



**2018
RESERVE STUDY
STEPHANIE TERRACE CONDOMINIUM OWNERS ASSOCIATION**

Beaverton, OR 97007
Financial Year 01.2019—12.2019
Level 3 | Reserve Study Update
06/28/18



A New Strategy for Reserve Funding.

Our reserve study approach is simple. We provide you with the insight needed to make fast, accurate and informed decisions. We focus on understanding your situation and providing funding solutions that are designed with your goals in mind. By focusing on the detail and the big picture we provide the information you need to best manage your reserve fund and annual contributions.

As a long-term capital budget plan, the reserve study identifies the current status of the reserve fund and whether contributions to the fund are adequate to address future needs. The report helps the Association make necessary decisions regarding the development of their reserve fund and establish expectations in relation to the timing and cost of significant repair and replacement projects.

The reserve study recommends funding through smaller monthly contributions rather than risking large, unanticipated special assessments. Regular and ongoing reserve contributions are favored over special assessment as they help distribute expenses equally between current and future owners, and establish a stable contribution rate.

The reserve study contains 'forward looking' concepts which reflect expectations with respect to certain future events and potential financial performance. Although we believe at this time that the expectations reflected within the reserve study are reasonable, no assurances can be given that such expectations will prove correct. We recommend that the reserve study be updated annually to address changing circumstances and conditions.



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EXECUTIVE SUMMARY

PROPERTY SUMMARY

ASSOCIATION NAME	Stephanie Terrace Condominium Owners Association
LOCATION	Beaverton, OR 97007
YEAR CONSTRUCTED	1984
NUMBER OF UNITS	54
FINANCIAL YEAR	2019 (January 1, 2019 - December 31, 2019)
REPORT LEVEL	Level 3 Update without Site Visit

RESERVE FUND

PROJECTED STARTING BALANCE ¹	\$531,198
FULL FUNDED BALANCE, IDEAL	\$651,920
PERCENT FUNDED ²	81%
INTEREST EARNED	0.17%
INFLATION RATE ³	3.00%

RESERVE CONTRIBUTIONS

CURRENT RESERVE FUND CONTRIBUTION	\$64,480
FULL FUNDING, MAXIMUM CONTRIBUTION	\$71,856
BASELINE FUNDING, MINIMUM CONTRIBUTION	\$70,939
SPECIAL ASSESSMENT	\$0

¹ Information in relation to the Association's finances were supplied by the Association's representative and is not audited.

² The ratio, at a particular point of time (the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage (www.caionline.org). Used to highlight the strength of the Association's reserve fund.

³ Inflation rate is based upon the average annual increase of the Consumer Price Index (CPI) over the last 30-years, as published by the US Bureau of Labor Statistics (www.labor.gov).



KEY INSIGHTS

\$531,198

RESERVE ACCOUNT
BALANCE

\$64,480

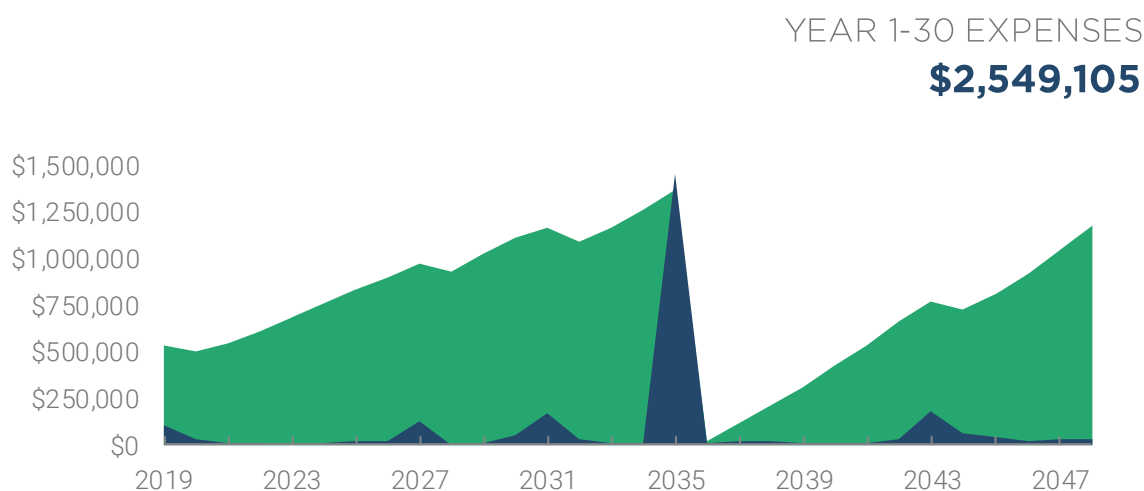
ANNUAL RESERVE
CONTRIBUTION

\$2,549,105

PROJECTED EXPENSES
OVER 30 YEARS

FULL FUNDING STRATEGY

Annual member contributions to the reserve fund are used to address those expenses too large or infrequent to be addressed through annual operating funds. The chart below highlights the outcome of the Full Funding strategy over the mid-to-long term.



STARTING BALANCE

\$531,198

ENDING BALANCE

\$1,305,563

Note: Figures based upon the expectation that the Association will continue to increase member contributions by an inflationary rate of 2.75% annually. Year-over-year change the result of projected expenses on the Association's reserve account.



CONTRIBUTION RANGE

We recommend that reserve contributions be evenly distributed between members over the life of a community. To achieve this goal, we establish an ideal contribution range within which the Association should establish ongoing payments.

\$70,939

MINIMUM

BASELINE FUNDING

\$71,856

MAXIMUM

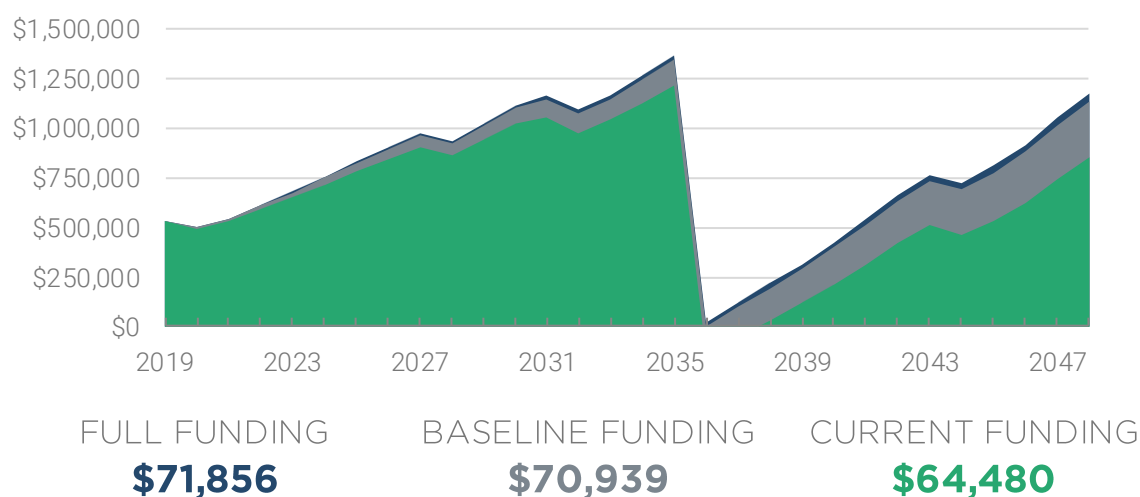
FULL FUNDING

\$64,480

CURRENT FUNDING

FUNDING STRATEGIES

The funding strategy chosen will have a direct impact on the growth of the Association's reserve fund. The chart below highlights the outcomes of the various funding strategies.



Note: Figures based upon the expectation that the Association will continue to increase the contributions highlighted by an inflationary rate of 2.75% annually.



FULL FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2019	\$651,920	81%	\$531,198	\$71,856	\$0	\$875	\$104,985	\$498,944
2020	\$617,225	81%	\$498,944	\$73,832	\$0	\$887	\$27,983	\$545,680
2021	\$660,650	83%	\$545,680	\$75,863	\$0	\$984	\$9,264	\$613,263
2022	\$726,270	84%	\$613,263	\$77,949	\$0	\$1,097	\$13,659	\$678,650
2023	\$790,992	86%	\$678,650	\$80,092	\$0	\$1,219	\$3,602	\$756,360
2024	\$869,725	87%	\$756,360	\$82,295	\$0	\$1,350	\$6,703	\$833,302
2025	\$949,387	88%	\$833,302	\$84,558	\$0	\$1,472	\$19,689	\$899,643
2026	\$1,019,878	88%	\$899,643	\$86,883	\$0	\$1,589	\$16,742	\$971,373
2027	\$1,097,387	89%	\$971,373	\$89,273	\$0	\$1,618	\$129,036	\$933,227
2028	\$1,063,483	88%	\$933,227	\$91,728	\$0	\$1,662	\$3,262	\$1,023,355
2029	\$1,160,092	88%	\$1,023,355	\$94,250	\$0	\$1,815	\$5,114	\$1,114,307
2030	\$1,259,734	88%	\$1,114,307	\$96,842	\$0	\$1,933	\$51,192	\$1,161,890
2031	\$1,317,008	88%	\$1,161,890	\$99,505	\$0	\$1,915	\$170,248	\$1,093,062
2032	\$1,255,538	87%	\$1,093,062	\$102,242	\$0	\$1,918	\$32,107	\$1,165,115
2033	\$1,336,741	87%	\$1,165,115	\$105,053	\$0	\$2,061	\$10,561	\$1,261,668
2034	\$1,444,871	87%	\$1,261,668	\$107,942	\$0	\$2,232	\$5,453	\$1,366,389
2035	\$1,563,873	87%	\$1,366,389	\$110,911	\$0	\$1,177	\$1,458,666	\$19,811
2036	\$192,073	10%	\$19,811	\$113,961	\$0	\$120	\$12,449	\$121,442
2037	\$271,234	45%	\$121,442	\$117,095	\$0	\$286	\$23,323	\$215,500
2038	\$344,157	63%	\$215,500	\$120,315	\$0	\$449	\$23,232	\$313,031
2039	\$422,025	74%	\$313,031	\$123,623	\$0	\$626	\$13,703	\$423,577
2040	\$514,788	82%	\$423,577	\$127,023	\$0	\$817	\$13,394	\$538,022
2041	\$613,479	88%	\$538,022	\$130,516	\$0	\$1,018	\$9,485	\$660,071
2042	\$722,069	91%	\$660,071	\$134,105	\$0	\$1,210	\$31,147	\$764,239
2043	\$814,603	94%	\$764,239	\$137,793	\$0	\$1,263	\$180,065	\$723,231
2044	\$759,616	95%	\$723,231	\$141,582	\$0	\$1,301	\$57,920	\$808,194
2045	\$831,970	97%	\$808,194	\$145,476	\$0	\$1,465	\$37,928	\$917,207
2046	\$930,363	99%	\$917,207	\$149,477	\$0	\$1,673	\$16,104	\$1,052,252
2047	\$1,057,561	99%	\$1,052,252	\$153,587	\$0	\$1,894	\$30,201	\$1,177,532
2048	\$1,177,532	100%	\$1,177,532	\$157,811	\$0	\$2,109	\$31,889	\$1,305,563



BASELINE FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2019	\$651,920	81%	\$531,198	\$70,939	\$0	\$874	\$104,985	\$498,026
2020	\$617,225	81%	\$498,026	\$72,890	\$0	\$885	\$27,983	\$543,817
2021	\$660,650	82%	\$543,817	\$74,894	\$0	\$980	\$9,264	\$610,428
2022	\$726,270	84%	\$610,428	\$76,954	\$0	\$1,092	\$13,659	\$674,814
2023	\$790,992	85%	\$674,814	\$79,070	\$0	\$1,211	\$3,602	\$751,493
2024	\$869,725	86%	\$751,493	\$81,244	\$0	\$1,341	\$6,703	\$827,375
2025	\$949,387	87%	\$827,375	\$83,478	\$0	\$1,461	\$19,689	\$892,626
2026	\$1,019,878	88%	\$892,626	\$85,774	\$0	\$1,576	\$16,742	\$963,234
2027	\$1,097,387	88%	\$963,234	\$88,133	\$0	\$1,603	\$129,036	\$923,933
2028	\$1,063,483	87%	\$923,933	\$90,557	\$0	\$1,645	\$3,262	\$1,012,873
2029	\$1,160,092	87%	\$1,012,873	\$93,047	\$0	\$1,797	\$5,114	\$1,102,603
2030	\$1,259,734	88%	\$1,102,603	\$95,606	\$0	\$1,912	\$51,192	\$1,148,929
2031	\$1,317,008	87%	\$1,148,929	\$98,235	\$0	\$1,892	\$170,248	\$1,078,807
2032	\$1,255,538	86%	\$1,078,807	\$100,936	\$0	\$1,892	\$32,107	\$1,149,529
2033	\$1,336,741	86%	\$1,149,529	\$103,712	\$0	\$2,033	\$10,561	\$1,244,714
2034	\$1,444,871	86%	\$1,244,714	\$106,564	\$0	\$2,202	\$5,453	\$1,348,027
2035	\$1,563,873	86%	\$1,348,027	\$109,495	\$0	\$1,145	\$1,458,666	\$0
2036	\$192,073	0%	\$0	\$112,506	\$0	\$85	\$12,449	\$100,141
2037	\$271,234	37%	\$100,141	\$115,600	\$0	\$249	\$23,323	\$192,666
2038	\$344,157	56%	\$192,666	\$118,779	\$0	\$409	\$23,232	\$288,621
2039	\$422,025	68%	\$288,621	\$122,045	\$0	\$583	\$13,703	\$397,546
2040	\$514,788	77%	\$397,546	\$125,401	\$0	\$771	\$13,394	\$510,324
2041	\$613,479	83%	\$510,324	\$128,850	\$0	\$969	\$9,485	\$630,658
2042	\$722,069	87%	\$630,658	\$132,393	\$0	\$1,158	\$31,147	\$733,062
2043	\$814,603	90%	\$733,062	\$136,034	\$0	\$1,209	\$180,065	\$690,240
2044	\$759,616	91%	\$690,240	\$139,775	\$0	\$1,243	\$57,920	\$773,338
2045	\$831,970	93%	\$773,338	\$143,619	\$0	\$1,405	\$37,928	\$880,433
2046	\$930,363	95%	\$880,433	\$147,568	\$0	\$1,608	\$16,104	\$1,013,505
2047	\$1,057,561	96%	\$1,013,505	\$151,626	\$0	\$1,826	\$30,201	\$1,136,757
2048	\$1,177,532	97%	\$1,136,757	\$155,796	\$0	\$2,038	\$31,889	\$1,262,702



CURRENT FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2019	\$651,920	81%	\$531,198	\$64,480	\$0	\$869	\$104,985	\$491,562
2020	\$617,225	80%	\$491,562	\$66,253	\$0	\$868	\$27,983	\$530,700
2021	\$660,650	80%	\$530,700	\$68,075	\$0	\$952	\$9,264	\$590,464
2022	\$726,270	81%	\$590,464	\$69,947	\$0	\$1,052	\$13,659	\$647,803
2023	\$790,992	82%	\$647,803	\$71,871	\$0	\$1,159	\$3,602	\$717,232
2024	\$869,725	82%	\$717,232	\$73,847	\$0	\$1,276	\$6,703	\$785,652
2025	\$949,387	83%	\$785,652	\$75,878	\$0	\$1,383	\$19,689	\$843,225
2026	\$1,019,878	83%	\$843,225	\$77,965	\$0	\$1,486	\$16,742	\$905,933
2027	\$1,097,387	83%	\$905,933	\$80,109	\$0	\$1,498	\$129,036	\$858,504
2028	\$1,063,483	81%	\$858,504	\$82,312	\$0	\$1,527	\$3,262	\$939,081
2029	\$1,160,092	81%	\$939,081	\$84,575	\$0	\$1,664	\$5,114	\$1,020,206
2030	\$1,259,734	81%	\$1,020,206	\$86,901	\$0	\$1,765	\$51,192	\$1,057,681
2031	\$1,317,008	80%	\$1,057,681	\$89,291	\$0	\$1,729	\$170,248	\$978,452
2032	\$1,255,538	78%	\$978,452	\$91,746	\$0	\$1,714	\$32,107	\$1,039,806
2033	\$1,336,741	78%	\$1,039,806	\$94,269	\$0	\$1,839	\$10,561	\$1,125,353
2034	\$1,444,871	78%	\$1,125,353	\$96,862	\$0	\$1,991	\$5,453	\$1,218,753
2035	\$1,563,873	78%	\$1,218,753	\$99,525	\$0	\$917	\$1,458,666	-\$139,471
2036	\$192,073	0%	-\$139,471	\$102,262	\$0	\$0	\$12,449	-\$49,658
2037	\$271,234	0%	-\$49,658	\$105,075	\$0	\$0	\$23,323	\$32,094
2038	\$344,157	9%	\$32,094	\$107,964	\$0	\$127	\$23,232	\$116,952
2039	\$422,025	28%	\$116,952	\$110,933	\$0	\$281	\$13,703	\$214,464
2040	\$514,788	42%	\$214,464	\$113,984	\$0	\$450	\$13,394	\$315,504
2041	\$613,479	51%	\$315,504	\$117,118	\$0	\$628	\$9,485	\$423,765
2042	\$722,069	59%	\$423,765	\$120,339	\$0	\$796	\$31,147	\$513,754
2043	\$814,603	63%	\$513,754	\$123,649	\$0	\$825	\$180,065	\$458,163
2044	\$759,616	60%	\$458,163	\$127,049	\$0	\$838	\$57,920	\$528,129
2045	\$831,970	63%	\$528,129	\$130,543	\$0	\$977	\$37,928	\$621,720
2046	\$930,363	67%	\$621,720	\$134,133	\$0	\$1,157	\$16,104	\$740,906
2047	\$1,057,561	70%	\$740,906	\$137,821	\$0	\$1,351	\$30,201	\$849,878
2048	\$1,177,532	72%	\$849,878	\$141,611	\$0	\$1,538	\$31,889	\$961,138



METHODOLOGY

An important aspect of living in a common area development such as a cooperative, condominium, or homeowner Association is the community's ownership and commitment to maintain its common areas.

Association members have a vested interest in maintaining and preserving their investment. To meet these obligations, the Association should prudently prepare for the future and contribute funds into a reserve account. Periodic contributions provide the freedom to gradually accumulate funds for anticipated expenditures while limiting the need to raise large sums of money through alternative means, such as special assessments.

When implementing a policy to fund major repair or replacement, the Board must educate owners about the benefits of accumulating reserve funds in advance through periodic contributions. Benefits of a systematic accumulation of funds include:

- having assurance that funds for major repairs and replacements will be available when needed;
- development of an equitable method of charging both current and future owners for ongoing use of assets;
- preservation of the market value of individual units; and
- compliance with the governing documents, statutes, mortgages, and other similar requirements.

A reserve study recommends the preferable mode of funding through smaller monthly contributions rather than facing large, unanticipated special assessments. The reserve study provides an Association with access to information and materials that will assist them in making timely and informed decisions about their reserve fund and contributions.

A reserve study is the sum of two parts: the physical and financial analysis. The physical analysis is a result of the on-site collection and review of data specific to the property's reserve components, common areas, and limited common areas. Through an onsite inspection and the use of source materials, the Reserve Specialist quantifies and establishes the reserve component inventory and assesses the physical condition of the Association's reserve components. Data from the physical analysis is used to define the scope and timing of future anticipated expenses.

The financial analysis evaluates the condition of the Association's reserve fund in relation to its income and anticipated expenses. It appraises the adequacy of the reserve fund, and associated



member contributions, against the current and future expenditures of the Association. To adequately forecast these expenditures over the 30-year projection period, current costs, projected inflation, and interest rates must be established. Recommendations are then provided to establish a reserve fund that addresses anticipated expenses, without having to resort to special assessments.

Due to the long-term nature of a reserve study, certain assumptions must be made. Every effort has been made to ensure that the recommendations are based upon reliable and experienced sources in the building industry. However, there can be no guarantee that events will occur at the predicted specific intervals, or that they will occur at all. Any reserve study must be viewed in the light of circumstances existing at the actual time of the study.

PHYSICAL ANALYSIS

As part of this reserve study a comprehensive list of reserve components (major common and limited common elements) has been compiled. Estimates for the useful life, remaining life, plus current repair and replacement costs for each of these reserve components have been calculated. This list is not intended to be exhaustive. However, an inaccurate or incomplete list of components can have an adverse impact upon the Association's long-term funding plan.

Site Inspection

A site inspection is conducted to assess the general condition of the property and its common areas. The on-site inspection is visual in nature, and no destructive or invasive testing is conducted. Observations are recorded using a representative sampling of the Association's common areas and reserve components. The component inventory and associated field measurements are also substantiated as part of the inspection.

Reserve Components

Determination of what constitutes a reserve component is dependent on a number of factors. A four-part test is generally used to distinguish a reserve item from an operational or maintenance expense. A component is included as a reserve item only if it satisfies ALL criteria outlined below:

- It is part of the Association's common and limited common area responsibilities.
- It has a predictable useful service life.
- Its useful life fits within the projection period. This means that components with a life of 30 years or more may not be included as part of the report if it is determined that they will last beyond the projection period.
- Its cost for repair or replacement is too high to include as part of the operating budget.



The components of common property that an Association includes in its reserve funding plan are also dependent on the type of project, the construction properties and the Association's applicable governing documents and state statutes.

Component Useful Life

The useful life of a reserve component relates to the number of years it is expected to last, given reasonable care and maintenance. The prediction of reserve and building component life can be no more than an informed estimate based upon information made available at the time of the report's development. Consideration is given to vendor recommendations, material warranty information provided at the time of the report's development, along with other published sources. The data and service life estimates in this report are based on information gathered from various groups and industry sources as outlined below:

- Historical data and feedback from the Association;
- Management groups and maintenance managers;
- Manufacturer recommendations and industry standards;
- Published sources of service life data;
- Manufacturers' and suppliers' data.

Component Remaining Useful Life

The remaining life of a reserve component refers to the number of years left before an item's expected repair or replacement. A component's remaining life is contingent upon the following factors:

- Age/years in service;
- Physical condition;
- Frequency and quality of inspections and maintenance;
- General use;
- Environment, impact of weather and building location;
- Installation methods that meets or exceed industry standards;
- Design and quality of materials used.

In addition to deterioration or anticipated failure of a component, the longevity may be impacted by obsolescence. The accuracy of the estimate is contingent upon reliable information made available at the time of the report's development. It is important to note that even with the highest degree of diligence and experience, outcomes will vary, and no guarantee can be given as to the timing or service life of the reserve components. All service life assessments in this report are based on the assumption that installation is carried out in accordance with manufacturer's recommendations and installation instructions, together with industry standards of workmanship.



FINANCIAL ANALYSIS

An Association, like any business entity, must prepare financially for the replacement and repair of its assets. Reserve study funding analysis is an important part of the annual budget process. Reserve funding should be reviewed at least once annually to help determine the annual assessment to be charged to members. The following elements are used in the financial analysis.

Recommended Funding Rate

We advocate a program of regular reserve fund contributions and promote a gradual means of reserving for future repair and replacement expenses. Recommended contributions are set at a level where they require only minor annual increases. The rate is designed to distribute the anticipated cost of common property ownership equitably between all members over the entire projection period.

Fully Funded Balance

The Fully Funded balance is equal to the total depreciable cost of all the Association's reserve components. It is determined by dividing each reserve component's cost by its useful life, and multiplying that by the number of years the component has been in service (effectively its age). In essence, the depreciated or 'used up' value of a component is utilized to establish an amount that the Association should have saved by a particular time. The recommendations in this report are based upon a Full Funding plan, which sets the goal of achieving one hundred percent fully funded reserves by the end of the 30-year projection period. We advocate full funding as we feel that this approach provides a solid platform to address future needs, thus dramatically reducing the need for special assessment.

Percent Funded

An Association's reserve fund status is assessed by comparing the ratio of actual or projected funds available verses how much they 'should have saved'. The result is presented as a percentage and is commonly known as "percent funded". In other words, percent funded is calculated by dividing the Association's current reserve fund balance by the fully funded balance. This equation is an industry measure of how well prepared an Association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the Association's reserve account in relation to the anticipated costs of repair and replacement.

Reserve Component Cost

Current cost estimates for reserve components are derived from a variety of sources but typically are based on cost data sourced from national construction estimators (R.S. Means) and vendor pricing acquired from regional contractors and suppliers. All cost estimates formulated from national estimators are based upon the latest specific geographical information for the area. Future cost estimates are determined by applying the assumed annual inflation rate to the current cost of each component.



Individual cost estimates are for budgeting purposes only. Actual construction costs can vary significantly due to economies of scale, material availability, labor, seasonal considerations, and other factors beyond our control. We recommend that project costs be substantiated well in advance of the anticipated date of repair and replacement. A detailed evaluation by a qualified professional should also be undertaken to establish the scope and budget of each project.

Cost estimates do not account for permits, architectural, or project management fees that may be required. Allowances and contingencies must also be added to the total as the scope of work is defined.

Inflation Rate

The effect of inflation on the cost of reserve components is a key factor in the financial projections. Historically, the cost of construction materials and labor rise at a higher rate than that experienced by the general economy. RSG has chosen to use an inflationary multiplier that is somewhat higher than the current general consumer index for inflation. The rate used is based upon the historical average of inflation over the last 30 years. This rate reflects a realistic appreciation of future costs for reserve components and assists the Association in adequately budgeting for increasing cost.

Interest Rate

The interest rate used in this report is formulated on a conservative rate of return. Unless otherwise advised by the Association, an assumed net interest rate of 1.00% is used. RSG offers no guarantee or opinion in relation to investment decisions made by the Association or the rate of return achieved.

Current Reserve Fund Balance

The analysis, recommendations, and financial projections made within this report are heavily reliant on information provided by the Association and its representatives. The starting reserve fund balance (current or projected) and member contribution totals are supplied by these sources. This information has not been audited nor have the financial projections or recommendations.

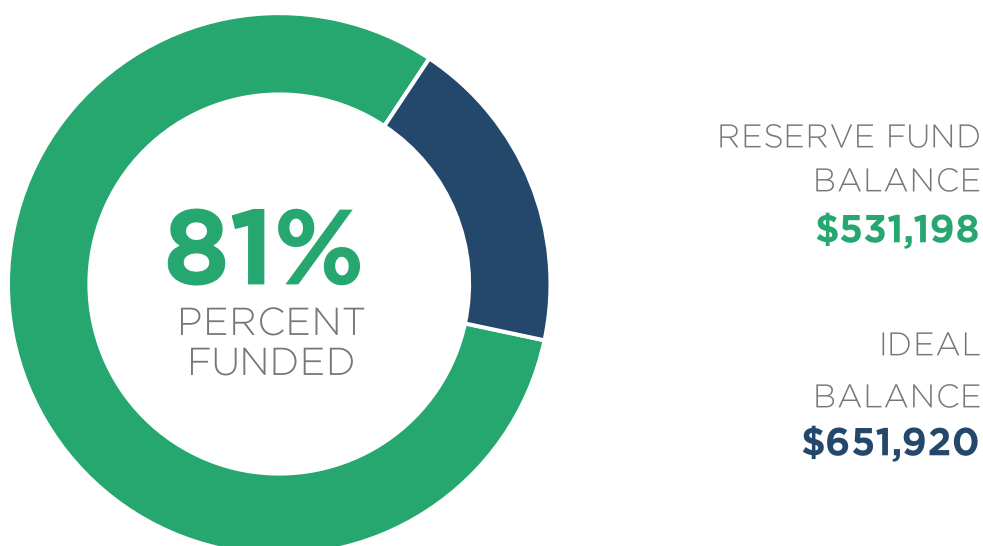


FINANCIAL ANALYSIS

This section of the report is intended to provide the association with the awareness to adequately plan for the ongoing major maintenance, repair and replacement of their common property components. The recommendations included within this report represent one scenario, and are not intended to represent the only means of achieving the association's goals. We recommend that the Board of Directors use the following information as a guide in planning for their future objectives.

Percent Funded

The Percent Funded equation is the industry measure of how well prepared an association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the association's reserve account in relation to its anticipated costs of repair and replacement. The higher the funded level, the less exposed an association is to market conditions, unanticipated expenses or events, and fluctuations in the general economy.



An Association at or below a funding level of 30% has an increased risk of requiring special assessments to meet their ongoing obligations, as compared to Associations with higher funding levels. A level of funding at and above 60% is categorized as good or well funded. We recommend that associations look to achieve and maintain funding levels at and above 60%, with a preference to being 100% funded.



Funding Goals

There is a range of funding alternatives available to the association. In our opinion the strategy chosen should not only meet the immediate needs and risk tolerance of current members, but also the longer term needs of the association.

The association needs to establish a reserve contribution rate which, at a minimum, meets their anticipated financial needs without having to resort to special assessment or deferred maintenance. In addition, the funding goal needs to be prudent enough to meet the expectations of current members while not unfairly burdening future owners.

The minimum funding goal needed to meet planned expenditure is Baseline Funding. Baseline Funding maintains the reserve account at or above zero dollars, but leaves the association with no contingency to address unanticipated outcomes. Threshold funding is a strategy designed to provide for this contingency by keeping cash reserves above a specific dollar amount or percent funded level.

FULL FUNDING

Establishes a goal of achieving one hundred percent fully funded reserves by the end of the projection period.

THRESHOLD FUNDING

Sets out to keep the cash reserves above a specified dollar or percent funded amount for the duration of the projection period.

BASELINE FUNDING

Establishes a goal of maintaining a reserve account balance above zero dollars throughout the study period.

The reserve fund plan highlighted in this report is based upon the Full Funding program of reserve contributions. The Full Funding plan highlights an ideal level of contributions which will enable an association to be 100% funded by the end of the projection period. As stated previously, we recommend that the association implement a program that moves them toward and maintains a funding level of 60-100%.



RESERVE COMPONENT LIST

Component	Useful Life	Remaining Useful Life	Quantity	Unit of Measure	Unit Cost	Current Cost	Current Fully Funded Balance
Roof - Composition Shingle, Replace	30	16	490	Squares	\$450.00	\$220,500	\$102,900
Roof - Composition Shingle, Repair	3	2	1	Allowance	\$3,700.00	\$3,700	\$1,233
Roof - Gutters & Downspouts	30	16	4,950	LF	\$6.75	\$33,413	\$15,593
Roof - Vents	30	29	1	Allowance	\$7,750.00	\$7,750	\$258
Building Exterior - Clean & Paint *	8	0	1	Lump Sum	\$83,050.00	\$83,050	\$83,050
Building Exterior - Siding, Vinyl	35	16	63,000	SF	\$9.00	\$567,000	\$307,800
Building Exterior - Light Fixtures	20	6	101	Each	\$105.00	\$10,605	\$7,424
Building Exterior - Fixtures, Hose Bibs	25	6	28	Each	\$78.00	\$2,184	\$1,660
Building Exterior - Decks, General Repairs	5	3	1	Allowance	\$10,000.00	\$10,000	\$4,000
Fire Life Safety - Fire Extinguisher & Cabinet	20	19	14	Each	\$99.00	\$1,386	\$69
General Site - Asphalt, Overlay	25	12	49,315	SF	\$2.25	\$110,959	\$57,699
General Site - Asphalt, Seal Coat & Repair	6	1	49,315	SF	\$0.20	\$9,863	\$8,219
General Site - Asphalt, Patch & Repair	6	1	1	Allowance	\$10,000.00	\$10,000	\$8,333
General Site - Painting Curbs, Stalls & Numbers	3	2	1	Lump Sum	\$2,082.00	\$2,082	\$694
General Site - Concrete, Flatwork [Limited 5%]	15	12	7,500	SF	\$8.00	\$3,000	\$600
General Site - Concrete, Curb	5	2	1	Allowance	\$1,750.00	\$1,750	\$1,050
General Site - Fence, Chain Link	40	11	1,300	LF	\$24.00	\$31,200	\$22,620
General Site - Irrigation, Station Controller	10	0	1	Each	\$605.00	\$605	\$605
General Site - Irrigation, Control Valves 1.5"	2	0	1	Each	\$1,200.00	\$1,200	\$1,200
General Site - Irrigation, Control Valves (A) 1"	8	0	2	Each	\$305.00	\$610	\$610
General Site - Irrigation, Control Valves (B) 1"	8	0	2	Each	\$305.00	\$610	\$610
General Site - Irrigation, Control Valves (C) 1"	8	0	2	Each	\$305.00	\$610	\$610
General Site - Irrigation, SDCVA Backflow	25	15	1	Lump Sum	\$1,000.00	\$1,000	\$400
General Site - Landscape	3	1	1	Lump Sum	\$2,000.00	\$2,000	\$1,333
Site Fixtures - Trash Enclosure	20	1	4	Each	\$1,175.00	\$4,700	\$4,465
Site Fixtures - Signs, Monument	30	1	1	Allowance	\$605.00	\$605	\$585
Site Fixtures - Mailboxes, Cluster Box Units	25	0	7	Each	\$1,800.00	\$12,600	\$12,600
Site Fixtures - Mailboxes, Parcel Box Units	25	0	2	Each	\$1,600.00	\$3,200	\$3,200
Insurance Deductible	3	0	1	Lump Sum	\$2,500.00	\$2,500	\$2,500
TOTALS						\$1,138,681	\$651,920

* Painting of all wood surfaces on all buildings, garages and outbuildings [soffits, decks, door frames, garage and front entry doors]. Also accounts for painting of all metal rails on decks and in stairwells.

- Readers should be aware that certain property elements are considered 'long life' elements and are not accounted for within the reserve study [building foundations, utility piping, structural, plumbing & electrical elements] in conjunction with elements that are or can be managed as part of the Association's operating budget.

Cost estimates do not account for permits, architectural, or project management fees that may be required. Allowances and contingencies must also be added to the total as the scope of work is defined.



RESERVE EXPENSES 1-10 YEARS

Component	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Roof - Composition Shingle, Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roof - Composition Shingle, Repair	\$0	\$0	\$3,925	\$0	\$0	\$4,289	\$0	\$0	\$4,687	\$0
Roof - Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roof - Vents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean & Paint	\$83,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,205	\$0
Building Exterior - Siding, Vinyl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Light Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$12,663	\$0	\$0	\$0
Building Exterior - Fixtures, Hose Bibs	\$0	\$0	\$0	\$0	\$0	\$0	\$2,608	\$0	\$0	\$0
Building Exterior - Decks, General Repairs	\$0	\$0	\$0	\$10,927	\$0	\$0	\$0	\$0	\$12,668	\$0
Fire Life Safety - Fire Extinguisher & Cabinet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Overlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Seal Coat & Repair	\$0	\$10,159	\$0	\$0	\$0	\$0	\$0	\$12,130	\$0	\$0
General Site - Asphalt, Patch & Repair	\$0	\$10,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Painting Curbs, Stalls & Numbers	\$0	\$0	\$2,209	\$0	\$0	\$2,414	\$0	\$0	\$2,637	\$0
General Site - Concrete, Flatwork [Limited 5%]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Concrete, Curb	\$0	\$0	\$1,857	\$0	\$0	\$0	\$0	\$2,152	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, Station Controller	\$605	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, Control Valves 1.5"	\$1,200	\$0	\$1,273	\$0	\$1,351	\$0	\$1,433	\$0	\$1,520	\$0
General Site - Irrigation, Control Valves (A) 1"	\$610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$773	\$0
General Site - Irrigation, Control Valves (B) 1"	\$610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$773	\$0
General Site - Irrigation, Control Valves (C) 1"	\$610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$773	\$0
General Site - Irrigation, SDCVA Backflow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Landscape	\$0	\$2,060	\$0	\$0	\$2,251	\$0	\$0	\$2,460	\$0	\$0
Site Fixtures - Trash Enclosure	\$0	\$4,841	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Signs, Monument	\$0	\$623	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Mailboxes, Cluster Box Units	\$12,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Mailboxes, Parcel Box Units	\$3,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Deductible	\$2,500	\$0	\$0	\$2,732	\$0	\$0	\$2,985	\$0	\$0	\$3,262
Annual Expenditure	\$104,985	\$27,983	\$9,264	\$13,659	\$3,602	\$6,703	\$19,689	\$16,742	\$129,036	\$3,262

YEARS 1 THROUGH 10



RESERVE EXPENSES 11-20 YEARS

Component	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Roof - Composition Shingle, Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$353,838	\$0	\$0	\$0
Roof - Composition Shingle, Repair	\$0	\$5,122	\$0	\$0	\$5,597	\$0	\$0	\$6,116	\$0	\$0
Roof - Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0	\$0	\$53,617	\$0	\$0	\$0
Roof - Vents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean & Paint	\$0	\$0	\$0	\$0	\$0	\$0	\$133,271	\$0	\$0	\$0
Building Exterior - Siding, Vinyl	\$0	\$0	\$0	\$0	\$0	\$0	\$909,869	\$0	\$0	\$0
Building Exterior - Light Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Fixtures, Hose Bibs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Decks, General Repairs	\$0	\$0	\$0	\$14,685	\$0	\$0	\$0	\$0	\$17,024	\$0
Fire Life Safety - Fire Extinguisher & Cabinet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,430
General Site - Asphalt, Overlay	\$0	\$0	\$158,201	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Seal Coat & Repair	\$0	\$0	\$0	\$14,484	\$0	\$0	\$0	\$0	\$0	\$17,295
General Site - Asphalt, Patch & Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Painting Curbs, Stalls & Numbers	\$0	\$2,882	\$0	\$0	\$3,149	\$0	\$0	\$3,441	\$0	\$0
General Site - Concrete, Flatwork [Limited 5%]	\$0	\$0	\$4,277	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Concrete, Curb	\$0	\$0	\$2,495	\$0	\$0	\$0	\$0	\$2,892	\$0	\$0
General Site - Fence, Chain Link	\$0	\$43,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, Station Controller	\$813	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, Control Valves 1.5"	\$1,613	\$0	\$1,711	\$0	\$1,815	\$0	\$1,926	\$0	\$2,043	\$0
General Site - Irrigation, Control Valves (A) 1"	\$0	\$0	\$0	\$0	\$0	\$0	\$979	\$0	\$0	\$0
General Site - Irrigation, Control Valves (B) 1"	\$0	\$0	\$0	\$0	\$0	\$0	\$979	\$0	\$0	\$0
General Site - Irrigation, Control Valves (C) 1"	\$0	\$0	\$0	\$0	\$0	\$0	\$979	\$0	\$0	\$0
General Site - Irrigation, SDCVA Backflow	\$0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	\$0	\$0
General Site - Landscape	\$2,688	\$0	\$0	\$2,937	\$0	\$0	\$3,209	\$0	\$0	\$3,507
Site Fixtures - Trash Enclosure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Signs, Monument	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Mailboxes, Parcel Box Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Deductible	\$0	\$0	\$3,564	\$0	\$0	\$3,895	\$0	\$0	\$4,256	\$0
Annual Expenditure	\$5,114	\$51,192	\$170,248	\$32,107	\$10,561	\$5,453	\$1,458,666	\$12,449	\$23,323	\$23,232

YEARS 11 THROUGH 20



RESERVE EXPENSES 21-30 YEARS

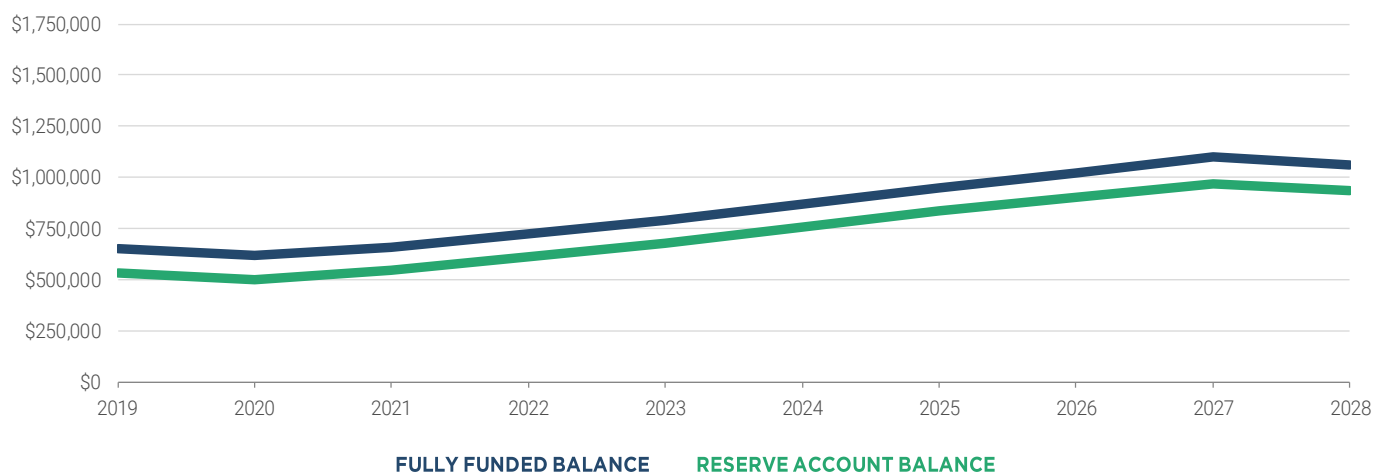
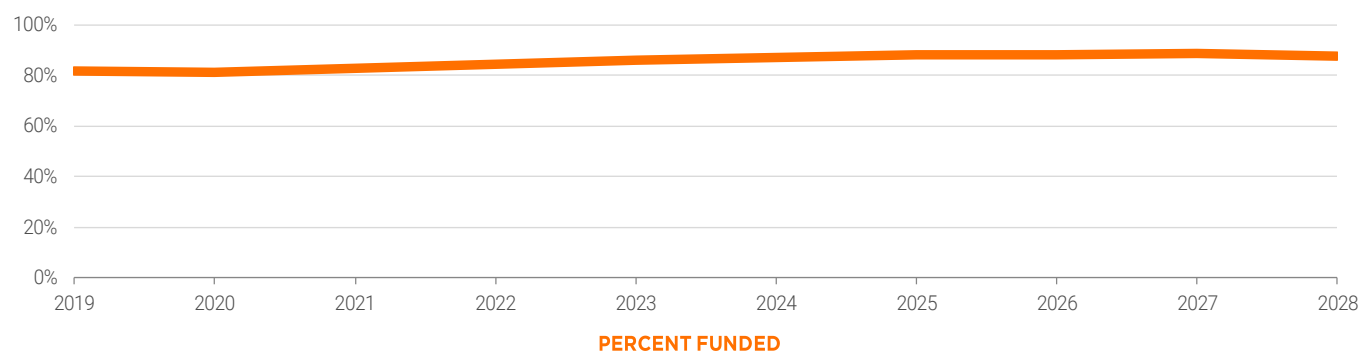
Component	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Roof - Composition Shingle, Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roof - Composition Shingle, Repair	\$6,683	\$0	\$0	\$7,302	\$0	\$0	\$7,979	\$0	\$0	\$8,719
Roof - Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roof - Vents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,263
Building Exterior - Clean & Paint	\$0	\$0	\$0	\$0	\$168,824	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Vinyl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Light Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$22,871	\$0	\$0	\$0
Building Exterior - Fixtures, Hose Bibs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Decks, General Repairs	\$0	\$0	\$0	\$19,736	\$0	\$0	\$0	\$0	\$22,879	\$0
Fire Life Safety - Fire Extinguisher & Cabinet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Overlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Seal Coat & Repair	\$0	\$0	\$0	\$0	\$0	\$20,651	\$0	\$0	\$0	\$0
General Site - Asphalt, Patch & Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Painting Curbs, Stalls & Numbers	\$3,760	\$0	\$0	\$4,109	\$0	\$0	\$4,490	\$0	\$0	\$4,906
General Site - Concrete, Flatwork [Limited 5%]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,664	\$0	\$0
General Site - Concrete, Curb	\$0	\$0	\$3,353	\$0	\$0	\$0	\$0	\$3,887	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, Station Controller	\$1,093	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, Control Valves 1.5"	\$2,167	\$0	\$2,299	\$0	\$2,439	\$0	\$2,588	\$0	\$2,746	\$0
General Site - Irrigation, Control Valves (A) 1"	\$0	\$0	\$0	\$0	\$1,240	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, Control Valves (B) 1"	\$0	\$0	\$0	\$0	\$1,240	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, Control Valves (C) 1"	\$0	\$0	\$0	\$0	\$1,240	\$0	\$0	\$0	\$0	\$0
General Site - Irrigation, SDCVA Backflow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Landscape	\$0	\$0	\$3,832	\$0	\$0	\$4,188	\$0	\$0	\$4,576	\$0
Site Fixtures - Trash Enclosure	\$0	\$8,743	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Signs, Monument	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0	\$26,382	\$0	\$0	\$0	\$0
Site Fixtures - Mailboxes, Parcel Box Units	\$0	\$0	\$0	\$0	\$0	\$6,700	\$0	\$0	\$0	\$0
Insurance Deductible	\$0	\$4,651	\$0	\$0	\$5,082	\$0	\$0	\$5,553	\$0	\$0
Annual Expenditure	\$13,703	\$13,394	\$9,485	\$31,147	\$180,065	\$57,920	\$37,928	\$16,104	\$30,201	\$31,889

YEARS 21 THROUGH 30



FULL FUNDING PLAN 1-10 YEARS

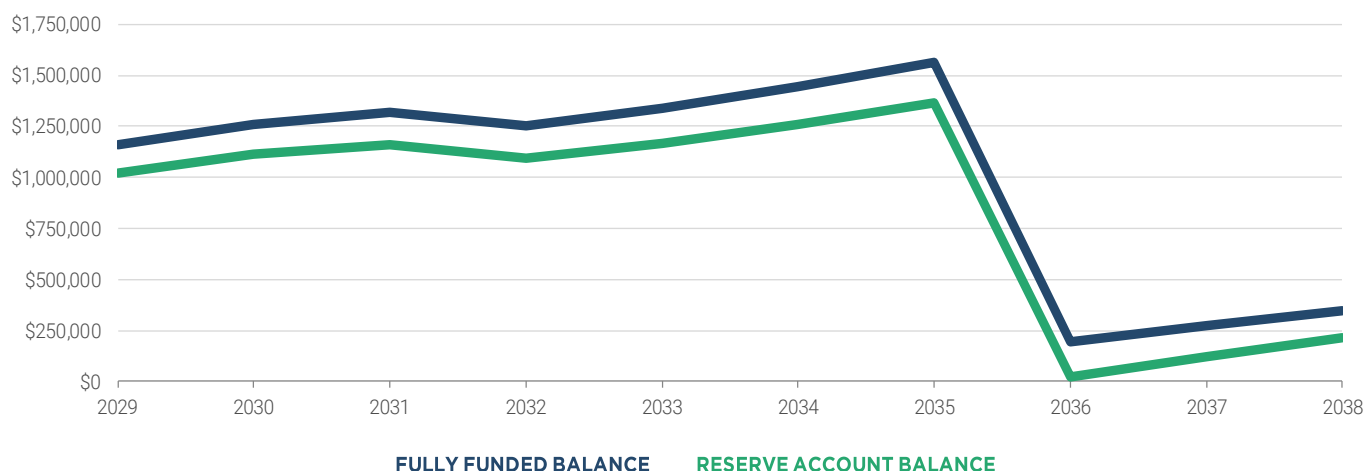
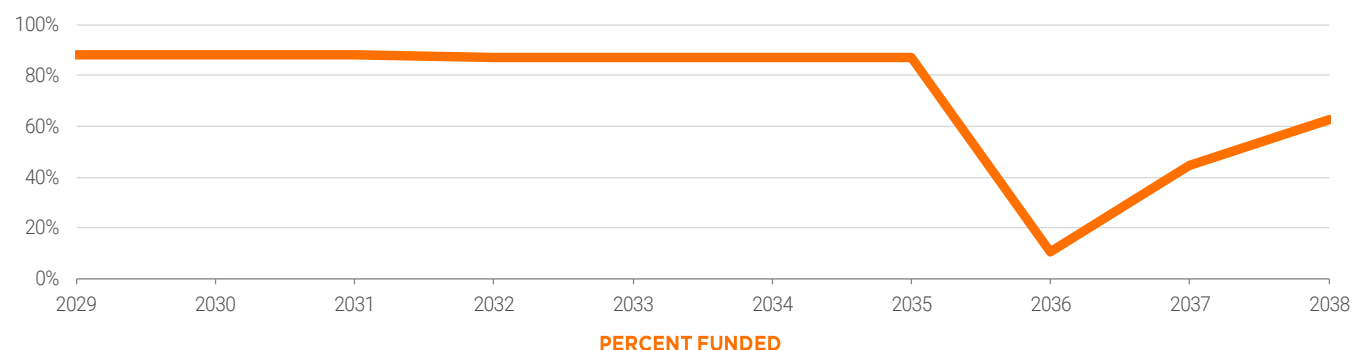
YEAR 1 - 10	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Fully Funded Balance	\$651,920	\$617,225	\$660,650	\$726,270	\$790,992	\$869,725	\$949,387	\$1,019,878	\$1,097,387	\$1,063,483
Percentage Funded (%)	81%	81%	83%	84%	86%	87%	88%	88%	89%	88%
Beginning Balance	\$531,198	\$498,944	\$545,680	\$613,263	\$678,650	\$756,360	\$833,302	\$899,643	\$971,373	\$933,227
Reserve Contribution	\$71,856	\$73,832	\$75,863	\$77,949	\$80,092	\$82,295	\$84,558	\$86,883	\$89,273	\$91,728
Avg Unit Contribution (mth)	\$110.89	\$113.94	\$117.07	\$120.29	\$123.60	\$127.00	\$130.49	\$134.08	\$137.77	\$141.55
Contribution Increase (%)		2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Special Assessment										
Interest Earned	\$875	\$887	\$984	\$1,097	\$1,219	\$1,350	\$1,472	\$1,589	\$1,618	\$1,662
Reserve Expenditures	\$104,985	\$27,983	\$9,264	\$13,659	\$3,602	\$6,703	\$19,689	\$16,742	\$129,036	\$3,262
ENDING BALANCE	\$498,944	\$545,680	\$613,263	\$678,650	\$756,360	\$833,302	\$899,643	\$971,373	\$933,227	\$1,023,355





FULL FUNDING PLAN 11-20 YEARS

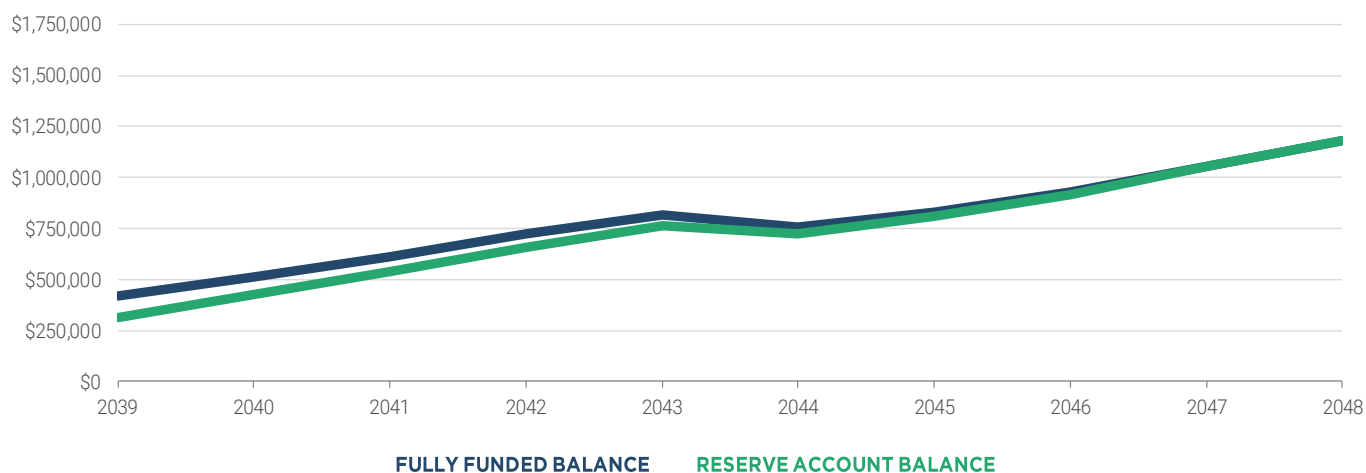
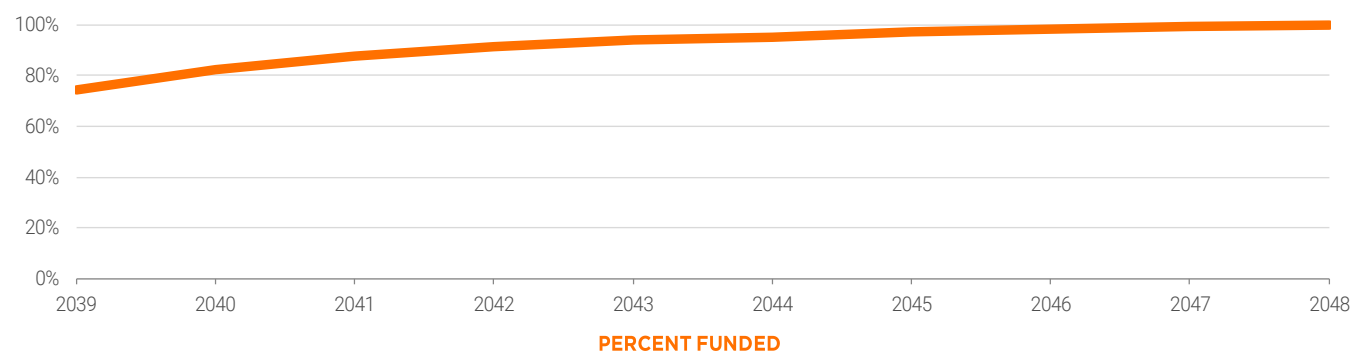
YEAR 11 - 20	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Fully Funded Balance	\$1,160,092	\$1,259,734	\$1,317,008	\$1,255,538	\$1,336,741	\$1,444,871	\$1,563,873	\$192,073	\$271,234	\$344,157
Percentage Funded (%)	88%	88%	88%	87%	87%	87%	87%	10%	45%	63%
Beginning Balance	\$1,023,355	\$1,114,307	\$1,161,890	\$1,093,062	\$1,165,115	\$1,261,668	\$1,366,389	\$19,811	\$121,442	\$215,500
Reserve Contribution	\$94,250	\$96,842	\$99,505	\$102,242	\$105,053	\$107,942	\$110,911	\$113,961	\$117,095	\$120,315
Avg Unit Contribution (mth)	\$145.45	\$149.45	\$153.56	\$157.78	\$162.12	\$166.58	\$171.16	\$175.87	\$180.70	\$185.67
Contribution Increase (%)	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Special Assessment										
Interest Earned	\$1,815	\$1,933	\$1,915	\$1,918	\$2,061	\$2,232	\$1,177	\$120	\$286	\$449
Reserve Expenditures	\$5,114	\$51,192	\$170,248	\$32,107	\$10,561	\$5,453	\$1,458,666	\$12,449	\$23,323	\$23,232
ENDING BALANCE	\$1,114,307	\$1,161,890	\$1,093,062	\$1,165,115	\$1,261,668	\$1,366,389	\$19,811	\$121,442	\$215,500	\$313,031





FULL FUNDING PLAN 21-30 YEARS

YEAR 21 - 30	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Fully Funded Balance	\$422,025	\$514,788	\$613,479	\$722,069	\$814,603	\$759,616	\$831,970	\$930,363	\$1,057,561	\$1,177,532
Percentage Funded (%)	74%	82%	88%	91%	94%	95%	97%	99%	99%	100%
Beginning Balance	\$313,031	\$423,577	\$538,022	\$660,071	\$764,239	\$723,231	\$808,194	\$917,207	\$1,052,252	\$1,177,532
Reserve Contribution	\$123,623	\$127,023	\$130,516	\$134,105	\$137,793	\$141,582	\$145,476	\$149,477	\$153,587	\$157,811
Avg Unit Contribution (mth)	\$190.78	\$196.02	\$201.41	\$206.95	\$212.64	\$218.49	\$224.50	\$230.67	\$237.02	\$243.54
Contribution Increase (%)	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Special Assessment										
Interest Earned	\$626	\$817	\$1,018	\$1,210	\$1,263	\$1,301	\$1,465	\$1,673	\$1,894	\$2,109
Reserve Expenditures	\$13,703	\$13,394	\$9,485	\$31,147	\$180,065	\$57,920	\$37,928	\$16,104	\$30,201	\$31,889
ENDING BALANCE	\$423,577	\$538,022	\$660,071	\$764,239	\$723,231	\$808,194	\$917,207	\$1,052,252	\$1,177,532	\$1,305,563





MAINTENANCE GUIDE

The life expectancy estimates of reserve components highlighted in this report can be greatly affected by the quality and level of maintenance received. To achieve the goals set within this report, a preventative maintenance program needs to support the scheduled cycle of repair and replacement.




MAINTENANCE LOG BOOK

We recommend use of a log book to record all maintenance work carried out, including a description of the work, date of completion, estimated and actual cost, contractor and warranty information. By implementing this simple practice, a log book can provide a valuable source for future budgeting.

INSPECTIONS

Regular inspections are basic to planned maintenance. There is no general rule on how often maintenance surveys need to be carried out. Frequency is generally influenced by the rates of decay and deterioration of various building elements. However, the main purpose of a maintenance plan is to provide guidance to the Association. We have proposed a conservative approach that results in inspections at shorter intervals. Gradually as more information and background data is collected, we recommend that the Association adjust the interval timing to meet their needs.

Three categories have been used to highlight the various types of maintenance activities that must be carried out:

-  Inspect
-  Owner Review
-  Maintenance

It should be noted that the maintenance activities outlined in the following pages are general in nature and should be used as a guideline. The activities are not intended to replace any manufacturer, trade association, and/or other professional recommendations made available to the Association. Warranties (manufacturer or service) should also be carefully reviewed prior to engaging maintenance or repair services. Readers should consult with the appropriate professionals before taking any action.



MAINTENANCE GUIDE

CALENDAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Roofing												
Wall Assembly												
Decks & Landings												

CHECKLIST

Roofing

Asphalt Shingles	Seal/mastic open seams near roof top vents and replace deteriorated metal flashing.
Asphalt Shingles	Clean roof of debris and organic material [address moss accumulation].
Asphalt Shingles	Replace missing/cracked/curled/split shingles and address exposed nails or staples.
Asphalt Shingles	Inspect roofing general surface, flashings and thru roof pipe penetrations.
Asphalt Shingles	Review interior locations [ceiling/attic] for signs of potential water intrusion.
Gutters & Downspouts	Clean out any debris that may cause clogging or obstruct drainage.
Gutters & Downspouts	Replace any sagging or broken straps on gutters and downspouts.
Gutters & Downspouts	Report all instances of damaged, overflowing, leaking or clogged downspouts or gutters.
Vents	Inspect attic and crawlspace areas to ensure adequate ventilation.

Wall Assembly

Siding - Vinyl	Correct areas where water or organic matter is in retained contact with the siding.
Siding - Vinyl	Clean siding to remove accumulations of dust, dirt or organic matter.
Siding - Vinyl	Repair all instances of damaged, loose or missing siding.
Painting	Touch up and correct all areas of exposed or deteriorated paint.
Painting	Review all surfaces for splitting, checking, flaking, water blisters or peeling paint.
Sealant	Replace any sealant that has cracked, hardened or lost its seal.
Sealant	Check all penetrations, attachments and termination for adequate sealant joints and flashing.
Envelope Inspection	Review of the overall building structure for deficiencies and concerns.

Decks & Landings

Deck - General	Review deck connections, footings and surface [address structural issues immediately].
Deck - Railings	Check stability and condition of handrails.
Deck - Railings	Review potential corrosion of fasteners.
Deck - Surface [Wood]	Periodically clean debris from deck surface and between wood members.
Deck - Surface [Wood]	Check spaced wood deck surfaces for dryrot and other decay.
Deck - Surface [Wood]	Check metal connectors for localized rusting sufficient to compromise structural capacity.

Inspect Owner Review Maintenance



MAINTENANCE GUIDE

CALENDAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Electrical						■						
	■	■	■	■	■	■	■	■	■	■	■	■
Fire Protection				■	■							
	■	■	■	■	■	■	■	■	■	■	■	■

CHECKLIST

Electrical

■ Lighting Fixtures	Check gaskets around exterior wall mounted light fixtures (potential for water entry).
■ Lighting Fixtures	Replace damaged or burn out bulbs with energy efficient CFLs or LEDs.

Fire Protection

■ Suppression System	Ensure the system is tested, serviced and professionally certified.
■ Fire Extinguishers	Check for annual certification of fire extinguishers by a licensed specialty contractor.
■ Fire Extinguishers	Inspect hand held fire extinguishers and recharge as required.
■ Fire Alarm System	Entire system to be confidence tested as required by local code.
■ Detection Devices	Confirm that a smoke detector is in place in each unit.
■ Detection Devices	Test smoke and/or heat detectors and replace battery if required.
■ Emergency Lighting	Test emergency lighting monthly.
■ Emergency Egress	Check for egress requirements. Remove any or all storage items or obstructions.
■ Emergency Egress	Check hardware to ensure that doors are both self-closing and self-locking.

■ Inspect ■ Owner Review ■ Maintenance



MAINTENANCE GUIDE

CALENDAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Site Roadways					Inspect	Maintenance						
Site Pedestrian Paving	Owner Review	Owner Review	Owner Review	Owner Review	Owner Review	Owner Review	Owner Review	Owner Review	Owner Review	Owner Review	Owner Review	Owner Review
Site General [Fencing]			Maintenance			Inspect						
Site General [Fixtures]	Inspect	Inspect	Inspect	Maintenance	Owner Review					Maintenance		

CHECKLIST

Site Roadways

Asphalt	Repair all cracks wider than 1/8 inch with hot tar crack filler.
Asphalt	Survey pavement and document condition and required maintenance [street inventory].
Asphalt	Inspect striping needs and coordinate with annual repairs.

Site Pedestrian Paving

Curb - Concrete	Sweep and remove acculated debris.
Curb - Concrete	Inspect and inventory damaged and/or missing curb.
Sidewalk - Concrete	Pressure wash concrete surfaces [clean] at least once annually.
Sidewalk - Concrete	Check cracking and displacement of concrete for potential trip hazards.

Site General [Fencing]

Chainlink Fencing	Review the fence line to ensure that chain link fabric is secured to posts.
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Site General [Fixtures]

Mailbox Facilities	Clean and wipe down mailboxes to remove accumulated dirt and organic growth.
Mailbox Facilities	Review and replace/repair faulty hinges, locks or doors.
Signage	Clean and wipe down signage in line with manufacturer recommendations.
Signage	Create an inventory to monitor the condition, age and maintenance received.
Signage	Routine inspection, noting damage, wear and the impact of the surrounding landscape.

Inspect Owner Review Maintenance



MAINTENANCE GUIDE

CALENDAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Site General [Landscape]												
Site General [Irrigation]												

CHECKLIST

Site General [Landscape]

■ Landscaping	Mow and mulch common areas as seasonally required.
■ Landscaping	Prune branches & remove growth away from buildings, electrical lines & equipment.
■ Landscaping	Inventory and replace dead or missing shrubs and trees.

Site General [Irrigation]

■ Irrigation System	Review and replace any non-functioning electronic timers.
■ Irrigation System	Address system leaks, broken or misdirected sprinkler heads as needed.
■ Irrigation System	Shut down and winterize the system [blowout pipes, close valves and shut down controller].
■ Irrigation System	Install rain shut-off devices where possible.
■ Irrigation System	Inspect entire system for lateral breaks, damaged heads, and/or associated issues.
■ Irrigation System	Look at water usage and undertake a design review if required [improve efficiency].
■ Irrigation System	Monitor and report problems in relation to zone coverage and damaged equipment.

■ Inspect ■ Owner Review ■ Maintenance



DISCLOSURES

As a guideline for establishing and spending reserves, it is assumed that the reserve study will be regularly updated to address the Association's changing physical and financial circumstances. As such this report is valid at the date shown and Reserve Study Group, LLC (RSG) cannot be held responsible for subsequent changes in physical/chemical environmental conditions and/or legislation over which we have no control.

This reserve study is based on visual inspections of the physical plant's major components. No invasive or destructive testing, or testing of materials was conducted during the inspections, or at any other time during the preparation of this report. It is assumed that all building and ancillary components have been designed and constructed properly and that life cycles will approximate normal industry performance standards. RSG shall not be responsible for accurate determination of remaining life expectancies of components that may have been improperly designed and constructed. Our opinions of the remaining life expectancy of the property's components do not represent a guarantee or warranty of performance in relation to the product, materials or workmanship.

Cost estimates used represent a preliminary opinion only and are neither a quote nor a warranty of actual costs that may be incurred. These estimates are based on typical cost data that may not fully characterize the scope of the underlying property conditions. It should be anticipated that actual cost outcomes will be impacted by varying physical and economic conditions, maintenance practices, changes in technology, and future regulatory actions.

The authors of this report make no representation or warranty, expressed or implied, with respect to the contents of this publication or any part thereof and cannot accept any legal responsibility or liability for any inaccuracies, errors or omissions contained in this publication or any part thereof. Our best professional judgment has been used, however certain facts forming the basis of this report are subject to professional interpretation and differing conclusions could be reached.

RSG nor any of its representatives, agents or employees maintain management roles or vested interest in, or have other business relationships with the Association. There is no perceived or actual conflicts of interest between RSG and the Association.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.



GLOSSARY OF TERMS

Component

The individual line items in the Reserve Study which are included in the Physical Analysis. These elements form the building blocks for the Reserve Study.

Estimated Useful Life

The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Fully Funded

When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

Fully Funded Balance (FFB)

The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an Association total.

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

Percent Funded

The ratio, at a particular point of time, of the actual Reserve Balance to the Fully Funded Balance (FFB), expressed as a percentage.

Remaining Useful Life

The estimated time, in years, that a Reserve Component can be expected to continue to service its intended function. Projects anticipated to occur in the initial year have a “zero” Remaining Life.

Unit Cost Estimate

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 the current year.

Unit of Measure

Various units of measure have been used to quantify the amounts and costs in relation to each reserve component. Below are the key units used as part of this report.

SF = Square Foot
LF = Linear Foot

SY = Square Yard
SQUARE = 100 Square Feet (Roofing)

