replace (Old) (Comp #502), Pool Filter - Replace (Comp #1107) and Termite Treatment - Perform (Comp #2101). We have programmed an estimated \$61,538 in reserve expenditures toward the completion of these projects. (See Page 18 - 21)

Major Reserve Expenditures

The first major reserve expenditure is programmed to occur in fiscal year 2017. Projects programmed to occur in fiscal year 2017 include (but are not limited to): Pole Lights - Replace (Comp #1604), Pool Furniture - Replace (Comp #1121), Utility Doors - Replace (Comp #503), Pool - Resurface (Comp #1101), Pool Pump - Replace (Comp #1110) and Monument Signs - Replace (Comp #801). We have programmed approximately \$165,133 in reserve funds or approximately 46% of fiscal year 2017's recommended starting balance towards the completion of those projects programmed to occur in FY 2017. (See Page 10)

Significant Reserve Projects

The association's significant reserve projects include Stucco Surfaces - Repaint (Comp #201), Pitched Roof - Tile - Replace (2007) (Comp #106), Garage Roofs - Replace (II) (Comp #101) and (Comp #401). The fiscal significance of these components is approximately 17%, 15%, 11% and 8% respectively. 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. (See 12 - 13)

Reserve Funding

In comparing the projected starting reserve balance of \$201,816 versus the ideal reserve balance of \$436,077 we find the association's reserve fund to be approximately 46% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$9,019 (\$150.31/unit) per month. For comparison purposes, we have also set a minimum reserve contribution of \$7,500 (\$125.00/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 board with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. In this respect our estimates of the current and future Fully Funded balances are less significant than the recommended reserve contribution. The board should weigh carefully our recommendations when setting the Reserve Contribution. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample time to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. It will also 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

After working for a notable national reserve study provider Mr. Forney started Complex Solutions Ltd. in 2001. Complex Solutions provides reserve study consulting services to clients primarily in California, Nevada and Utah.

- Nevada permit number RSS.0000004
- Board member of The Association of Professional Reserve Analysts (APRA)
- Holds the APRA "Professional Reserve Analyst" designation
- Personally has prepared over 1,000 reserve studies.
- Created the proprietary software and databases used to prepare Complex Solutions' reserve studies. This proprietary software gives Complex Solutions the freedom and ability to create reports tailored to the individual clients needs. This software is also used under license by Aspen Reserve Specialties, an affiliate in Denver, CO.
- Projects have ranged in size from small apartment-style condominium communities to 1000+ Planned Unit Communities.
- Clients have ranged from developers interested in setting initial reserve accounts for communities under construction to high-rise communities, even an aero park (small airport).
- Active member of three local chapters of CAI (Nevada, Utah, and Channel Islands, CA).
- Gold Sponsor of the Nevada chapter of CAI, Platinum Sponsor of the Utah chapter of CAI.
- Guest speaker at two CAI events
- (3) Articles published in Community Interests.
- Member of the Las Vegas High-rise and Condominiums Association
- Member of CAMEO (Community Association Management Executive Offices)

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 typically 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 reserves are primarily made up of capital replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis. Typically, the reserve contribution makes up 15% - 40% of the association's total budget. Therefore, reserves are considered to be a major part of the overall monthly association assessment.

Report Sections

The **Reserve Analysis** 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).

The **Component Evaluation** Section contains information regarding the physical status and replacement cost of major common area 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

Information and Data Gathered

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at the time of the inspection. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have also been excluded from this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. 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.

Why is it important to perform a Reserve Study?

As previously mentioned, the reserve allocation makes up a significant portion of the total monthly assessment. This report provides the essential information that is needed to guide the Board of Directors 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 significant reserve projects can be completed on time with quality contractors. In this way deferred maintenance can be avoided as well as the lower property values that typically accompanies it. It is suggested that a third party professionally prepare the Reserve Study since there is no vested interest in the property.

After we have a Reserve Study completed, what do we do with it?

Hopefully, you will not look at this report and think it is too cumbersome to comprehend. Our intention is to make this Reserve Study easy to read and understand. Please take the time to review it carefully and make sure the "main ingredients" (component information) are complete and accurate. If there are any components that the association feels should be added, removed, or altered as well as any other inaccuracies or changes that should be made, please inform us immediately so we may revise the report. In order to ensure the Board understands its role in the completion of this report, all reports are labeled as "DRAFT" until their input has been given and the report has been approved as finalized. **Note to user:** If this report has a "DRAFT" watermark it is not a finalized report and is not to be relied upon or used for budgeting purposes.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The reserve allocation makes up a large portion of the total monthly assessment and this report should help you determine the correct amount of money to go into the reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending projects. This will give you an opportunity to shop around for the best price available.

How often do we update or review the Reserve Study?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Study should be professionally reviewed (Level III "no site visit" update study) each year before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Deterioration rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the results of the Reserve Study. Because of this projected future Fully Funded balances cannot be relied upon (in other words the Fully Funded balance for the current year of a report prepared 3 years earlier cannot be considered accurate or reliable). Therefore, this analysis should be professionally reviewed annually, and a "site visit" reserve study should be conducted at least once every three years.

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 States. Even if it is not currently governed by your State, the chances are very good that the documents of the association require the association to have a reserve fund established. This doesn't mean a Reserve Study is required, but how are you going to know if you have enough funds in the reserve account if you don't have the proper information? Some associations look at the Reserve fund and think that \$500,000 is a lot of money and they are in good shape. What they don't know is that the roof is going to need to be replaced within 5 years, and the cost of the roof is going to exceed \$750,000. So while \$500,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.



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 1 year, and costs above a minimum threshold amount. An “Operating” expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an “Operating” expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a reserve expense.

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 issue. However, it is the opinion of several major Reserve Study providers, including Complex Solutions, that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a reserve component.

What are the GREY areas of major expenses that are not included in a Reserve Study?

Some components may appear to satisfy the requirements of being a reserve component but are still not included in the reserve study. Several Reserve Study providers, including Complex Solutions, limit the component list to physical components of the common area that are owned by the association. Certain elements of an association's common area, such as leased items, or non-physical components such as future reserve studies, financial audits, inspection reports etc. are not included in our reserve studies. In addition we typically do not fund for utility systems, plumbing, or components with an extended useful life. Associations that feel any of these components should be included in our reserve study should notify us with their request. These components will be added to help the association better plan and prepare their own budget and will not necessarily reflect the professional opinions of Complex Solutions.

What happens during the Site Visit?

The Site Visit was conducted of the common areas as reported by client. There may be certain areas that are not located inside the community but still a part of the association's common area. This may include drainage easements or landscaped areas located outside of the community, such as across a street. It is the responsibility of the Association to inform us of all common area locations. From our site visit we identified those common area components that we have determined require reserve funding. Based on information provided by the client, client's vendors, and our assessment of the components we have developed a component list and life and cost estimates.

What is the Financial Analysis?

We projected the starting balance by taking the most recent balance statement, adding expected reserve contributions for the rest of the fiscal year, and subtracting any pending projects that will be paid for before the end of the current fiscal year. We compared this number to the ideal reserve balance and arrived at the percent funded level.

Measures of strength are as follows:

Percent Funded: The percentage of the current reserve fund balance versus the Fully Funded Balance. A “snap-shot” indicator of the general strength of the account at the time of report preparation. Because many variables affect the Fully Funded balance it is more important to maintain the recommended reserve contribution or “cash flow” moving forward rather than striving to attain a certain Fully Funded figure.

0% - 30% Funded is generally considered to be a “weak” financial position. Associations that fall into this category are subject to higher frequencies of special assessments and deferred maintenance, which could lead to lower property values. Furthermore, should components fail sooner than expected our recommendations may not be enough to get the community into a better financial position. In this case additional actions beyond our initial recommendations may be necessary to improve the financial strength of the reserve fund.

31% - 69% Funded is generally considered a “fair” financial position. The majority of associations fall into this category. While this doesn't represent financial strength and stability, the likelihood of special assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the reserve fund.

70% - 99% Funded is generally considered a “strong” financial position. This indicates financial strength of a reserve fund and every attempt to maintain this level should be a goal of the association.

100% Funded is considered an “ideal” financial position. This means that the association theoretically has the exact amount of funds in the reserve account.

100%+ Funded is considered over-funded. This means that the association has more reserve funds than the



theoretically ideal amount.

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.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the inspection. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the inspection. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property.

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

We have assumed any and all components have been properly built and will reach normal, typical life expectancies. In general 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.

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 common area 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 interest 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	60
Fiscal Year End	12/31
Budgeted Monthly Reserve Allocation	\$9,019
Projected Starting Reserve Balance	\$201,816
Ideal Starting Reserve Balance	\$436,077

Economic Assumptions

Current Inflation Rate	3.75%
Reported After-Tax Interest Rate	0.50%

Current Reserve Status

Current Balance as a % of Ideal Balance	46%
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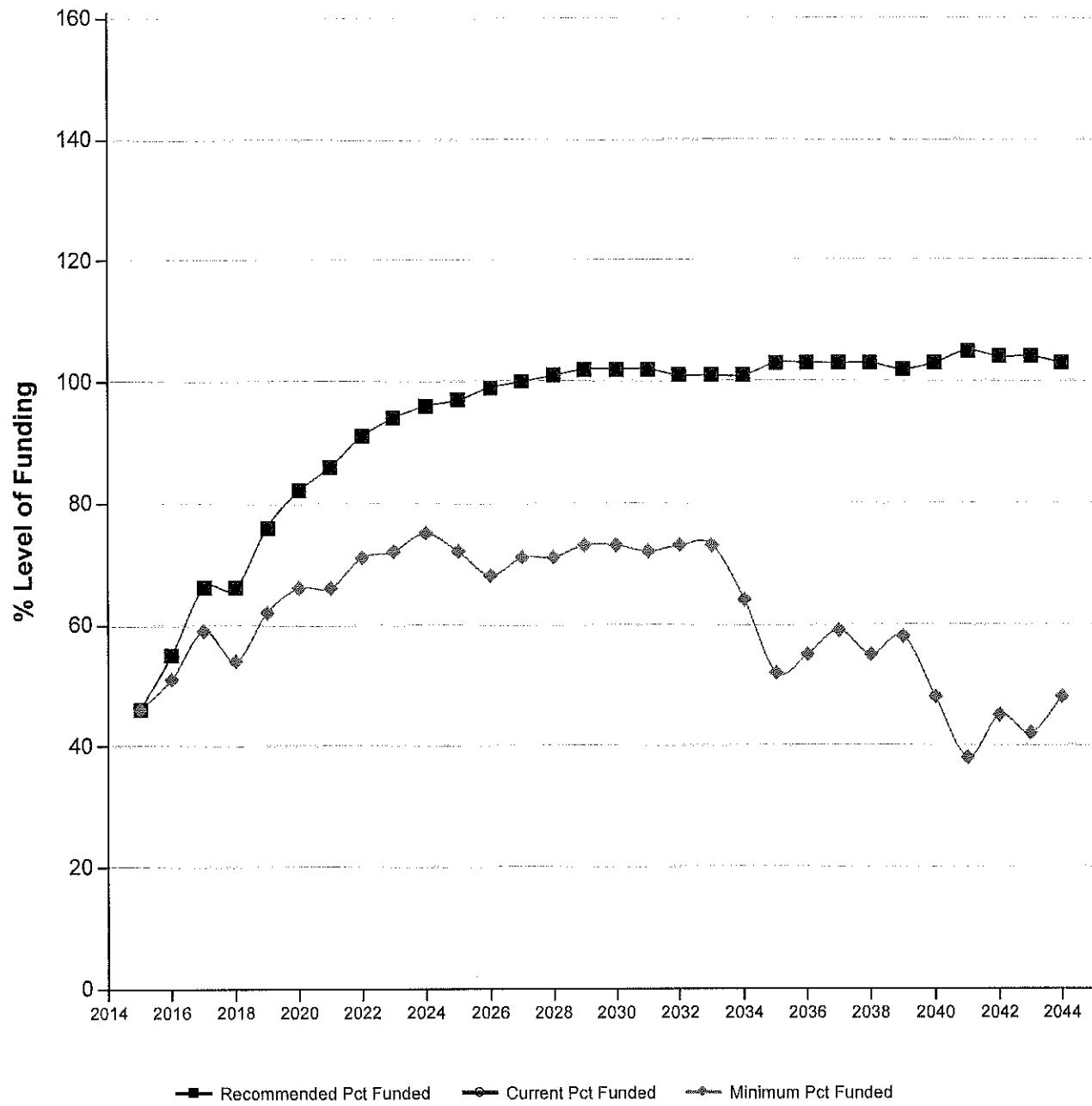
Recommendations

Recommended Special Assessment	\$0
Recommended Monthly Reserve Allocation	\$9,019
Per Unit	\$150.31
Future Annual Increases	2.00%
For number of years:	11
Increases thereafter:	3.00%
Minimum Recommended Monthly Reserve Allocation	\$7,500
Per Unit	\$125.00
Future Annual Increases	2.00%
For number of years:	11
Increases thereafter:	3.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$0 0%
Minimum Recommended Increase to Reserve Allocation as Percentage	(\$1,519) -17%

Percent Funded - Graph



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
Buildings								
101	Garage Roofs - Replace (I)	15	7	Approx 4,900 Sq.ft.	\$28,788	\$15,353	\$0	\$266.78
101	Garage Roofs - Replace (II)	15	10	Approx 18,200 Sq.ft.	\$106,925	\$35,642	\$0	\$990.89
106	Pitched Roof - Tile - Replace (2007)	25	18	(7) Buildings/Approx 52,150 Sq.ft.	\$247,713	\$69,360	\$0	\$1,377.35
106	Pitched Roof - Tile - Replace (2008)	25	19	(2) Buildings/Approx 14,900 Sq.ft.	\$70,775	\$16,986	\$0	\$393.53
106	Pitched Roof - Tile - Replace (2011)	25	22	(1) Building/Approx 7,450 Sq.ft.	\$35,388	\$4,247	\$0	\$196.76
120	Rain Gutters/Downspouts - Replace	25	5	Approx 3,860 Linear ft.	\$23,165	\$18,532	\$0	\$128.80
201	Stucco Surfaces - Repaint	10	9	(60) Units	\$112,500	\$11,250	\$0	\$1,563.83
202	Doors - Repaint	5	4	(60) Units	\$18,000	\$3,600	\$0	\$500.43
502	Garage Doors - Replace (New)	15	12	(15) Garage Doors	\$12,000	\$2,400	\$0	\$111.21
502	Garage Doors - Replace (Old)	15	0	(45) Garage Doors	\$36,000	\$36,000	\$36,000	\$333.62
503	Utility Doors - Replace	25	2	(60) Utility Doors	\$30,000	\$27,600	\$27,600	\$166.81
603	Elastomeric Deck - Reseal	5	2	Approx 300 Sq.ft.	\$3,900	\$2,340	\$2,340	\$108.43
604	Elastomeric Deck - Resurface	20	2	Approx 300 Sq.ft.	\$8,250	\$7,425	\$7,425	\$57.34
890	Address Signs - Replace	N/A	0	(60) Signs	\$0	\$0	\$0	\$0.00
1602	Exterior Wall Mount Lights - Replace	N/A	0	Numerous Fixtures	\$0	\$0	\$0	\$0.00
2101	Termite Treatment - Perform	5	0	(10) Buildings	\$17,500	\$17,500	\$17,500	\$486.53
Subtotals:					\$750,903	\$268,234	\$90,865	\$6,682
Common area								
207	Wrought Iron Fencing - Repaint	4	3	Approx 335 Linear ft.	\$3,015	\$754	\$0	\$104.78
209	Wood Fencing/Gates - Repaint	4	3	Approx 1,000 Sq.ft.	\$1,050	\$263	\$0	\$36.49
401	Asphalt - Major Rehab	25	24	Approx 38,860 Sq.ft.	\$126,288	\$5,052	\$0	\$702.19
402	Asphalt - Seal	5	0	Approx 38,860 Sq.ft.	\$6,788	\$6,788	\$6,788	\$188.70
405	Stamped Concrete - Repair/Replace	25	5	Approx 2,985 Sq.ft.	\$27,975	\$22,380	\$0	\$155.55
601	Concrete Surfaces - Repair	10	5	Extensive Sq.ft.	\$10,000	\$5,000	\$0	\$139.01
801	Monument Signs - Replace	15	2	(3) Wood Signs	\$3,500	\$3,033	\$3,033	\$32.43
803	Mailboxes - Replace	18	1	(60) Mailboxes	\$7,500	\$7,083	\$7,083	\$57.92
1001	Wood Fencing/Gates - Replace	15	7	Approx 100 Linear ft.	\$7,000	\$3,733	\$0	\$64.87
1002	Wrought Iron Fencing - Replace	20	4	Approx 335 Linear ft.	\$15,075	\$12,060	\$0	\$104.78
1604	Pole Lights - Replace	25	2	(19) Pole Light Fixtures	\$21,375	\$19,665	\$19,665	\$118.85
1703	Irrigation Time Clocks - Replace	10	4	(2) Time Clocks	\$3,500	\$2,100	\$0	\$48.65
1812	Landscaping - Renovate	10	2	Moderate Sq.ft.	\$22,500	\$18,000	\$18,000	\$312.77



ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
Common area								
2001	Drainage Issue - Parking Garage Water Intrusion	9999	2	Unknown	\$50,000	\$49,990	\$45,039	\$0.70
				Subtotals:	\$305,565	\$155,900	\$99,608	\$2,068
Pool area								
1101	Pool - Resurface	12	2	(1) Pool	\$9,000	\$7,500	\$7,500	\$104.26
1104	Pool Heater - Replace	10	8	(1) Heater	\$3,000	\$600	\$0	\$41.70
1107	Pool Filter - Replace	12	0	(1) Pentair Sand Filter	\$1,250	\$1,250	\$1,250	\$14.48
1110	Pool Pump - Replace	7	2	(1) Pump	\$900	\$643	\$643	\$17.87
1121	Pool Furniture - Replace	5	2	(14) Items	\$3,250	\$1,950	\$1,950	\$90.35
				Subtotals:	\$17,400	\$11,943	\$11,343	\$269
				Grand Total:	\$1,073,868	\$436,077	\$201,816	\$9,019

Current Fund Balance as a percentage of Ideal Balance: 46%



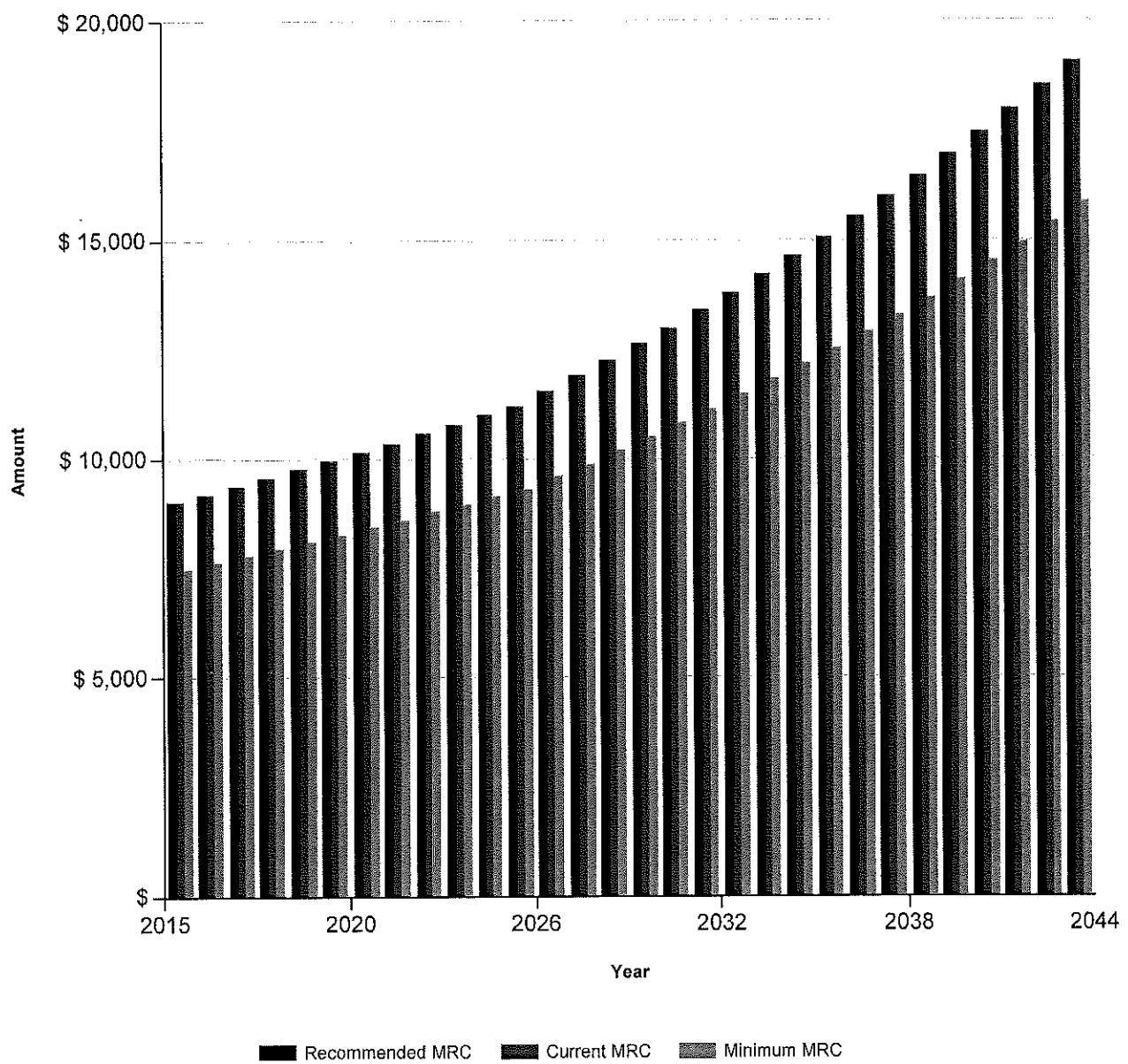
Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2015	\$436,077	\$201,816	46%	\$108,224	\$1,128	\$61,538	\$249,631
2016	\$455,897	\$249,631	55%	\$110,388	\$1,508	\$7,781	\$353,746
2017	\$534,756	\$353,746	66%	\$112,596	\$1,643	\$164,340	\$303,645
2018	\$456,761	\$303,645	66%	\$114,848	\$1,798	\$4,540	\$415,751
2019	\$544,352	\$415,751	76%	\$117,145	\$2,271	\$42,378	\$492,789
2020	\$598,790	\$492,789	82%	\$119,488	\$2,512	\$102,692	\$512,096
2021	\$595,617	\$512,096	86%	\$121,878	\$2,872	\$0	\$636,846
2022	\$701,902	\$636,846	91%	\$124,315	\$3,351	\$60,819	\$703,693
2023	\$752,222	\$703,693	94%	\$126,801	\$3,834	\$4,027	\$830,301
2024	\$866,616	\$830,301	96%	\$129,337	\$4,027	\$183,016	\$780,649
2025	\$802,989	\$780,649	97%	\$131,924	\$3,768	\$189,608	\$726,733
2026	\$733,651	\$726,733	99%	\$134,563	\$3,964	\$6,094	\$859,166
2027	\$855,757	\$859,166	100%	\$138,600	\$4,486	\$66,729	\$935,522
2028	\$923,317	\$935,522	101%	\$142,758	\$5,046	\$0	\$1,083,325
2029	\$1,066,569	\$1,083,325	102%	\$147,040	\$5,670	\$51,066	\$1,184,969
2030	\$1,166,284	\$1,184,969	102%	\$151,452	\$5,994	\$129,157	\$1,213,258
2031	\$1,192,946	\$1,213,258	102%	\$155,995	\$6,467	\$1,622	\$1,374,098
2032	\$1,357,310	\$1,374,098	101%	\$160,675	\$7,239	\$19,913	\$1,522,099
2033	\$1,513,410	\$1,522,099	101%	\$165,495	\$6,824	\$486,364	\$1,208,053
2034	\$1,196,140	\$1,208,053	101%	\$170,460	\$5,408	\$428,378	\$955,543
2035	\$932,030	\$955,543	103%	\$175,574	\$5,102	\$50,716	\$1,085,502
2036	\$1,054,921	\$1,085,502	103%	\$180,641	\$5,893	\$0	\$1,272,236
2037	\$1,240,309	\$1,272,236	103%	\$186,266	\$6,228	\$245,168	\$1,219,563
2038	\$1,183,757	\$1,219,563	103%	\$191,854	\$6,564	\$11,578	\$1,406,402
2039	\$1,373,105	\$1,406,402	102%	\$197,610	\$6,548	\$397,060	\$1,213,501
2040	\$1,175,504	\$1,213,501	103%	\$203,538	\$5,703	\$354,467	\$1,068,275
2041	\$1,020,790	\$1,068,275	105%	\$209,644	\$5,820	\$23,439	\$1,260,301
2042	\$1,210,053	\$1,260,301	104%	\$215,934	\$6,352	\$201,539	\$1,281,047
2043	\$1,228,207	\$1,281,047	104%	\$222,412	\$6,956	\$8,410	\$1,502,005
2044	\$1,454,234	\$1,502,005	103%	\$229,084	\$7,150	\$379,547	\$1,358,692



Reserve Contributions - Graph

Monthly Reserve Contributions



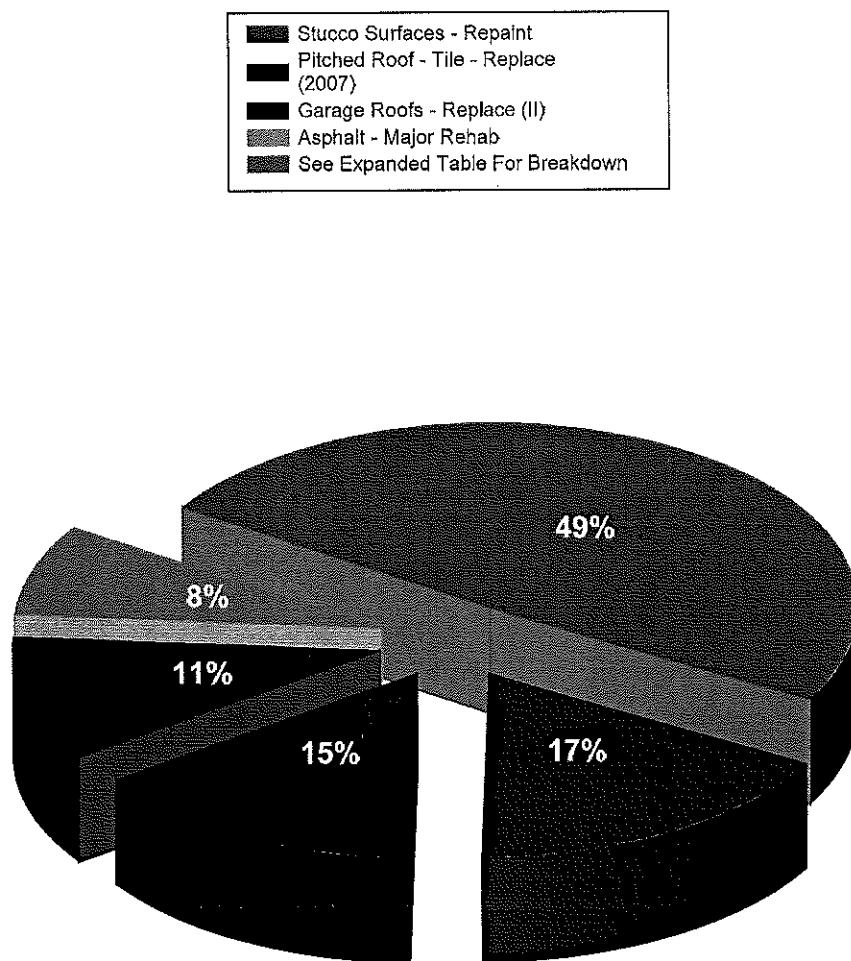
Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL)	
					AS \$	AS %
Buildings						
101	Garage Roofs - Replace (I)	15	7	\$28,788	\$1,919	2.9600%
101	Garage Roofs - Replace (II)	15	10	\$106,925	\$7,128	10.9900%
106	Pitched Roof - Tile - Replace (2007)	25	18	\$247,713	\$9,909	15.2700%
106	Pitched Roof - Tile - Replace (2008)	25	19	\$70,775	\$2,831	4.3600%
106	Pitched Roof - Tile - Replace (2011)	25	22	\$35,388	\$1,416	2.1800%
120	Rain Gutters/Downspouts - Replace	25	5	\$23,165	\$927	1.4300%
201	Stucco Surfaces - Repaint	10	9	\$112,500	\$11,250	17.3400%
202	Doors - Repaint	5	4	\$18,000	\$3,600	5.5500%
502	Garage Doors - Replace (New)	15	12	\$12,000	\$800	1.2300%
502	Garage Doors - Replace (Old)	15	0	\$36,000	\$2,400	3.7000%
503	Utility Doors - Replace	25	2	\$30,000	\$1,200	1.8500%
603	Elastomeric Deck - Reseal	5	2	\$3,900	\$780	1.2000%
604	Elastomeric Deck - Resurface	20	2	\$8,250	\$413	0.6400%
890	Address Signs - Replace	Unfunded	0	\$0	\$0	0.0000%
1602	Exterior Wall Mount Lights - Replace	Unfunded	0	\$0	\$0	0.0000%
2101	Termite Treatment - Perform	5	0	\$17,500	\$3,500	5.3900%
Common area						
207	Wrought Iron Fencing - Repaint	4	3	\$3,015	\$754	1.1600%
209	Wood Fencing/Gates - Repaint	4	3	\$1,050	\$263	0.4000%
401	Asphalt - Major Rehab	25	24	\$126,288	\$5,052	7.7900%
402	Asphalt - Seal	5	0	\$6,788	\$1,358	2.0900%
405	Stamped Concrete - Repair/Replace	25	5	\$27,975	\$1,119	1.7200%
601	Concrete Surfaces - Repair	10	5	\$10,000	\$1,000	1.5400%
801	Monument Signs - Replace	15	2	\$3,500	\$233	0.3600%
803	Mailboxes - Replace	18	1	\$7,500	\$417	0.6400%
1001	Wood Fencing/Gates - Replace	15	7	\$7,000	\$467	0.7200%
1002	Wrought Iron Fencing - Replace	20	4	\$15,075	\$754	1.1600%
1604	Pole Lights - Replace	25	2	\$21,375	\$855	1.3200%
1703	Irrigation Time Clocks - Replace	10	4	\$3,500	\$350	0.5400%
1812	Landscaping - Renovate	10	2	\$22,500	\$2,250	3.4700%
2001	Drainage Issue - Parking Garage Water Intrusion	9999	2	\$50,000	\$5	0.0100%
Pool area						
1101	Pool - Resurface	12	2	\$9,000	\$750	1.1600%



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL)	
					AS \$	AS %
Pool area						
1104	Pool Heater - Replace	10	8	\$3,000	\$300	0.4600%
1107	Pool Filter - Replace	12	0	\$1,250	\$104	0.1600%
1110	Pool Pump - Replace	7	2	\$900	\$129	0.2000%
1121	Pool Furniture - Replace	5	2	\$3,250	\$650	1.0000%

Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL)	
					AS \$	AS %
201	Stucco Surfaces - Repaint	10	9	\$112,500	\$11,250	17%
106	Pitched Roof - Tile - Replace (2007)	25	18	\$247,713	\$9,909	15%
101	Garage Roofs - Replace (II)	15	10	\$106,925	\$7,128	11%
401	Asphalt - Major Rehab	25	24	\$126,288	\$5,052	8%
All Other	See Expanded Table For Breakdown				\$31,541	49%

Yearly Cash Flow

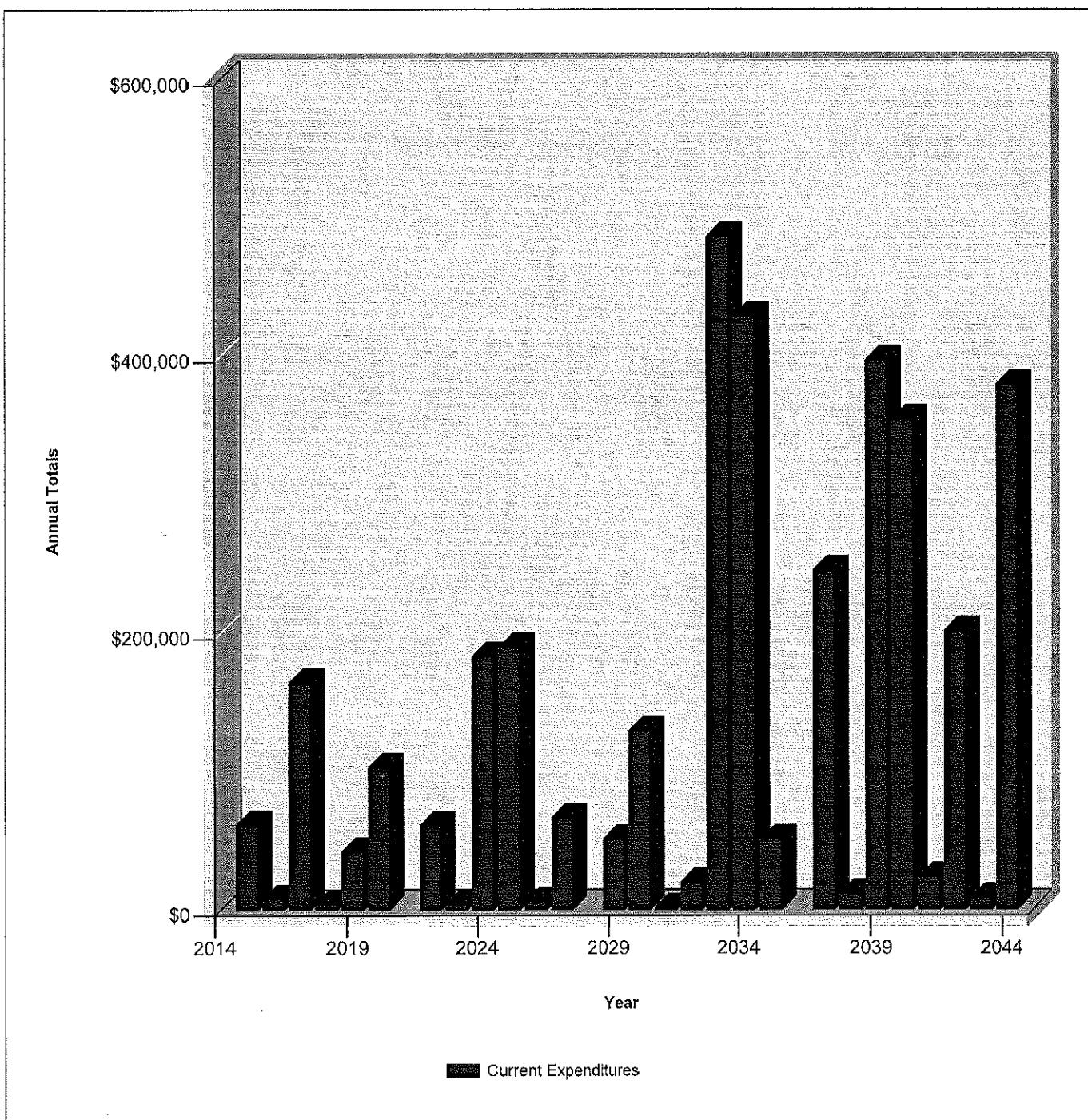
Year	2015	2016	2017	2018	2019
Starting Balance	\$201,816	\$249,631	\$353,746	\$303,645	\$415,751
<i>Reserve Income</i>	\$108,224	\$110,388	\$112,596	\$114,848	\$117,145
<i>Interest Earnings</i>	\$1,128	\$1,508	\$1,643	\$1,798	\$2,271
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$311,168	\$361,527	\$467,985	\$420,291	\$535,167
Reserve Expenditures	\$61,538	\$7,781	\$164,340	\$4,540	\$42,378
Ending Balance	\$249,631	\$353,746	\$303,645	\$415,751	\$492,789
Year	2020	2021	2022	2023	2024
Starting Balance	\$492,789	\$512,096	\$636,846	\$703,693	\$830,301
<i>Reserve Income</i>	\$119,488	\$121,878	\$124,315	\$126,801	\$129,337
<i>Interest Earnings</i>	\$2,512	\$2,872	\$3,351	\$3,834	\$4,027
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$614,789	\$636,846	\$764,511	\$834,328	\$963,665
Reserve Expenditures	\$102,692	\$0	\$60,819	\$4,027	\$183,016
Ending Balance	\$512,096	\$636,846	\$703,693	\$830,301	\$780,649
Year	2025	2026	2027	2028	2029
Starting Balance	\$780,649	\$726,733	\$859,166	\$935,522	\$1,083,325
<i>Reserve Income</i>	\$131,924	\$134,563	\$138,600	\$142,758	\$147,040
<i>Interest Earnings</i>	\$3,768	\$3,964	\$4,486	\$5,046	\$5,670
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$916,341	\$865,260	\$1,002,251	\$1,083,325	\$1,236,035
Reserve Expenditures	\$189,608	\$6,094	\$66,729	\$0	\$51,066
Ending Balance	\$726,733	\$859,166	\$935,522	\$1,083,325	\$1,184,969
Year	2030	2031	2032	2033	2034
Starting Balance	\$1,184,969	\$1,213,258	\$1,374,098	\$1,522,099	\$1,208,053
<i>Reserve Income</i>	\$151,452	\$155,995	\$160,675	\$165,495	\$170,460
<i>Interest Earnings</i>	\$5,994	\$6,467	\$7,239	\$6,824	\$5,408
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,342,415	\$1,375,720	\$1,542,012	\$1,694,418	\$1,383,921
Reserve Expenditures	\$129,157	\$1,622	\$19,913	\$486,364	\$428,378
Ending Balance	\$1,213,258	\$1,374,098	\$1,522,099	\$1,208,053	\$955,543



Year	2035	2036	2037	2038	2039
Starting Balance	\$955,543	\$1,085,502	\$1,272,236	\$1,219,563	\$1,406,402
<i>Reserve Income</i>	\$175,574	\$180,841	\$186,266	\$191,854	\$197,610
<i>Interest Earnings</i>	\$5,102	\$5,893	\$6,228	\$6,564	\$6,548
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,136,218	\$1,272,236	\$1,464,731	\$1,417,981	\$1,610,561
Reserve Expenditures	\$50,716	\$0	\$245,168	\$11,578	\$397,060
Ending Balance	\$1,085,502	\$1,272,236	\$1,219,563	\$1,406,402	\$1,213,501
Year	2040	2041	2042	2043	2044
Starting Balance	\$1,213,501	\$1,068,275	\$1,260,301	\$1,281,047	\$1,502,005
<i>Reserve Income</i>	\$203,538	\$209,644	\$215,934	\$222,412	\$229,084
<i>Interest Earnings</i>	\$5,703	\$5,820	\$6,352	\$6,956	\$7,150
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,422,742	\$1,283,739	\$1,482,586	\$1,510,415	\$1,738,239
Reserve Expenditures	\$354,467	\$23,439	\$201,539	\$8,410	\$379,547
Ending Balance	\$1,068,275	\$1,260,301	\$1,281,047	\$1,502,005	\$1,358,692



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2015	Common area	402	Asphalt - Seal	\$6,788	
	Buildings	502	Garage Doors - Replace (Old)	\$36,000	
	Pool area	1107	Pool Filter - Replace	\$1,250	
	Buildings	2101	Termite Treatment - Perform	\$17,500	\$61,538
2016	Common area	803	Mailboxes - Replace	\$7,781	\$7,781
2017	Buildings	503	Utility Doors - Replace	\$32,292	
	Buildings	603	Elastomeric Deck - Reseal	\$4,198	
	Buildings	604	Elastomeric Deck - Resurface	\$8,880	
	Common area	801	Monument Signs - Replace	\$3,767	
	Pool area	1101	Pool - Resurface	\$9,688	
	Pool area	1110	Pool Pump - Replace	\$969	
	Pool area	1121	Pool Furniture - Replace	\$3,498	
	Common area	1604	Pole Lights - Replace	\$23,008	
	Common area	1812	Landscaping - Renovate	\$24,219	
	Common area	2001	Drainage Issue - Parking Garage Water Intrusion	\$53,820	\$164,340
2018	Common area	207	Wrought Iron Fencing - Repaint	\$3,367	
	Common area	209	Wood Fencing/Gates - Repaint	\$1,173	\$4,540
2019	Buildings	202	Doors - Repaint	\$20,856	
	Common area	1002	Wrought Iron Fencing - Replace	\$17,467	
	Common area	1703	Irrigation Time Clocks - Replace	\$4,055	\$42,378
2020	Buildings	120	Rain Gutters/Downspouts - Replace	\$27,847	
	Common area	402	Asphalt - Seal	\$8,159	
	Common area	405	Stamped Concrete - Repair/Replace	\$33,629	
	Common area	601	Concrete Surfaces - Repair	\$12,021	
	Buildings	2101	Termite Treatment - Perform	\$21,037	\$102,692
2021			No Expenditures Projected	\$0	\$0
2022	Buildings	101	Garage Roofs - Replace (l)	\$37,250	
	Common area	207	Wrought Iron Fencing - Repaint	\$3,901	
	Common area	209	Wood Fencing/Gates - Repaint	\$1,359	
	Buildings	603	Elastomeric Deck - Reseal	\$5,046	
	Common area	1001	Wood Fencing/Gates - Replace	\$9,058	

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2022	Pool area	1121	Pool Furniture - Replace	\$4,205	\$60,819
2023	Pool area	1104	Pool Heater - Replace	\$4,027	\$4,027
2024	Buildings	201	Stucco Surfaces - Repaint	\$156,691	
	Buildings	202	Doors - Repaint	\$25,071	
	Pool area	1110	Pool Pump - Replace	\$1,254	\$183,016
2025	Buildings	101	Garage Roofs - Replace (II)	\$154,511	
	Common area	402	Asphalt - Seal	\$9,808	
	Buildings	2101	Termite Treatment - Perform	\$25,288	\$189,608
2026	Common area	207	Wrought Iron Fencing - Repaint	\$4,520	
	Common area	209	Wood Fencing/Gates - Repaint	\$1,574	\$6,094
2027	Buildings	502	Garage Doors - Replace (New)	\$18,665	
	Buildings	603	Elastomeric Deck - Reseal	\$6,066	
	Pool area	1107	Pool Filter - Replace	\$1,944	
	Pool area	1121	Pool Furniture - Replace	\$5,055	
	Common area	1812	Landscaping - Renovate	\$34,998	\$66,729
2028			No Expenditures Projected	\$0	\$0
2029	Buildings	202	Doors - Repaint	\$30,137	
	Pool area	1101	Pool - Resurface	\$15,069	
	Common area	1703	Irrigation Time Clocks - Replace	\$5,860	\$51,066
2030	Common area	207	Wrought Iron Fencing - Repaint	\$5,237	
	Common area	209	Wood Fencing/Gates - Repaint	\$1,824	
	Common area	402	Asphalt - Seal	\$11,790	
	Buildings	502	Garage Doors - Replace (Old)	\$62,535	
	Common area	601	Concrete Surfaces - Repair	\$17,371	
	Buildings	2101	Termite Treatment - Perform	\$30,399	\$129,157
2031	Pool area	1110	Pool Pump - Replace	\$1,622	\$1,622
2032	Buildings	603	Elastomeric Deck - Reseal	\$7,292	
	Common area	801	Monument Signs - Replace	\$6,544	
	Pool area	1121	Pool Furniture - Replace	\$6,077	\$19,913
2033	Buildings	106	Pitched Roof - Tile - Replace (2007)	\$480,545	
	Pool area	1104	Pool Heater - Replace	\$5,820	\$486,364



Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2034	Buildings	106	Pitched Roof - Tile - Replace (2008)	\$142,447	
	Buildings	201	Stucco Surfaces - Repaint	\$226,426	
	Buildings	202	Doors - Repaint	\$36,228	
	Common area	207	Wrought Iron Fencing - Repaint	\$6,068	
	Common area	209	Wood Fencing/Gates - Repaint	\$2,113	
	Common area	803	Mailboxes - Replace	\$15,095	\$428,378
2035	Common area	402	Asphalt - Seal	\$14,173	
	Buildings	2101	Termite Treatment - Perform	\$36,543	\$50,716
2036			No Expenditures Projected	\$0	\$0
2037	Buildings	101	Garage Roofs - Replace (I)	\$64,706	
	Buildings	106	Pitched Roof - Tile - Replace (2011)	\$79,540	
	Buildings	603	Elastomeric Deck - Reseal	\$8,766	
	Buildings	604	Elastomeric Deck - Resurface	\$18,544	
	Common area	1001	Wood Fencing/Gates - Replace	\$15,734	
	Pool area	1121	Pool Furniture - Replace	\$7,305	
	Common area	1812	Landscaping - Renovate	\$50,573	\$245,168
2038	Common area	207	Wrought Iron Fencing - Repaint	\$7,031	
	Common area	209	Wood Fencing/Gates - Repaint	\$2,449	
	Pool area	1110	Pool Pump - Replace	\$2,099	\$11,578
2039	Buildings	202	Doors - Repaint	\$43,550	
	Common area	401	Asphalt - Major Rehab	\$305,545	
	Common area	1002	Wrought Iron Fencing - Replace	\$36,473	
	Pool area	1107	Pool Filter - Replace	\$3,024	
	Common area	1703	Irrigation Time Clocks - Replace	\$8,468	\$397,060
2040	Buildings	101	Garage Roofs - Replace (II)	\$268,400	
	Common area	402	Asphalt - Seal	\$17,038	
	Common area	601	Concrete Surfaces - Repair	\$25,102	
	Buildings	2101	Termite Treatment - Perform	\$43,928	\$354,467
2041	Pool area	1101	Pool - Resurface	\$23,439	\$23,439
2042	Common area	207	Wrought Iron Fencing - Repaint	\$8,146	
	Common area	209	Wood Fencing/Gates - Repaint	\$2,837	
	Buildings	502	Garage Doors - Replace (New)	\$32,424	
	Buildings	503	Utility Doors - Replace	\$81,059	
	Buildings	603	Elastomeric Deck - Reseal	\$10,538	



Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2042	Pool area	1121	Pool Furniture - Replace	\$8,781	
	Common area	1604	Pole Lights - Replace	\$57,754	\$201,539
2043	Pool area	1104	Pool Heater - Replace	\$8,410	\$8,410
2044	Buildings	201	Stucco Surfaces - Repaint	\$327,196	
	Buildings	202	Doors - Repaint	\$52,351	\$379,547
2045	Buildings	120	Rain Gutters/Downspouts - Replace	\$69,900	
	Common area	402	Asphalt - Seal	\$20,481	
	Common area	405	Stamped Concrete - Repair/Replace	\$84,414	
	Buildings	502	Garage Doors - Replace (Old)	\$108,629	
	Pool area	1110	Pool Pump - Replace	\$2,716	
	Buildings	2101	Termite Treatment - Perform	\$52,806	\$338,945



Component Evaluation

Comp # 101 Garage Roofs - Replace (I)

Subgroup: Buildings

Location: Garage roofs

Quantity: Approx 4,900 Sq.ft.

Life Expectancy: 15 Remaining Life: 7

Best Cost: \$26,950.00

\$5.50/Sq.ft.; Estimate to replace roof

Worst Cost: \$30,625.00

\$6.25/Sq.ft.; Higher estimate for more labor

Source of Information: CSL Cost Database

General Notes:

Unit garage buildings:

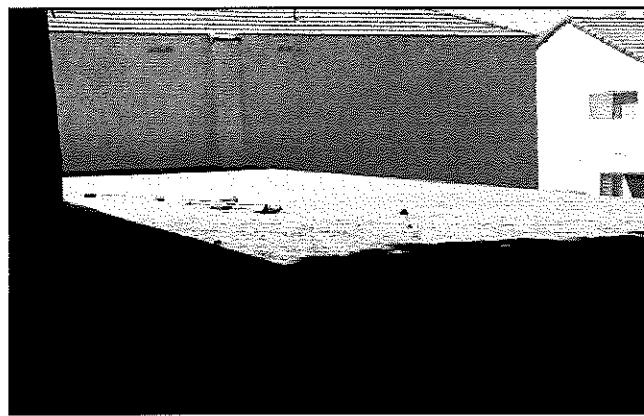
4816 - 4830

4828 - 4850

4944 - 4956

Observations:

It was reported that these roofs were replaced in 2007. These roofs should generally experience a useful life of approximately 15 to 20 years. Remaining life based on current age.



Component Evaluation

Comp # 101 Garage Roofs - Replace (II)

Subgroup: Buildings

Location: See general notes

Quantity: Approx 18,200 Sq.ft.

Life Expectancy: 15 **Remaining Life:** 10

Best Cost: \$100,100.00
\$5.50/Sq.ft.; Estimate to replace roof

Worst Cost: \$113,750.00
\$6.25/Sq.ft.; Higher estimate for more labor

Source of Information: CSL Cost Database

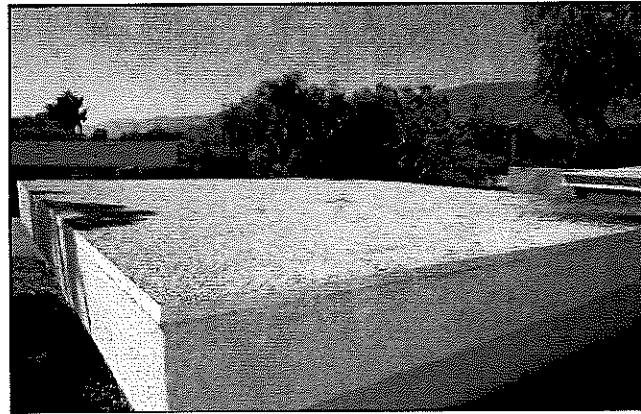
General Notes:

Unit garage buildings:

4808 - 4812
4800 - 4814
4840 - 4852
4834 - 4836
4846 - 4864
4874 - 4886
4884 - 4914
4922 - 4924
4930 - 4946
4900 - 4906

Observations:

These roofs were replaced in between 2009 and 2010 and are in good condition. No evidence of leaks noted or reported during the site visit. Expect to replace these roofs approximately every 15 to 20 years.



Component Evaluation

Comp # 106 Pitched Roof - Tile - Replace (2007)

Subgroup: Buildings

Location: See general notes

Quantity: (7) Buildings/Approx 52,150 Sq.ft.

Life Expectancy: 25 **Remaining Life:** 18

Best Cost: \$234,675.00
\$4.50/Sq.ft.; Estimate to replace underlayment

Worst Cost: \$260,750.00
\$5.00/Sq.ft.; Higher estimate for more tile replacement

Source of Information: CSL Cost Database

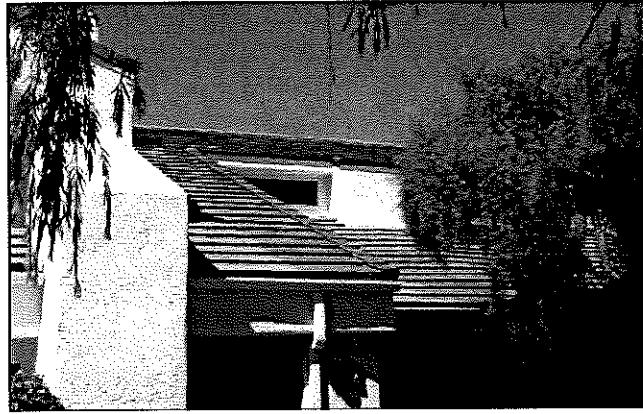
General Notes:

Unit buildings:

4832 - 4838
4840 - 4858
4860 - 4874
4880 - 4886
4900 - 4914
4920 - 4924
4930 - 4932

Observations:

No problems noted or reported with the tiles roofs. Client reported that the tile roofs were replaced in phases. This line item represents the 7 buildings that were replaced in 2007. Remaining life based on current age.



Component Evaluation

Comp # 106 Pitched Roof - Tile - Replace (2008)

Subgroup: Buildings

Location: See general notes

Quantity: (2) Buildings/Approx 14,900 Sq.ft.

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

Best Cost: \$67,050.00
\$4.50/Sq.ft.; Estimate to replace underlayment

Worst Cost: \$74,500.00
\$5.00/Sq.ft.; Higher estimate for more tile replacement

Source of Information: CSL Cost Database

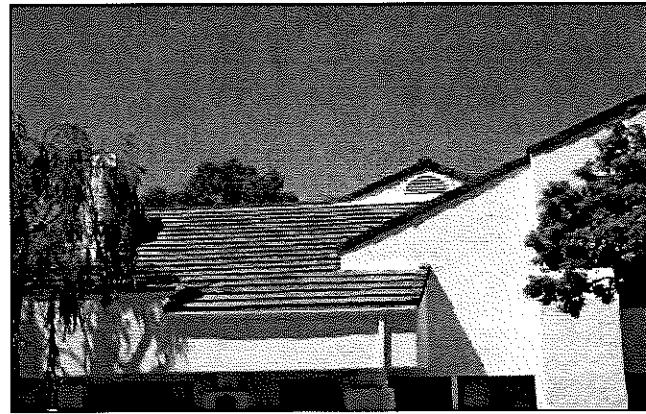
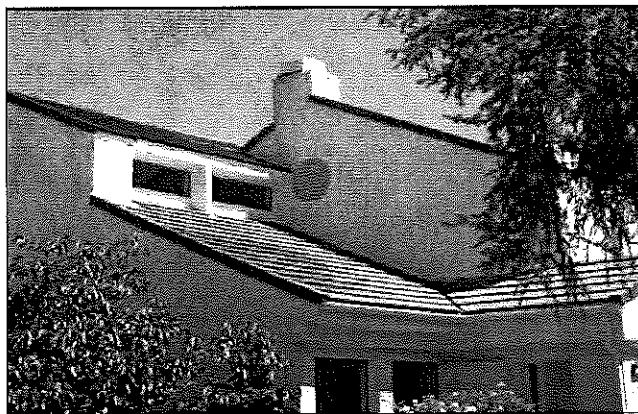
General Notes:

Unit buildings:

4816 - 4830
4940 - 4956

Observations:

No problems noted or reported with the tiles roofs. Client reported that these roofs were replaced in phases. This line item represents the 2 buildings that were replaced in 2008. Remaining life based on current age.



Component Evaluation

Comp # 106 Pitched Roof - Tile - Replace (2011)

Subgroup: Buildings

Location: Unit buildings 4800 - 4814

Quantity: (1) Building/Approx 7,450 Sq.ft.

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

Best Cost: \$33,525.00

\$4.50/Sq.ft.; Estimate to replace underlayment

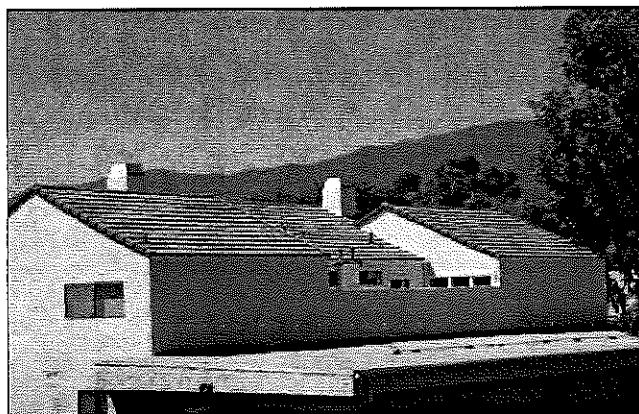
Worst Cost: \$37,250.00

\$5.00/Sq.ft.; Higher estimate for more tile replacement

Source of Information: CSL Cost Database

Observations:

No problems noted or reported with the tiles roofs. Client reported that the tile roofs were replaced in phases. This line item represents the 1 building that was replaced in 2011. Remaining life based on current age.



Component Evaluation

Comp # 120 Rain Gutters/Downspouts - Replace

Subgroup: Buildings

Location: Buildings

Quantity: Approx 3,860 Linear ft.

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

Best Cost: \$21,230.00

\$5.50/Linear ft.; Estimate to replace

Worst Cost: \$25,100.00

\$6.50/Linear ft.; Higher estimate to replace

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

Residential Buildings:

Approx 1,380 Linear ft. - Gutters

Approx 1,200 Linear ft. - Downspouts

Garages:

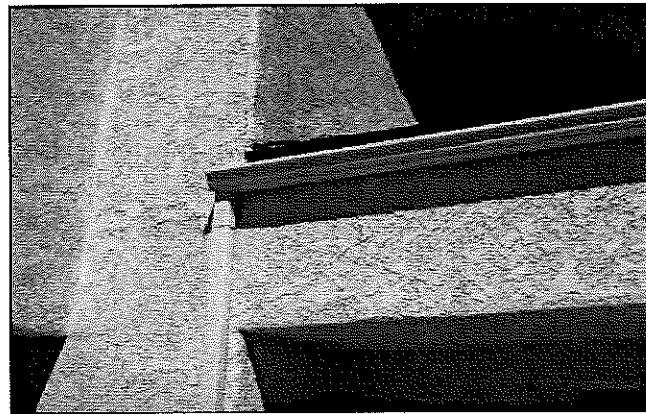
Approx 1,100 Linear ft. - Gutters

Approx 180 Linear ft. - Downspouts

3,860 Linear ft. - Total

Observations:

No problems noted at the time of our site visit. We recommend funding to replace these gutters and downspouts approximately every 25 to 30 years.



Component Evaluation

Comp # 201 Stucco Surfaces - Repaint

Subgroup: Buildings

Location: Buildings

Quantity: (60) Units

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

Best Cost: \$105,000.00

Estimate to repaint stucco surfaces

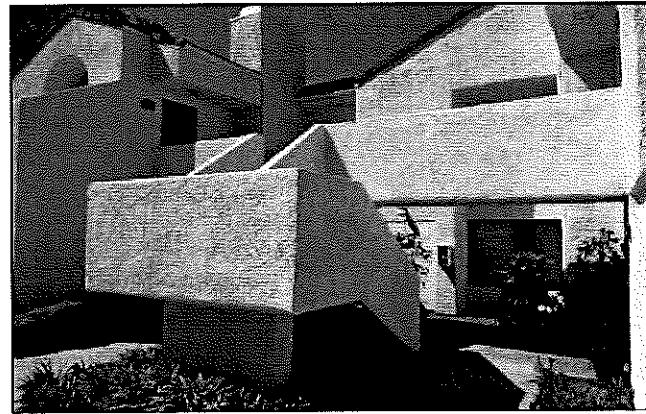
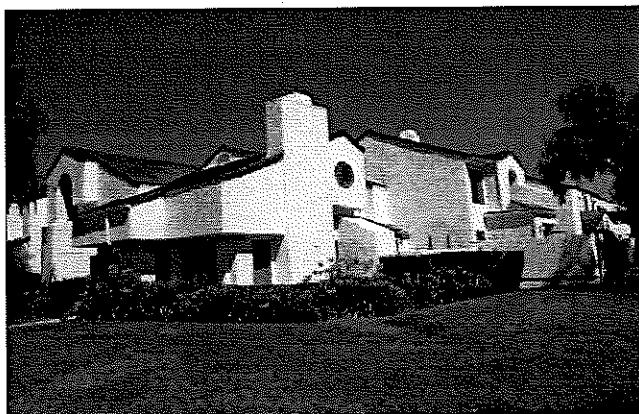
Worst Cost: \$120,000.00

Higher estimate for more prep. Costs

Source of Information: Actual Cost History

Observations:

Client reports the building exterior surfaces were repainted in 2014. No problems noted during the site visit. These surfaces should generally be repainted approximately every 10 years. Remaining life based on current condition.



Component Evaluation

Comp # 202 Doors - Repaint

Subgroup: Buildings

Location: Front doors, utility, etc.

Quantity: (60) Units

Life Expectancy: 5 **Remaining Life:** 4

Best Cost: \$15,000.00

\$250/Unit; Estimate to repaint

Worst Cost: \$21,000.00

\$350/Unit; Higher estimate for more prep costs

Source of Information: Actual Cost History

Observations:

It was reported that these surfaces were repainted at the same time as the stucco surfaces in 2014. No problems or appearance concerns noted. We recommend funding to repaint these surfaces approximately every 5 years. Remaining life based on current condition.



Component Evaluation

Comp # 207 Wrought Iron Fencing - Repaint

Subgroup: Common area

Location: Common area

Quantity: Approx 335 Linear ft.

Life Expectancy: 4 **Remaining Life:** 3

Best Cost: \$2,680.00

\$8.00/Linear ft.; Estimate to repaint iron fence

Worst Cost: \$3,350.00

\$10.00/Linear ft; Higher estimate for additional prep work

Source of Information: CSL Cost Database

Observations:

Client reported that the wrought iron surfaces were recently painted. We recommend funding to repaint these surfaces approximately every 4 to 5 years.



Component Evaluation

Comp # 209 Wood Fencing/Gates - Repaint

Subgroup: Common area

Location: Common area

Quantity: Approx 1,000 Sq.ft.

Life Expectancy: 4 **Remaining Life:** 3

Best Cost: \$950.00

\$.95/Sq.ft.; Estimate to repaint fence

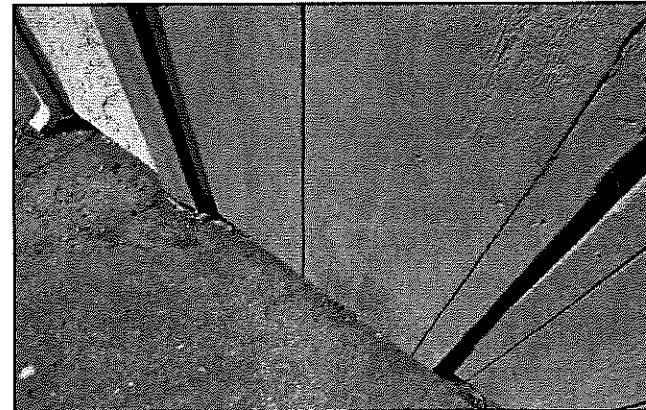
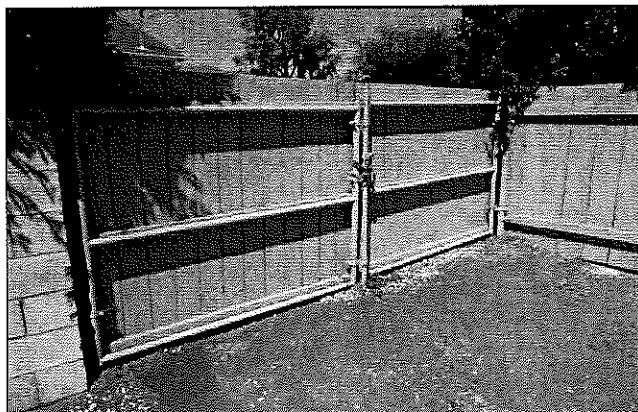
Worst Cost: \$1,150.00

\$1.15/Sq.ft.; Higher estimate for more prep cost

Source of Information: CSL Cost Database

Observations:

The painted wood surfaces are in good condition. No problems or significant appearance concerns noted at the time of the site visit. Client reported these surfaces were repainted in 2014. This fencing should typically be repainted approximately every 3 to 5 years to maintain appearance and protect the wood surfaces.



Component Evaluation

Comp # 401 Asphalt - Major Rehab

Subgroup: Common area

Location: Community streets

Quantity: Approx 38,860 Sq.ft.

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

Best Cost: \$116,575.00
\$3.25/Sq.ft.; Estimate to repair

Worst Cost: \$136,000.00
\$3.75/Sq.ft.; Higher estimate

Source of Information: GPM

Observations:

The client reports that the asphalt surfaces will be replaced prior to this reporting period (Will be completed late FY2014). For purposes of this report we have assumed the surfaces have been replaced and are in good condition. We recommend funding to perform a similar project approximately every 25 to 30 years. Maintain seal coat schedule to ensure a full life (see Comp# 402 Asphalt - Preventative Maintenance).



Component Evaluation

Comp # 402 Asphalt - Seal

Subgroup: Common area

Location: Community streets

Quantity: Approx 38,860 Sq.ft.

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

Best Cost: \$5,825.00

\$0.15/Sq.ft.; Estimate for slurry seal

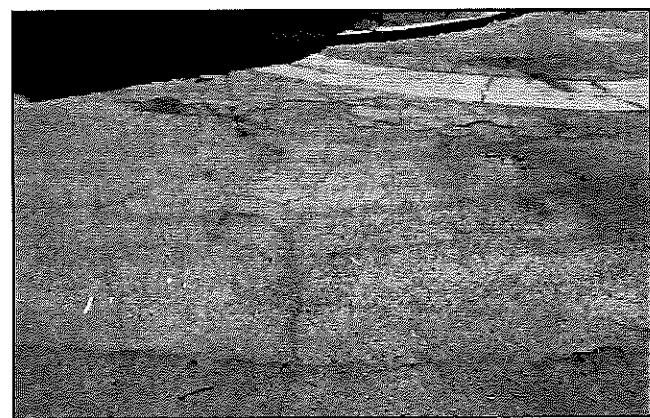
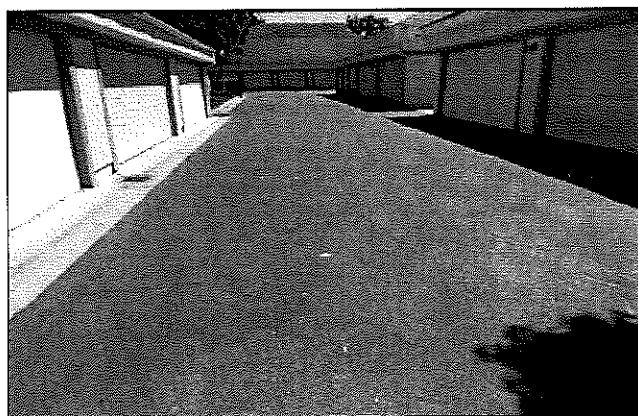
Worst Cost: \$7,750.00

\$0.20/Sq.ft.; Higher estimate for local repairs

Source of Information: GPM

Observations:

Client reports the asphalt surfaces will be replaced prior to this reporting period. GPM recommends applying the first seal coat approximately 1 year after the major rehab.



Component Evaluation

Comp # 405 Stamped Concrete - Repair/Replace

Subgroup: Common area

Location: Common area

Quantity: Approx 2,985 Sq.ft.

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

Best Cost: \$26,100.00
\$8.75/Sq.ft.; Estimate to repair approx

Worst Cost: \$29,850.00
\$10.00/Sq.ft.; Higher estimate for more repairs

Source of Information:

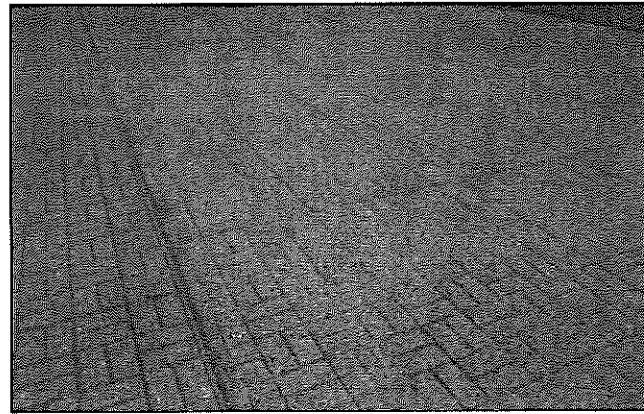
General Notes:

Quantity breakdown:

2,240 Sq.ft. - Turnaround area
485 Sq.ft. - East entrance
260 Sq.ft. - West entrance

Observations:

The client reported that a portion of the concrete surfaces will be removed during the asphalt replacement. Noted surface loss to the concrete surfaces although no structural problems noted. We recommend funding to replace this concrete in the next five years based on current condition.



Component Evaluation

Comp # 502 Garage Doors - Replace (New)

Subgroup: Buildings

Location: Garage buildings

Quantity: (15) Garage Doors

Life Expectancy: 15 **Remaining Life:** 12

Best Cost: \$10,500.00

\$700/Door; Estimate to replace doors

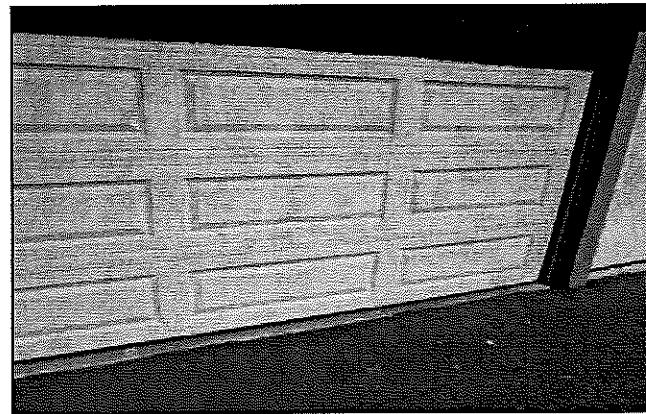
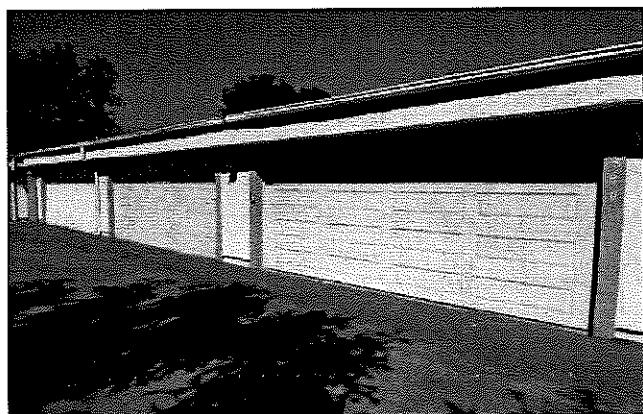
Worst Cost: \$13,500.00

\$900/Door; Higher estimate for better quality

Source of Information: CSL Cost Database

Observations:

Client reports these doors were repalced in the last 3 years. We recommend funding to replace the garage doors approximately every 15 years. Remaining life based on average age.



Component Evaluation

Comp # 502 Garage Doors - Replace (Old)

Subgroup: Buildings

Location: Garage buildings

Quantity: (45) Garage Doors

Life Expectancy: 15 **Remaining Life:** 0

Best Cost: \$31,500.00
\$700/Door; Estimate to replace doors

Worst Cost: \$40,500.00
\$900/Door; Higher estimate for better quality

Source of Information: CSL Cost Database

General Notes:

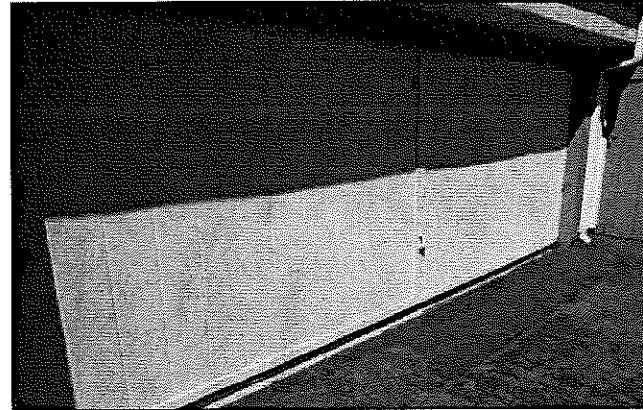
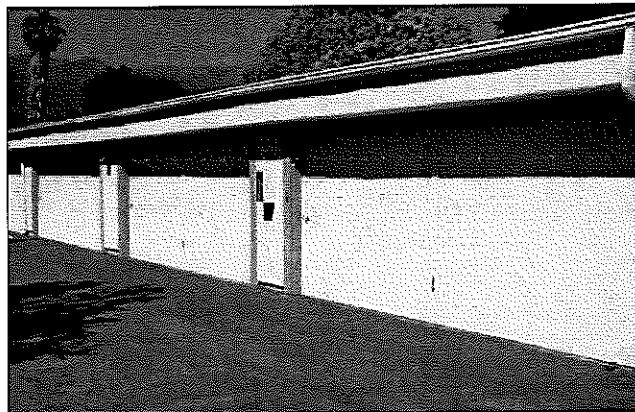
Quantity breakdown:

(29) 20' Doors
(16) 10' Doors

(45) Doors - Total

Observations:

The age and condition of the garage doors generally varies. Noted local damage and deterioration to some of these doors. We recommend replacing the remaining wood doors this fiscal year (FY2015) based on current age and condition. Expect to completely replace these doors approximately every 15 to 20 years.



Component Evaluation

Comp # 503 Utility Doors - Replace

Subgroup: Buildings

Location: Buildings

Quantity: (60) Utility Doors

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

Best Cost: \$27,000.00

\$450/Door; Estimate to replace

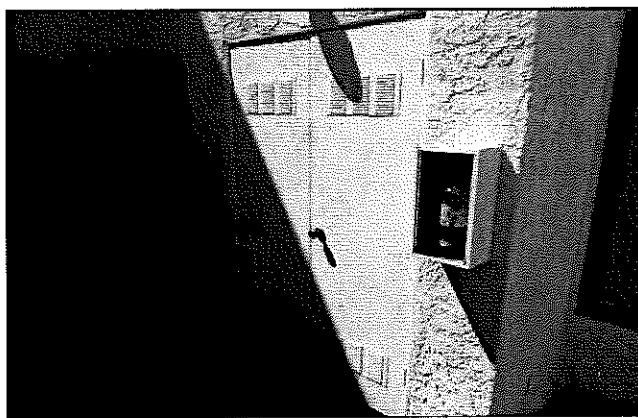
Worst Cost: \$33,000.00

\$550/Door; Higher estimate for more installation costs

Source of Information: CSL Cost Database

Observations:

No significant rust or deterioration noted with the utility doors. These doors should typically experience a useful life of approximately 25 years. Expect to replace these doors approximately every 25 years. Remaining life based on current age and condition.



Component Evaluation

Comp # 601 Concrete Surfaces - Repair

Subgroup: Common area

Location: Common area

Quantity: Extensive Sq.ft.

Life Expectancy: 10 **Remaining Life:** 5

Best Cost: \$8,000.00

Allowance to make repairs

Worst Cost: \$12,000.00

Higher allowance to make more repairs

Source of Information: CSL Cost Database

Observations:

Concrete is generally in good condition. No significant cracking or structural problems noted at the time of inspection. No expectation to completely replace the concrete surfaces. We recommend making local repairs as necessary as an operating expense and funding to make more significant repairs approximately every 10 years.



Component Evaluation

Comp # 603 Elastomeric Deck - Reseal

Subgroup: Buildings

Location: (3) common walkways

Quantity: Approx 300 Sq.ft.

Life Expectancy: 5 **Remaining Life:** 2

Best Cost: \$3,300.00

\$11.00/Sq.ft.; Estimate to resurface

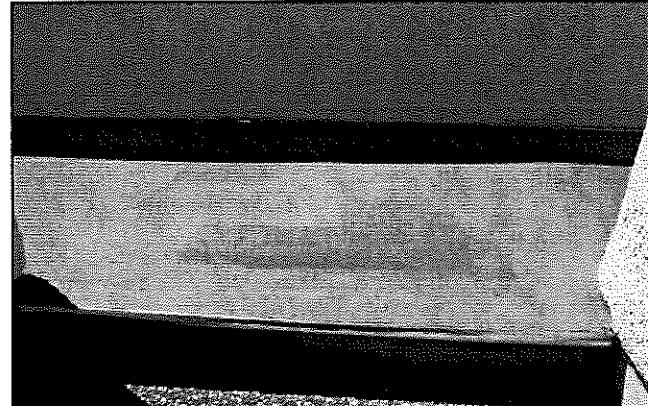
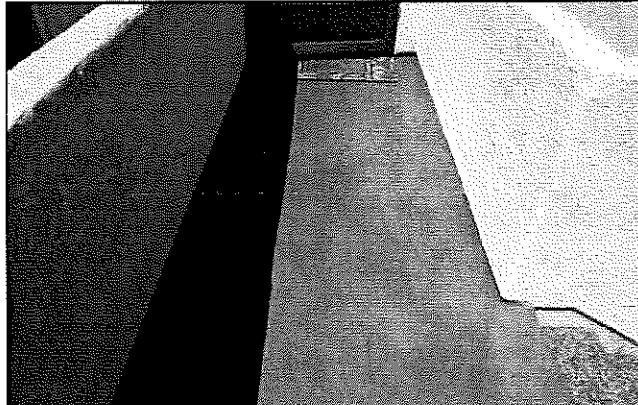
Worst Cost: \$4,500.00

\$15.00/Sq.ft.; Higher estimate for more prep work

Source of Information: CSL Cost Database

Observations:

The decks surfaces are typically in fair condition. Seal these decks approximately every 5 years to protect deck surface and prevent premature deck resurface (see Comp# 604 Elastomeric Deck - Resurface). Remaining life is based on current age.



Component Evaluation

Comp # 604 Elastomeric Deck - Resurface

Subgroup: Buildings

Location: (3) common walkways

Quantity: Approx 300 Sq.ft.

Life Expectancy: 20 **Remaining Life:** 2

Best Cost: \$7,500.00

\$25.00/Sq.ft.; Estimate to resurface

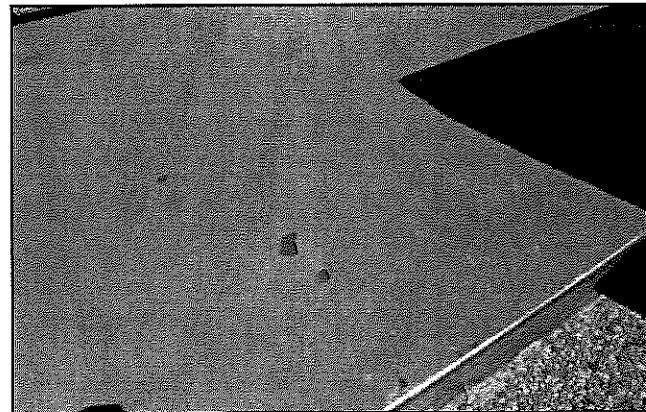
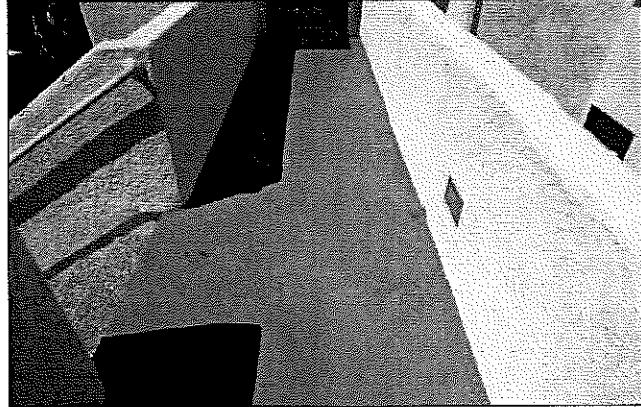
Worst Cost: \$9,000.00

\$30.00/Sq.ft.; Higher estimate for more prep work

Source of Information: CSL Cost Database

Observations:

The deck surfaces are in fair condition. We recommend funding to resurface these decks approximately every 15 to 20 years to prevent water intrusion and maintain appearance. Seal decks regularly (see Comp# 605 Elastomeric Decks - Reseal) to ensure full life from deck surfaces. Remaining life based on current condition.



Component Evaluation

Comp # 801 Monument Signs - Replace

Subgroup: Common area

Location: Entrance to community

Quantity: (3) Wood Signs

Life Expectancy: 15 **Remaining Life:** 2

Best Cost: \$3,000.00

Estimate to replace signs

Worst Cost: \$4,000.00

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

(2) Large signs

(1) Small sign

(3) Signs - Total

Observations:

No problems or significant appearance concerns noted with the monument signs. We recommend funding to replace these monuments approximately every 15 years to maintain appearance and keep up with current decorative tastes. Repaint these signs when necessary as an operating expense. Remaining life based on current condition.



Component Evaluation

Comp # 803 Mailboxes - Replace

Subgroup: Common area

Location: Common area

Quantity: (60) Mailboxes

Life Expectancy: 18 **Remaining Life:** 1

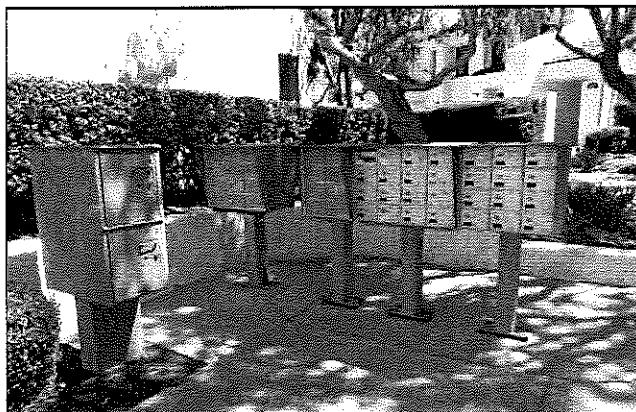
Best Cost: \$6,000.00
Estimate to replace

Worst Cost: \$9,000.00
Higher estimate

Source of Information: CSL Cost Database

Observations:

The mailboxes are older although generally in fair condition. No broken boxes or significant marking observed. These mailboxes should generally be replaced approximately every 18 years to maintain appearance and ensure proper function. Expect to replace these boxes in the next two years based on current age and condition.



Component Evaluation

Comp # 890 Address Signs - Replace

Subgroup: Buildings

Location: Buildings

Quantity: (60) Signs

Life Expectancy: N/A **Remaining Life:** 0

Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information: Provided by client

Observations:

It was reported that these signs are replaced when necessary as an operating expense. No reserve funding necessary.



Component Evaluation

Comp # 1001 Wood Fencing/Gates - Replace

Subgroup: Common area

Location: Common area

Quantity: Approx 100 Linear ft.

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

Best Cost: \$6,000.00

Estimate to replace

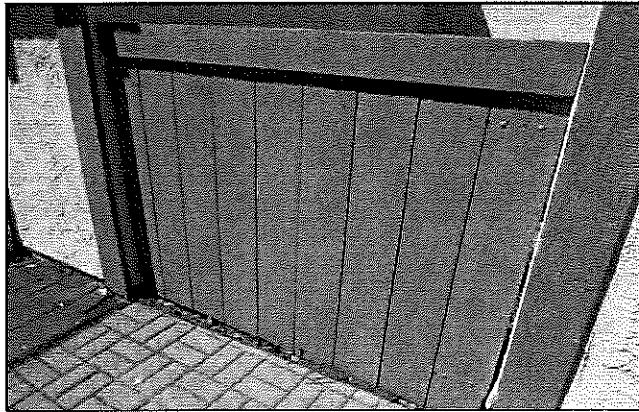
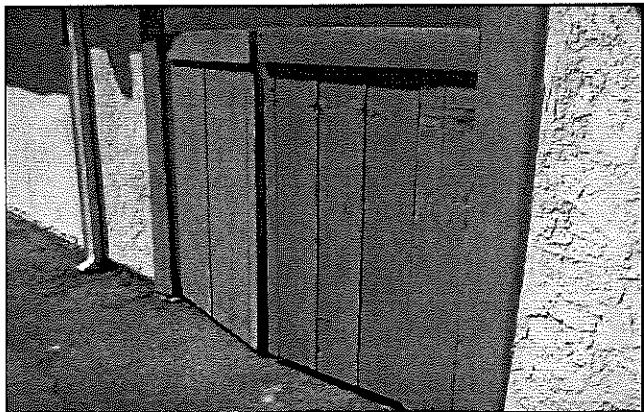
Worst Cost: \$8,000.00

Higher estimate

Source of Information: CSL Cost Database

Observations:

Client reported that repairs have been made to the wood fencing and gates in recent years. No significant deterioration or structural problems noted. We recommend funding to replace this component approximately every 15 years to maintain appearance and function. We have adjusted the remaining life based on the recent repairs.



Component Evaluation

Comp # 1002 Wrought Iron Fencing - Replace

Subgroup: Common area

Location: Common area

Quantity: Approx 335 Linear ft.

Life Expectancy: 20 **Remaining Life:** 4

Best Cost: \$13,400.00

\$40/Linear ft.; Estimate to replace fence

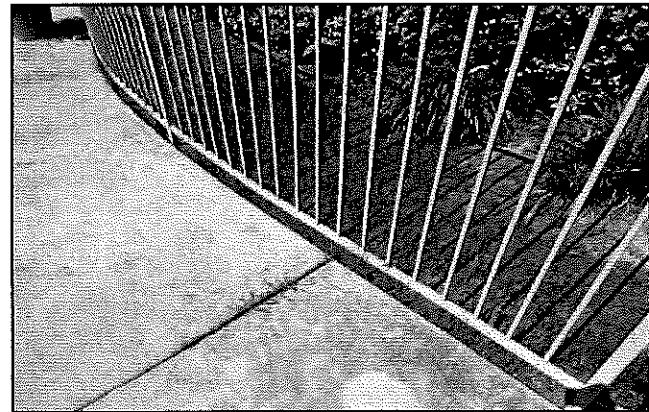
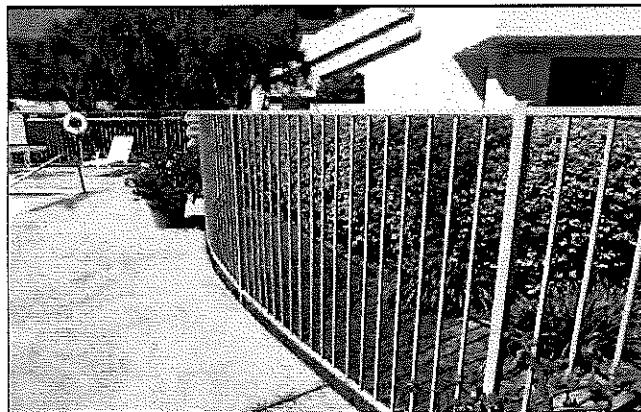
Worst Cost: \$16,750.00

\$50/Linear ft.; Higher estimate for more labor

Source of Information: CSL Cost Database

Observations:

The wrought iron fencing is typically in fair condition. Noted moderate rusting to fencing supports in local areas. This fencing should generally experience a useful life of approximately 20 to 25 years with regular painting and periodic maintenance. Remaining life based on current condition.



Component Evaluation

Comp # 1101 Pool - Resurface

Subgroup: Pool area

Location: Pool area

Quantity: (1) Pool

Life Expectancy: 12 **Remaining Life:** 2

Best Cost: \$8,000.00

Estimate to replaster pool

Worst Cost: \$10,000.00

Higher estimate for local repairs

Source of Information: Pool Masters

Observations:

Pool Masters reports the pool surfaces is older although in fair condition. No discoloration or surfaces loss noted or reported. We recommend funding to resurface this pool approximately every 10 to 12 years depending on use and wear. Remaining life based on reported condition.



Component Evaluation

Comp # 1104 Pool Heater - Replace

Subgroup: Pool area

Location: Pool equipment area

Quantity: (1) Heater

Life Expectancy: 10 **Remaining Life:** 8

Best Cost: \$2,750.00

Estimate to replace pool heater

Worst Cost: \$3,250.00

Higher estimate for more installation costs

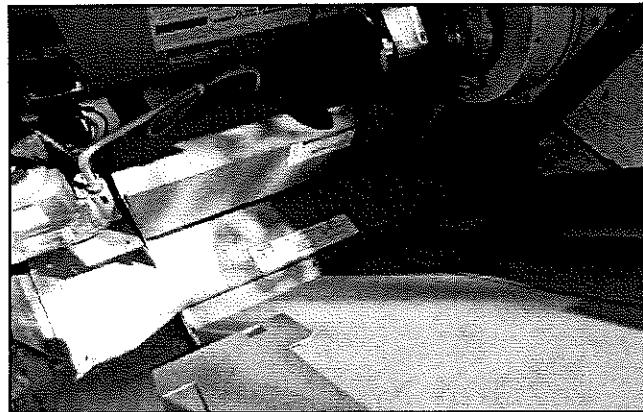
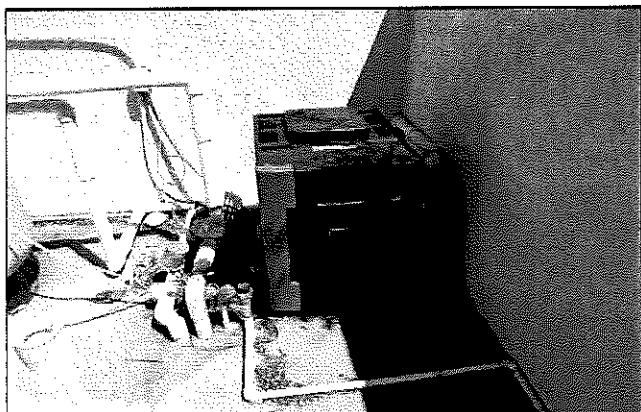
Source of Information: Pool Masters

General Notes:

Raypak Pool Heater
Mod# C-R267A-EN-C
Ser# 1304356415
266,000 BTU

Observations:

The client reported this heater was replaced in 2013. We recommend funding to replace this heater approximately every 10 years. Remaining life based on current age and condition.



Component Evaluation

Comp # 1107 Pool Filter - Replace

Subgroup: Pool area

Location: Pool equipment area

Quantity: (1) Pentair Sand Filter

Life Expectancy: 12 **Remaining Life:** 0

Best Cost: \$1,100.00

Estimate to replace filter

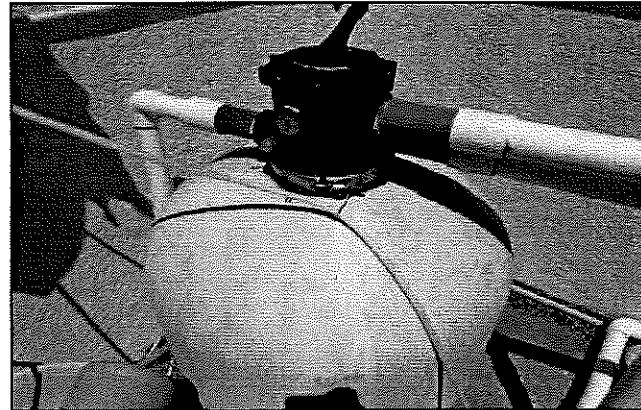
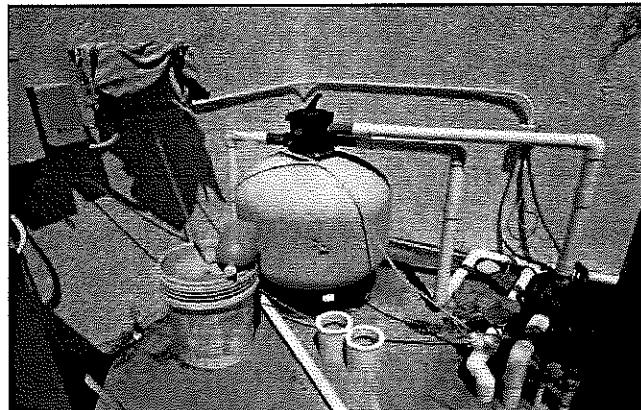
Worst Cost: \$1,400.00

Higher estimate for more installation costs

Source of Information: Pool Masters

Observations:

This filter has generally reached its intended useful life. Expect to replace this filter in the near future based on current age and condition. Once replaced expect a useful life of approximately 12 years from this component.



Component Evaluation

Comp # 1110 Pool Pump - Replace

Subgroup: Pool area

Location: Pool equipment area

Quantity: (1) Pump

Life Expectancy: 7 **Remaining Life:** 2

Best Cost: \$800.00

Estimate to replace pool pump

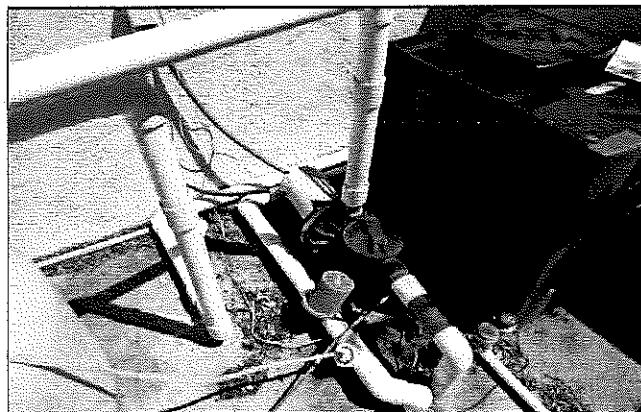
Worst Cost: \$1,000.00

Higher estimate for more installation cost

Source of Information: Pool Masters

Observations:

Pool Masters reports that the motor was recently replaced on this pump. We recommend funding to completely replace this pump approximately every 7 years. Expect to replace this pump in the next 2 years based on current age and condition.



Component Evaluation

Comp # 1121 Pool Furniture - Replace

Subgroup: Pool area

Location: Pool area

Quantity: (14) Items

Life Expectancy: 5 **Remaining Life:** 2

Best Cost: \$3,000.00

Allowance to make replacements

Worst Cost: \$3,500.00

Higher estimate for more replacements/better quality

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

(4) Lounges

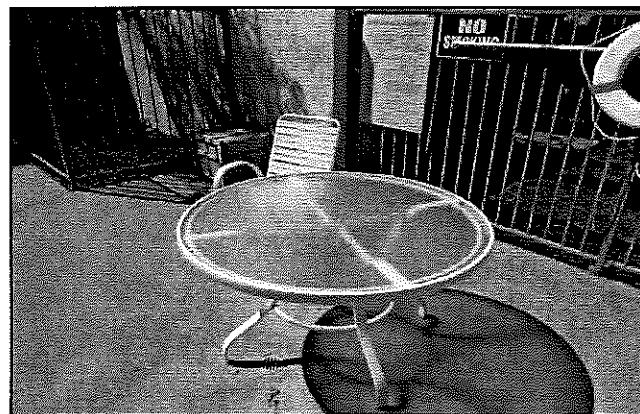
(8) Chairs

(2) Tables

(14) Total

Observations:

The pool furniture is in good condition. No broken pieces or evidence of sun damage noted during the site visit. We recommend funding for an allowance to replace this furniture approximately every 5 year. Remaining life based on current condition.



Component Evaluation

Comp # 1602 Exterior Wall Mount Lights - Replace

Subgroup: Buildings

Location: Buildings

Quantity: Numerous Fixtures

Life Expectancy: N/A **Remaining Life:** 0

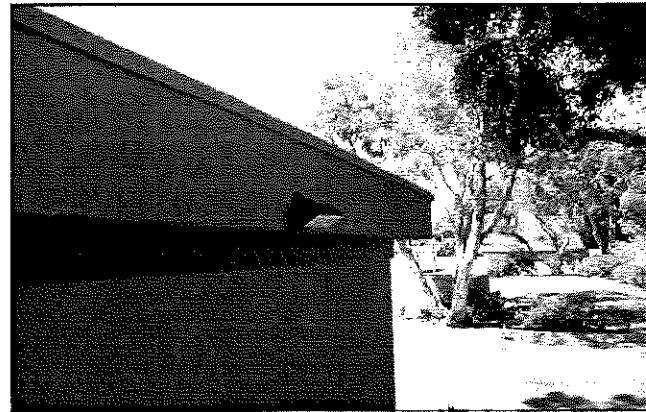
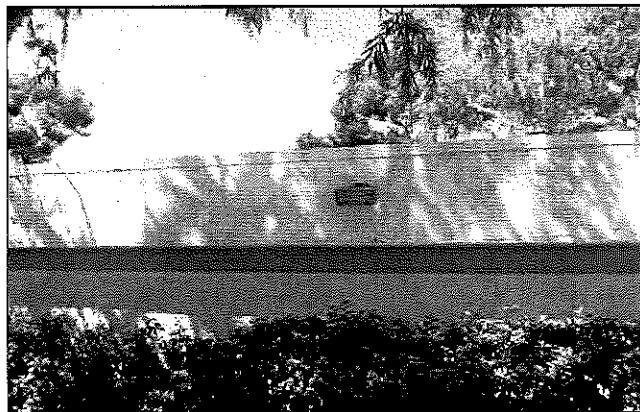
Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information:

Observations:

No problems noted with the exterior lights. Because these lights are not decorative there is no expectation to replace them all at one time. Replace individual lights when necessary as an operating expense.



Component Evaluation

Comp # 1604 Pole Lights - Replace

Subgroup: Common area

Location: Common area

Quantity: (19) Pole Light Fixtures

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

Best Cost: \$19,000.00

\$1,000/Fixture; Estimate to replace light fixtures

Worst Cost: \$23,750.00

\$1,250/Fixture; Higher estimate for more installation costs

Source of Information: CSL Cost Database

Observations:

Although functional these pole lights have typically exceeded their intended useful lives. Replacement should be expected in the near future based on current age and condition.



Component Evaluation

Comp # 1703 Irrigation Time Clocks - Replace

Subgroup: Common area

Location: Common area

Quantity: (2) Time Clocks

Life Expectancy: 10 **Remaining Life:** 4

Best Cost: \$3,000.00

\$1,500/Clock; Estimate to replace time clocks

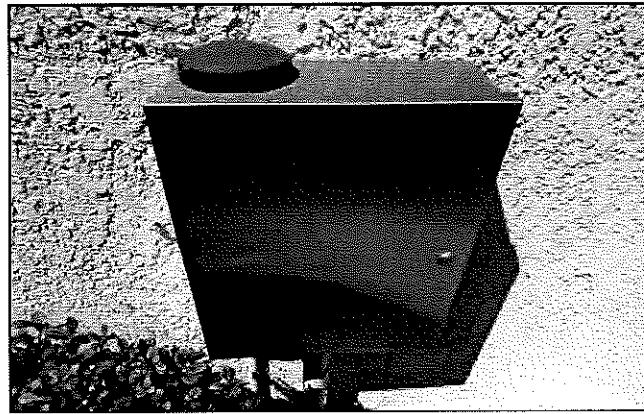
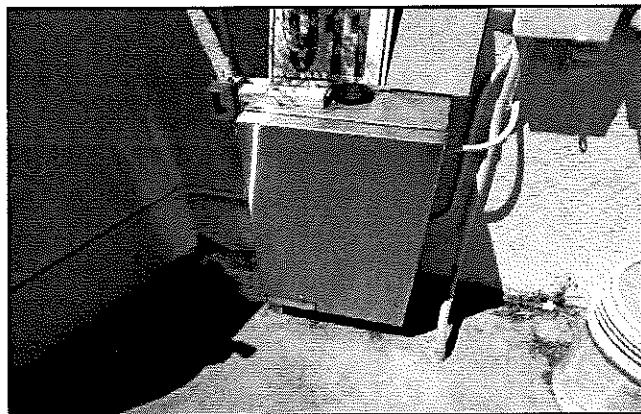
Worst Cost: \$4,000.00

\$2,000/Clock; Higher estimate for more installation costs

Source of Information: CSL Cost Database

Observations:

Unable to access the irrigation clocks at the time of the site visit. No problems reported with the these clocks. Expect to replace these clocks approximately 10 years.



Component Evaluation

Comp # 1812 Landscaping - Renovate

Subgroup: Common area

Location: Common area

Quantity: Moderate Sq.ft.

Life Expectancy: 10 **Remaining Life:** 2

Best Cost: \$20,000.00

Allowance to renovate landscaping

Worst Cost: \$25,000.00

Higher estimate for more extensive renovation

Source of Information: CSL Cost Database

Observations:

No appearance concerns noted with the landscaping during the site visit. No expectation to completely replace the landscaping. We recommend funding for an allowance to generally refurbish the landscaping and make upgrades to the irrigation system approximately every 10 years.



Component Evaluation

Comp # 2001 Drainage Issue - Parking Garage Water Intrusion

Subgroup: Common area

Location: Parking garages

Quantity: Unknown

Life Expectancy: 9999 **Remaining Life:** 2

Best Cost: \$45,000.00

Allowance to perform

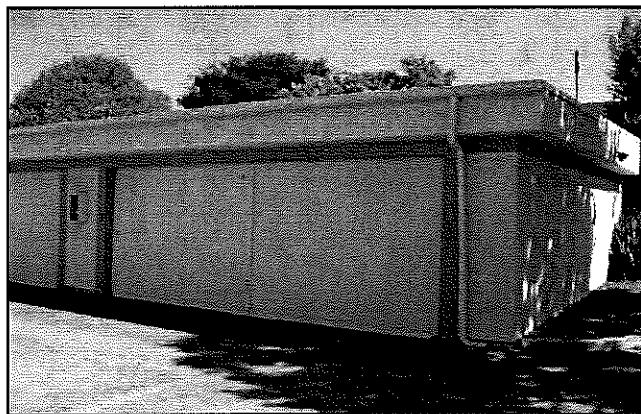
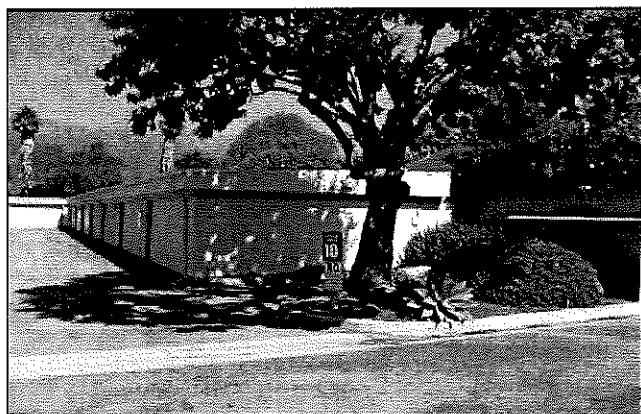
Worst Cost: \$55,000.00

Higher allowance

Source of Information: Provided by client

Observations:

Client reports that there is a drainage issue effecting several of the garages. Although this is not a typical reserve component client has directed us to fund for the performance of this project. The cost of this project is unknown and would require and engineering study to determine. We have funded for an allowance of approximately \$50,000 to perform this project at the clients request. Client should be aware that if the actual project cost comes in higher than the allowance then alternate funding (special assessment, bank loan, etc.) may be necessary. Remaining life provided by client.



Component Evaluation

Comp # 2101 Termite Treatment - Perform

Subgroup: Buildings

Location: At each building

Quantity: (10) Buildings

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

Best Cost: \$15,000.00

Allowance to perform

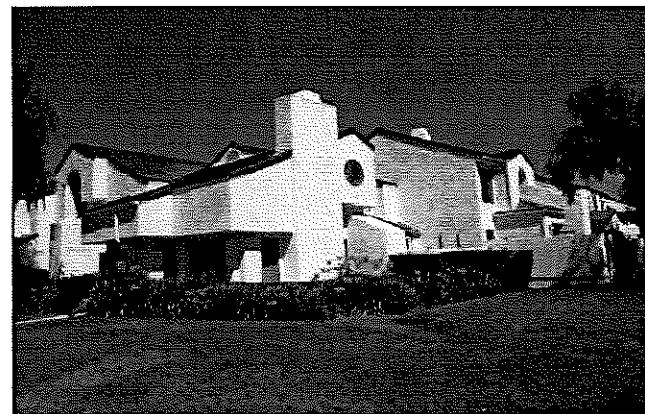
Worst Cost: \$20,000.00

Higher allowance

Source of Information: Actual Cost History

Observations:

Although the necessity for termite treatment is difficult to predict we recommend funding to spot treat the buildings annually and performing a more extensive treatment approximately every 5 years.



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.

$$\text{FFB} = \text{Current Cost} * \text{Effective Age} / \text{Useful Life}$$

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.

