



# RESERVE DATA ANALYST

## **Chester Creek Townhouses**

Anchorage, AK

### **Level I Reserve Study (With Site Inspection)**

Report Date: May 19, 2025

Report Number: 17781

Report Version: Draft1

Prepared for Fiscal Year: 2026

### **Reserve Data Analyst**

[www.reservedataanalyst.com](http://www.reservedataanalyst.com)

### **Prepared By**

Joel Tax, RS

(866) 574-5115 ext. 704

[joel@reservedataanalyst.com](mailto:joel@reservedataanalyst.com)

|   | <b>Page #</b> |
|---|---------------|
| Table of Contents                           | 2             |
| Component Index                             | 3             |
| Introduction                                | 5             |
| Executive Summary                           | 6             |
| Knowledge Base                              | 7             |
| Component List                              | 12            |
| Component % Significance Chart              | 14            |
| Comments on Components                      | 15            |
| Reserve Analyst Comments                    | 17            |
| Map   | 18            |
| Impact of Construction Inflation            | 19            |
| Percent Funded Chart                        | 20            |
| Reserve Account Balance Chart               | 21            |
| 100% Funded Model                           | 22            |
| Recommended/Full Funding Model              | 23            |
| Baseline Funding Model                      | 24            |
| Client Current Funding Model(s) Chart       | 25            |
| Client Current Funding Model                | 26            |
| Fully Funded Balance Calculations           | 27            |
| Projected Annual Expenditures - Chart       | 29            |
| Projected Annual Expenditures - List        | 30            |
| Projected Annual Expenditures - Spreadsheet | 33            |
| Component Details                           | 37            |
| Definitions/Disclosures/Calculations Index  | 74            |

Total Component Count: 30

| Asset ID                           | Component Description                            | Page # |
|------------------------------------|--|--------|
| >> Building Exterior Components << |  |        |
| 1940                               | Building Exteriors (wood) - Paint & Seal         | 37     |
| 1950                               | Building Exteriors (wood) - Replace              | 39     |
| 2750                               | Doors (ext./common) - Replace                    | 41     |
| 2970                               | Electrical Meter Sockets - Replace               | 42     |
| 7310                               | Gutters & Downs. - Replace                       | 43     |
| 4820                               | Lights (exterior) - Replace                      | 44     |
| 6970                               | Roof (asph.shingle) - Replace                    | 45     |
| 7220                               | Roof Chimney Chase Covers - Replace              | 47     |
| 7290                               | Roof Flue Caps - Replace                         | 48     |
| 8400                               | Windows (vinyl/common) - Replace                 | 49     |
| >> Building Interior Components << |  |        |
| 3730                               | Flooring (carpet) - Replace                      | 50     |
| 3790                               | Flooring (laminated) - Replace                   | 51     |
| 4430                               | Interior Surfaces - Paint                        | 52     |
| >> Site Components <<              |  |        |
| 1141                               | Asphalt (driveways) - Resurface                  | 53     |
| 1140                               | Asphalt (road/parking) - Resurface               | 55     |
| 1111                               | Asphalt Aggregate Base (road) - Replenish        | 57     |
| 2070                               | Concrete Curb (parking areas) - Replace          | 58     |
| 2090                               | Concrete Curb (angled) - 20% Replace             | 59     |
| 2150                               | Concrete Walkways (private) - 20% Replace        | 60     |
| 2510                               | Elevated Walkways (decking & railings) - Replace | 61     |
| 2490                               | Elevated Walkways (superstructure) - Rebuild     | 62     |
| 3370                               | Fence (wood 6'/2000) - Replace                   | 63     |
| 3371                               | Fence (wood 6'/2015) - Replace                   | 65     |
| 4990                               | Mailbox Structure (wood) - Replace               | 66     |
| 5000                               | Mailboxes (single) - Replace                     | 67     |
| 6870                               | Retaining Wall (masonry block) - Replace         | 68     |
| 6880                               | Retaining Walls (rock) - Replace                 | 69     |
| 7650                               | Signage (comm. Sign/monument) - Replace          | 70     |
| 7800                               | Storm Drain System - Local Repairs               | 71     |

## Component Details Index

| <b>Asset ID</b> | <b>Component Description</b>          | <b>Page #</b> |
|-----------------|---------------------------------------|---------------|
| 5470            | Water & Sewer Lateral Lines - Replace | 72            |

Thank you for utilizing the services of Reserve Data Analyst for your reserve study. We strive to create a comprehensive report that can be utilized for your budgeting needs. If there are any questions, concerns, corrections, or revisions needed please do not hesitate to call or email us. While this study does have some explanations of the methodology used, we have kept it to a minimum for brevity. More detailed explanations of methodology & concepts are explained by following the links in the Knowledge Base pages of this reserve study and in our Reserve Study Guidebook available at the following link:



[www.reservedataanalyst.com/guidebook](http://www.reservedataanalyst.com/guidebook)

To navigate this study more easily, we recommend printing out the Table of Contents page(s) and the Component Details Index page(s) at the front of the study. We have found it easiest for most readers to have the PDF of this study open on their computer while referring to the printed-out Table of Contents and Component Details Index pages when navigating.

Within this reserve study you will find:

- ➔ Knowledge Base Pages - A list of common questions that a typical reader of our reserve study will have (e.g., cost, inflation, useful life), as well as links to additional information on the topics.
- ➔ The Component List - A list of the components (i.e., assets) that are reportedly the Client's responsibility along with their respective costs, quantity, useful life, remaining useful life, etc.
- ➔ Annual Projected Expenditures - A timeline of the estimated dates that we recommend fully allocating money to the repair/replacement projects. (Annual Expenditures Chart & Annual Expenditure List)
- ➔ Funding Model Projections - Various funding models with different goals in mind and comments about the particular funding model goal.
- ➔ Component Detail Pages - These pages have more in depth information for each component. Prior replacement history, component specific comments and reasoning for implementing different funding scenarios or functions in our software (e.g., delay funding, repeat limit, adjustments to age) can be found here. This sections is best navigated by utilizing the Component Details Index which follows the Table of Contents page.

One of the main points we like to make clear to a reader of this reserve study is that recommendations for the allocation rates of the different funding models (excluding Client provided models) are only for the initial year of this reserve study; all future years are projections which are educated guesses and have numerous assumptions (e.g., inflation, proper maintenance, proper installation, known reserve account balances, etc.) built into the mathematical models. The further out in time a reader of the study goes, the less reliable the projections are likely to be. Note that the recommendations for the first fiscal year in the study are based on current cost and current useful life estimates, which we typically have lots of good data on, as opposed to future cost and future useful life projections which again are educated guesses based on historical averages.

Importance of Updates : From year to year the recommendations of the reserve analyst will typically change (sometimes significantly) based on variables that will usually change over time. More frequent updates (preferably annually) to this study help to incorporate changes to these variables as they occur each fiscal year so revisions to the recommendations are less significant than if updates are done infrequently.

|  |  |
|--|--|
| Organization Name                          | Chester Creek Townhouses                     |
| Organization Location                      | Anchorage, AK                                |
| *Contributing Members                      | 25   |
| Approximate Year of Construction           | 1975   |
| *Fiscal Year Time Period                   | January 1st - December 31st                  |
| Level of Service                           | Level I Reserve Study (With Site Inspection) |
| Report Version                             | Draft1                                       |
| Prepared for Fiscal Year                   | 2026   |
| Last On-Site Inspection Date               | May 19, 2025                                 |
| Inflation Rate for Projections             | 3.50%  |
| *Rate of Return (APR) for Account Balances | 0.25%  |
| *Tax Rate on Interest Earned               | 30.00%                                       |
| Funding Plan Method                        | Inflation Adjusted Pooled Cash Flow Method   |

**Reserve Account Summary**

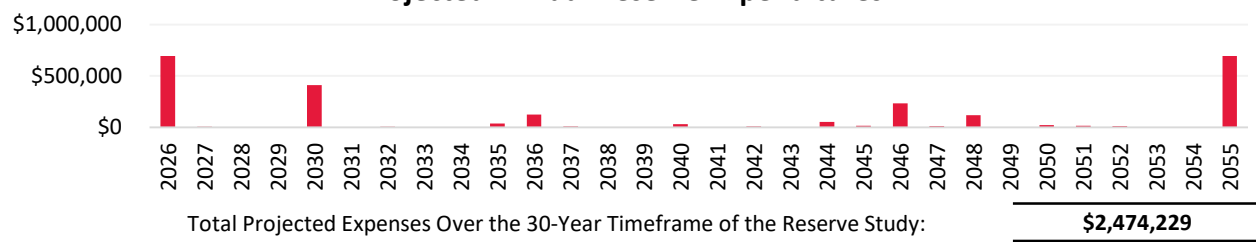
|   |  |  |
|---|--|--|
| <p><b>Current Percent Funded</b></p> <p><b>18.2%</b></p>  | <p>*Estimated Beginning Balance</p> <p>\$189,855</p>                   | <p><b>Risk Indicator</b></p> <p><b>High Risk</b></p> |
|   | <p>Current Fully Funded Balance</p> <p>\$1,044,652</p>                 |  |
|   | <p>Current Reserve Account Surplus or (Deficit)</p> <p>(\$854,796)</p> |  |
|   | <p>Current Avg. Surplus or (Deficit) Per Member</p> <p>(\$34,192)</p>  |  |
|   | <p>*Current Annual Reserve Allocation Rate</p> <p>\$46,465</p>         |  |
|   | <p>*Approved Special Assessment(s) in FY 2026</p> <p>None</p>          |  |
| <p>*Approved Loan(s) Amount in FY 2026</p> <p>None</p>  |  |  |
| <p><i>A low percent funded range (0-30%) for any significant period of time carries a high risk for having to rely on emergency financing. Our risk rating is the 5-year average percent funded from the Current Model's projections.</i></p> |  |  |

**Reserve Allocation Rates & Year-End % Funded - 5 Year Summary**

|  | 100% Funded |  | Recommended |   | Baseline  |   | Current  |  |      |
|--|-------------|--|-------------|---|-----------|---|----------|--|------|
| 2026   | \$909,000   | 100.2%   | \$700,000   | 48.8%   | \$502,000 | 0.1%  | \$46,465 |  | 2026 |
| 2027   | \$58,000    | 100.5%   | \$64,000    | 56.2%   | \$98,000  | 20.4%   | \$48,091 |  | 2027 |
| 2028   | \$60,030    | 100.4%   | \$66,240    | 62.5%   | \$101,430 | 37.6%   | \$49,774 |  | 2028 |
| 2029   | \$62,131    | 100.1%   | \$68,558    | 67.4%   | \$104,980 | 51.5%   | \$51,517 |  | 2029 |
| 2030   | \$56,000    | 101.4%   | \$70,958    | 24.5%   | \$108,654 | 0.2%  | \$53,320 |  | 2030 |
| <p>~ 100% funded at end of each fiscal year.</p> |             | <p>Achieve 100% funded within projections.</p> |             | <p>Account stays above \$0 for projections.</p> |           | <p>Current allocation rate has been supplied by the Client.</p> |          |  |      |

\* Data supplied by the Client. Any year end negative percent funded (if applicable) has not been shown.

**Projected Annual Reserve Expenditures**



**What is a Reserve Study?**

A reserve study is a budgeting tool that can be utilized to make more informed budgeting decisions regarding a reserve account, it is an independent assessment of the adequacy of the reserve account balance and allocation rate utilizing a mathematical formula known as the “Percent Funded” calculation.

The Reserve Analyst develops funding models the adhere to some basic principles:

- ➔ Distribute the costs as fairly as possible over time.
- ➔ Have stable budgets over time (i.e., limiting large fluctuations)
- ➔ Limit the risk of reliance on emergency financing or having to defer overdue projects.

A Reserve Study is an independent assessment of the reserve account and is **not** the Budget.

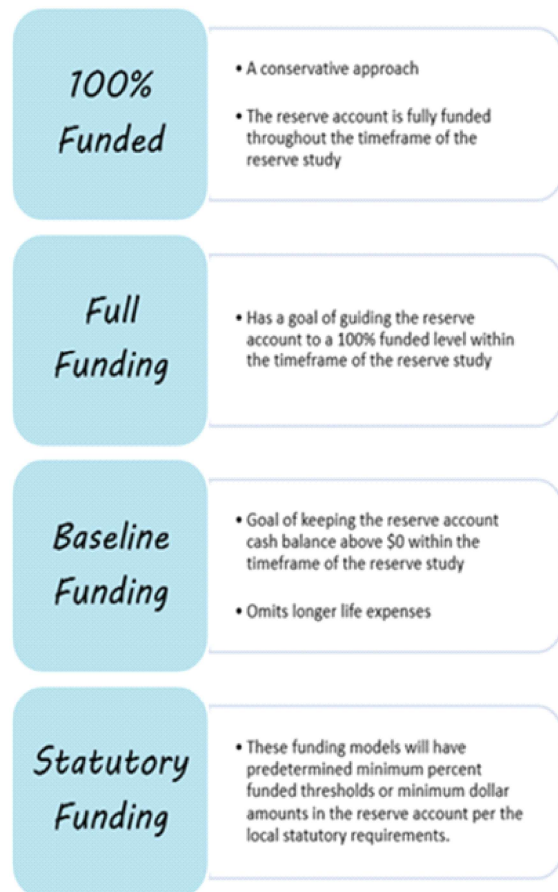
This study is not the budget, and it should not be revised to just reflect the budgeting decisions of the Client. An example of this is to push off overdue projects that the Client may not have the funds to complete. This report should reflect the replacement dates of the components utilizing typical or historical records for the useful lives & costs for these projects; the useful lives can be updated to reflect actual on-site conditions as the components age and in updates to this report.

Should the Client decide to make budgeting decisions such as deferring projects (typically due to a lack of funds) and that appear to be overdue carries its own risk with relation to scenarios like higher project costs later and marketability issues.

**How Much Should We Reserve?**

There is no right or wrong answer to the question of “How Much Should We Reserve?” as the reserve contributions in all the funding models in this study are based on different funding goals. It is more appropriate to consider the risk levels associated with different funding models as each Client has different risk tolerances and challenges in enacting whatever funding model is most appropriate to them.

In our opinion any funding model that projects the reserve account balance to dip to zero would not be appropriate or fiscally responsible as future emergency financing or deferring projects are typically the outcome. Below are some of the more common funding models utilized:



**About Percent Funded**

Percent funded is a calculation of how much is in the reserve account versus an ideal amount known as the Fully Funded Balance. The different risk levels associated with the levels of funding are explained in more depth below.



The below video link explains the Percent Funded calculation in more detail:

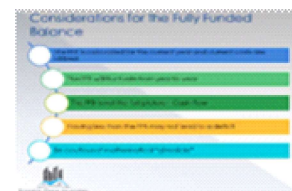


[www.reservedataanalyst.com/pf](http://www.reservedataanalyst.com/pf)

**About the Fully Funded Balance**

The Fully Funded balance is a mathematical calculation that represents the accrued deterioration of a component or a group of components at a specific point in time. It is an answer to the question of “How much should be in a reserve account at a specific point in time?” When the reserve account balance is the same as the Fully Funded Balance the reserve account is considered Fully Funded (100% Funded) at that specific point in time.

The below video link provides a more in-depth explanation of the Fully Funded balance:



[www.reservedataanalyst.com/ffb](http://www.reservedataanalyst.com/ffb)

**Calculating Inflation in the Reserve Study**

Inflationary factors impact the project costs over time and are the main driving force that must be overcome with diligent and steadfast budgeting towards reserves. Due to the compounding impact of inflation on costs, in a relatively short period of time, a reserve account can become severely underfunded if it is not considered in the budgeting scenarios. Follow the below link to learn more about how we calculate inflationary factors (escalation of the prices) in the reserve study and some of the tools we use in the process:



[www.reservedataanalyst.com/inf](http://www.reservedataanalyst.com/inf)

**Component Useful Life Estimates**

The useful life of components in the reserve study are predominantly based on our experiences with many different types of organizations and their respective repair and replacement cycles with building and site components. In addition to our own experiences working with many organizations over the years there is ample data available online regarding useful life estimates of building and site components. It is important to note that the estimates in the reserve study are based on averages and are not specific to any one property. Follow the below link to view some of the various useful life tables that we utilize:



[www.reservedataanalyst.com/ul](http://www.reservedataanalyst.com/ul)

**Determining Component Project Costs**

We utilize many sources for determining what is an appropriate component project cost in the reserve study. These can include:

- ➔ Client invoices, bids, estimates
- ➔ Our in-house database that is based on the collection of many Client invoices, bids, and estimates.
- ➔ Cost manuals

It's important to understand that unless we are provided actual project costs based on a client invoice/bid or estimate we utilize average costs figures that are not specific to any one Client. In the bidding process you...

... will find that there is a large difference in price from one vendor to the next for a variety of reasons. We aim to be in the middle of these estimates unless we have Client data to incorporate into the reserve study. Future costs (projections) for the component expenses are simply inflated from current cost based on the inflation assumption in the reserve study. It is important to remember that our current recommendations are based on current project costs and not the inflated number that is utilized in the projections portion of the reserve study. The below link goes into this topic in more detail:



[www.reservedataanalyst.com/cost](http://www.reservedataanalyst.com/cost)

**National Reserve Study Standards**

There are two recognized organizations that dictate national reserve study standards in the industry. The Community Association's Institute and the Association of Professional Reserve Analysts award designations to those reserve study professionals that meet education & work experience, adhere to the minimum report requirements, complete ongoing continuing education courses, and abide by ethical considerations in the field. The standards for both organizations can be viewed at the links below:



[www.reservedataanalyst.com/CAI](http://www.reservedataanalyst.com/CAI)



[www.reservedataanalyst.com/APRA](http://www.reservedataanalyst.com/APRA)

**What Components to Include in the Study?**

Reserve expenses for components are major expenses which must be budgeted for in advance to provide the necessary funds in time for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. They are expenses that when incurred would have a significant impact on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance.

A common concern when beginning this process is what components are to be included and funded for in the Reserve Study. Nationally recognized CAI Reserve Study Standards as well as APRA Standards of Practice dictate that the reserve components need to meet the following criteria:

- ➔ It's not already covered in the Operating Budget.
- ➔ The component has a limited life expectancy.
- ➔ The component has a reasonably defined remaining useful life.
- ➔ As required by local statutes.

**When to Complete Reserve Projects?**

Components should be replaced when they are no longer functioning as designed. This is best determined by your component specific Vendor who can inspect and give their best professional advice on the condition assessment and timeframe on when/what needs to be done. Note that this reserve study is not a “to do list”; it is a budgeting document with recommendations for when we suggest having the funds allocated towards the projects. If something fails earlier than projected then replace it, if it lasts longer (as determined by your component specific ...

... Vendor) then take their advice as they are experts in their specific field. Projects should be completed when they need to be completed regardless of our projections in the study.

Note that this does not mean it would be appropriate to delay projects simply because funds are not available though as that is a budgeting decision not based on component specific Vendor recommendations.

A common issue we see is the delay of projects simply because there is a lack of reserve funds available, only to have a much larger and more expensive project later due to a variety of factors that come into play when delaying reserve projects (e.g., inflation, collateral damage).

**Ongoing Component Maintenance**

While this reserve study has been developed to disclose and inform the Client of the predictable larger long-term project costs related to site and building components, there is also a need to complete regular inspections and repairs to virtually all components on much shorter cycles. These costs would typically be covered in the annual Operating Budget.

Virtually all the components should receive regular cycles of inspection and repairs by a qualified Vendor. Failure to complete ongoing maintenance typically leads to shorter useful lives and higher costs later. RSMeans provides a free link to common building and site component items to inspect.



[www.reservedataanalyst.com/rsmeans](http://www.reservedataanalyst.com/rsmeans)

**Recommendations Versus Projections**

In the reserve study the Reserve Analyst's recommendations for the allocation rates of the different funding models apply only to the year the reserve study is being developed for. All projections in the study are future educated guesses with assumptions about a significant number of variables (e.g., inflation rate, financial, component useful life, component remaining useful life, proper maintenance, etc.).

Projections can be accurate or extremely inaccurate based on these assumptions; because of this we do not suggest giving much consideration to projections in the decision making for overall reserve budgeting. This may sound counter-intuitive, but this is due to recommendations for the allocation rates, in the initial year of the study, being based on predominantly current known factors (e.g., current costs, current inflation, current maintenance practices) versus projections which are based on future assumptions to a variety of variables (e.g., future costs, future inflation rates, and future maintenance practices). Follow the below link to our website to learn more about recommendations versus projections.



[www.reservedataanalyst.com/projections](http://www.reservedataanalyst.com/projections)

**You Have a Reserve Study Now What?**

Adequately budgeting for reserves is often one of the more difficult tasks our clients face. Reserve component projects are infrequent and often years down the line, making it very easy to just "deal with it later"...

... We have found those that are most successful with reserve budgeting goals typically follow these simple rules when creating and implementing a reserve budget.

**Actionable**

Is your goal possible within the constraints & limitations of very important but often overlooked factors related to statutory requirements and the governing documents?

**Comprehensive**

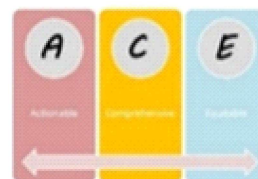
Your goal should be clear and specific, otherwise you won't be able to focus your efforts or feel truly motivated to achieve it. When drafting your goal, try to answer the four "W" questions - What do we want to accomplish? Why is this goal important? Who is involved? When is this goal set to occur?

**Equitable**

Your goal should be reasonable and attainable to be successful. In other words, it should stretch your abilities but remain possible. When you set an achievable goal, you may be able to identify previously overlooked opportunities or resources that can bring you closer to it.

This often means that transitioning to a more stable financial track will take years of smaller goals being obtained.

Severely underfunded reserve accounts typically develop after many years or decades; it's usually not reasonable for the answers to come quick or easily.



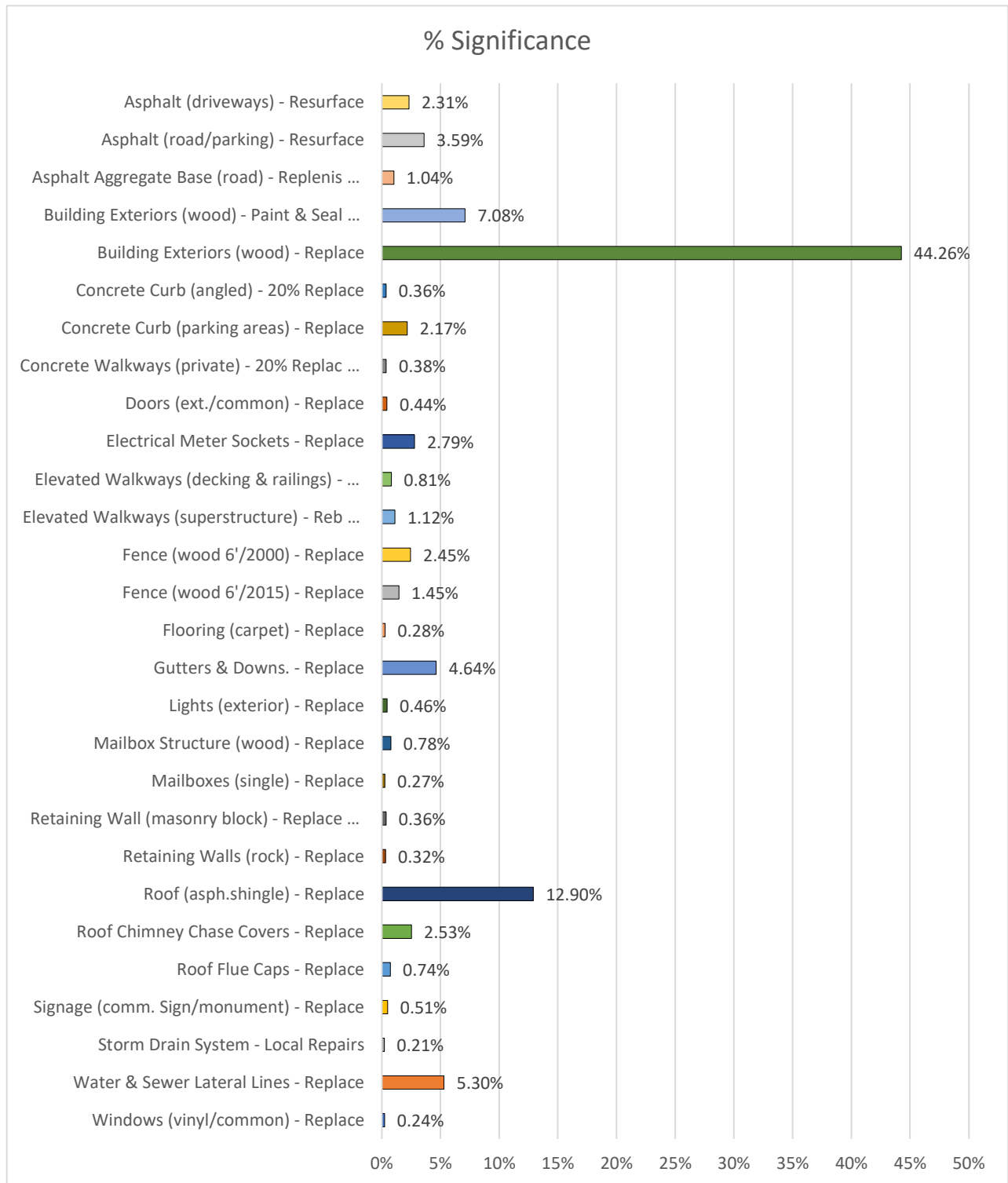
[www.reservedataanalyst.com/ace](http://www.reservedataanalyst.com/ace)

Version: Draft1

| Component Description                                 | Asset ID | Install/Alloc. Year | Replace Year | Useful Life (UL) | Adjust / Delay (D) | Remaining UL | Quantity | Qty. Type | Cost Per Qty. | % Replace | Current Cost     | % Significance |
|---|----------|---------------------|--------------|------------------|--------------------|--------------|----------|-----------|---------------|-----------|------------------|----------------|
| <b>&gt;&gt; Building Exterior Components &lt;&lt;</b> |          |                     |              |                  |                    |              |          |           |               |           |                  |                |
| Building Exteriors (wood) - Paint & Seal ...          | 1940     | 2011                | 2026         | 10               |                    | 0            | 35,000   | gsf       | \$2.40        | 100.0%    | \$84,000         | 7.08%          |
| Building Exteriors (wood) - Replace                   | 1950     | 1975                | 2026         | 50               |                    | 0            | 35,000   | gsf       | \$15.00       | 100.0%    | \$525,000        | 44.26%         |
| Doors (ext./common) - Replace                         | 2750     | 1975                | 2026         | 50               |                    | 0            | 3        | ea        | \$1,750.00    | 100.0%    | \$5,250          | 0.44%          |
| Electrical Meter Sockets - Replace                    | 2970     | 1975                | 2026         | 50               |                    | 0            | 25       | ea        | \$1,325.00    | 100.0%    | \$33,125         | 2.79%          |
| Gutters & Downs. - Replace                            | 7310     | 2018                | 2048         | 30               |                    | 22           | 4,400    | lf        | \$12.50       | 100.0%    | \$55,000         | 4.64%          |
| Lights (exterior) - Replace                           | 4820     | 2000                | 2026         | 25               |                    | 0            | 36       | ea        | \$150.00      | 100.0%    | \$5,400          | 0.46%          |
| Roof (asph.shingle) - Replace                         | 6970     | 2005                | 2030         | 25               |                    | 4            | 286      | sq        | \$535.00      | 100.0%    | \$153,010        | 12.90%         |
| Roof Chimney Chase Covers - Replace                   | 7220     | 2005                | 2030         | 25               |                    | 4            | 25       | ea        | \$1,200.00    | 100.0%    | \$30,000         | 2.53%          |
| Roof Flue Caps - Replace                              | 7290     | 2005                | 2030         | 25               |                    | 4            | 25       | ea        | \$350.00      | 100.0%    | \$8,750          | 0.74%          |
| Windows (vinyl/common) - Replace                      | 8400     | 2010                | 2045         | 35               |                    | 19           | 36       | sf        | \$80.00       | 100.0%    | \$2,880          | 0.24%          |
| <b>Building Exterior Components Subtotal</b>          |          |                     |              |                  |                    |              |          |           |               |           | <b>\$902,415</b> | <b>76.08%</b>  |
| <b>&gt;&gt; Building Interior Components &lt;&lt;</b> |          |                     |              |                  |                    |              |          |           |               |           |                  |                |
| Flooring (carpet) - Replace                           | 3730     | 2015                | 2026         | 10               |                    | 0            | 210      | sf        | \$16.00       | 100.0%    | \$3,360          | 0.28%          |
| Flooring (laminated) - Replace                        | 3790     | 2010                | 2030         | 20               |                    | 4            | 52       | sf        | \$20.00       | 100.0%    | \$1,040          | 0.09%          |
| Interior Surfaces - Paint                             | 4430     | 2010                | 2030         | 20               |                    | 4            | 1,176    | sf        | \$1.20        | 100.0%    | \$1,411          | 0.12%          |
| <b>Building Interior Components Subtotal</b>          |          |                     |              |                  |                    |              |          |           |               |           | <b>\$5,811</b>   | <b>0.49%</b>   |
| <b>&gt;&gt; Site Components &lt;&lt;</b>              |          |                     |              |                  |                    |              |          |           |               |           |                  |                |
| Asphalt (driveways) - Resurface                       | 1141     | 2019                | 2044         | 25               |                    | 18           | 7,207    | sf        | \$3.80        | 100.0%    | \$27,387         | 2.31%          |
| Asphalt (road/parking) - Resurface                    | 1140     | 2000                | 2030         | 25               | 5                  | 4            | 11,215   | sf        | \$3.80        | 100.0%    | \$42,617         | 3.59%          |
| Asphalt Aggregate Base (road) - Replenis ...          | 1111     | 1975                | 2030         | 50               | 5                  | 4            | 11,215   | sf        | \$1.10        | 100.0%    | \$12,337         | 1.04%          |
| Concrete Curb (angled) - 20% Replace                  | 2090     | 1975                | 2030         | 5                | 50                 | 4            | 535      | lf        | \$40.00       | 20.0%     | \$4,280          | 0.36%          |
| Concrete Curb (parking areas) - Replace               | 2070     | 1975                | 2030         | 50               | 5                  | 4            | 343      | lf        | \$75.00       | 100.0%    | \$25,725         | 2.17%          |
| Concrete Walkways (private) - 20% Replac ...          | 2150     | 2022                | 2027         | 5                |                    | 1            | 863      | sf        | \$26.00       | 20.0%     | \$4,488          | 0.38%          |
| Elevated Walkways (decking & railings) - ...          | 2510     | 2020                | 2040         | 20               |                    | 14           | 241      | sf        | \$40.00       | 100.0%    | \$9,640          | 0.81%          |

Version: Draft1

| Component Description                        | Asset ID | Install/Alloc. Year | Replace Year | Useful Life (UL) | Adjust / Delay (D) | Remaining UL | Quantity | Qty. Type | Cost Per Qty. | % Replace | Current Cost       | % Significance |
|--|----------|---------------------|--------------|------------------|--------------------|--------------|----------|-----------|---------------|-----------|--------------------|----------------|
| Elevated Walkways (superstructure) - Reb ... | 2490     | 2020                | 2060         | 40               |                    | 34           | 241 sf   |           | \$55.00       | 100.0%    | \$13,255           | 1.12%          |
| Fence (wood 6'/2000) - Replace               | 3370     | 2000                | 2026         | 20               |                    | 0            | 448 lf   |           | \$65.00       | 100.0%    | \$29,120           | 2.45%          |
| Fence (wood 6'/2015) - Replace               | 3371     | 2015                | 2035         | 20               |                    | 9            | 265 lf   |           | \$65.00       | 100.0%    | \$17,225           | 1.45%          |
| Mailbox Structure (wood) - Replace           | 4990     | 2000                | 2030         | 30               |                    | 4            | 4 ea     |           | \$2,300.00    | 100.0%    | \$9,200            | 0.78%          |
| Mailboxes (single) - Replace                 | 5000     | 2000                | 2030         | 30               |                    | 4            | 30 ea    |           | \$105.00      | 100.0%    | \$3,150            | 0.27%          |
| Retaining Wall (masonry block) - Replace ... | 6870     | 2000                | 2040         | 40               |                    | 14           | 96 sf    |           | \$45.00       | 100.0%    | \$4,320            | 0.36%          |
| Retaining Walls (rock) - Replace             | 6880     | 1975                | 2035         | 60               |                    | 9            | 70 sf    |           | \$55.00       | 100.0%    | \$3,850            | 0.32%          |
| Signage (comm. Sign/monument) - Replace      | 7650     | 1975                | 2026         | 40               |                    | 0            | 1 ea     |           | \$6,000.00    | 100.0%    | \$6,000            | 0.51%          |
| Storm Drain System - Local Repairs           | 7800     | 1975                | 2030         | 20               | 35                 | 4            | 1 ls     |           | \$2,500.00    | 100.0%    | \$2,500            | 0.21%          |
| Water & Sewer Lateral Lines - Replace        | 5470     | 1975                | 2030         | 55               |                    | 4            | 786 lf   |           | \$80.00       | 100.0%    | \$62,880           | 5.30%          |
| <b>Site Components Subtotal</b>              |          |                     |              |                  |                    |              |          |           |               |           | <b>\$277,973</b>   | <b>23.43%</b>  |
| <b>Current Cost Grand Total</b>              |          |                     |              |                  |                    |              |          |           |               |           | <b>\$1,186,199</b> | <b>100.00%</b> |



The above chart illustrates the current cost breakdown (by percent) of the components that are included in the mathematical models (components with minimal significance have been omitted for the chart). Special attention should be given to those components which take up a bulk of the % of the current cost as these may require significant planning to adequately budget for their replacement. These large expenses may be well into the future during "Peak Year" cycles. Refer to the Projected Annual Expenditures List pages of this study for a breakdown, by year, of the projected timeline of expected expenditures.

## **Excluded Components**

Unless noted otherwise the below components have been excluded from funding in this reserve study. Note that the inclusion of any of these items later via a revision or update to this study will impact the funding strategies developed by the Reserve Analyst.

### Long Life Components

If properly constructed the below components are long life components which, currently, have no predictable useful life, predictable remaining useful life, or predictable associated replacement costs. As these components age and a history of repair/replacement needs becomes evident or there are failures then we suggest reevaluating these systems and having them inspected by qualified vendors. Future updates to the reserve study should be revised accordingly.

- > Storm Water System Replacement - We suggest working with a qualified vendor for regular maintenance (e.g., sediment removal) and periodic inspections. At this time, we have no predictable remaining life for this system; it has been our experience that with regular maintenance and periodic inspections repairs can be made before larger scale failures. As the system ages Vendor recommendations should be incorporated into updates to the reserve study.
- > Front Porch Stairs at Units Entrances

### Not Client's Responsibility

The below components are reportedly not the Client's responsibility per their interpretation of their governing documents. Note that the Reserve Analyst does **not** interpret governing documents and has excluded items based on the Client's request and based their interpretation of their own governing documents. If there is ambiguity or questions as to what specific wording means in the governing documents, we recommend consulting with a qualified and experienced attorney.

- > Utility Main Lines (per AWWU Map) - Utility Company's Responsibility
- > Fire Hydrant - Utility Company's Responsibility
- > Unit Windows (frames) - Unit Owner's Responsibility
- > Unit Doors (screen/storm, front entry, deck/patio entry, garage) - Unit Owner's Responsibility
- > Unit Lights Fixtures at Decks/Patios - Unit Owner's Responsibility
- > Unit Railings At Front Porch Stairs - Unit Owner's Responsibility
- > Unit Deck & Patios - Unit Owner's Responsibility
- > Unit Deck Railings and Slider Railing - Unit Owner's Responsibility
- > Unit HVAC Equipment - Unit Owner's Responsibility
- > Unit Mechanical Equipment (some located in crawl spaces) - Unit Owner's Responsibility
- > All Interior Plumbing (from exterior walls, in) - Unit Owner's Responsibility

### Operating Account Expenses

The below components are reportedly paid for from the Operating Account and have not been included in this reserve study.

- > Storm Water System Maintenance (catch basins)
- > Asphalt Crack Sealing - Complete annually as needed.
- > All Landscaping
- > Minor Irrigation System Repairs (e.g., sprinkler heads, valve replacement, controllers/timers)
- > All Tree Care & Hazardous Tree Removal
- > Landscape Garden Beds (wood and pavers at rears)
- > Wood Staircase Steps at Stormwater Pipe
- > Railing at Storm Water Pipe
- > Interior Light Fixtures at Common Hallways

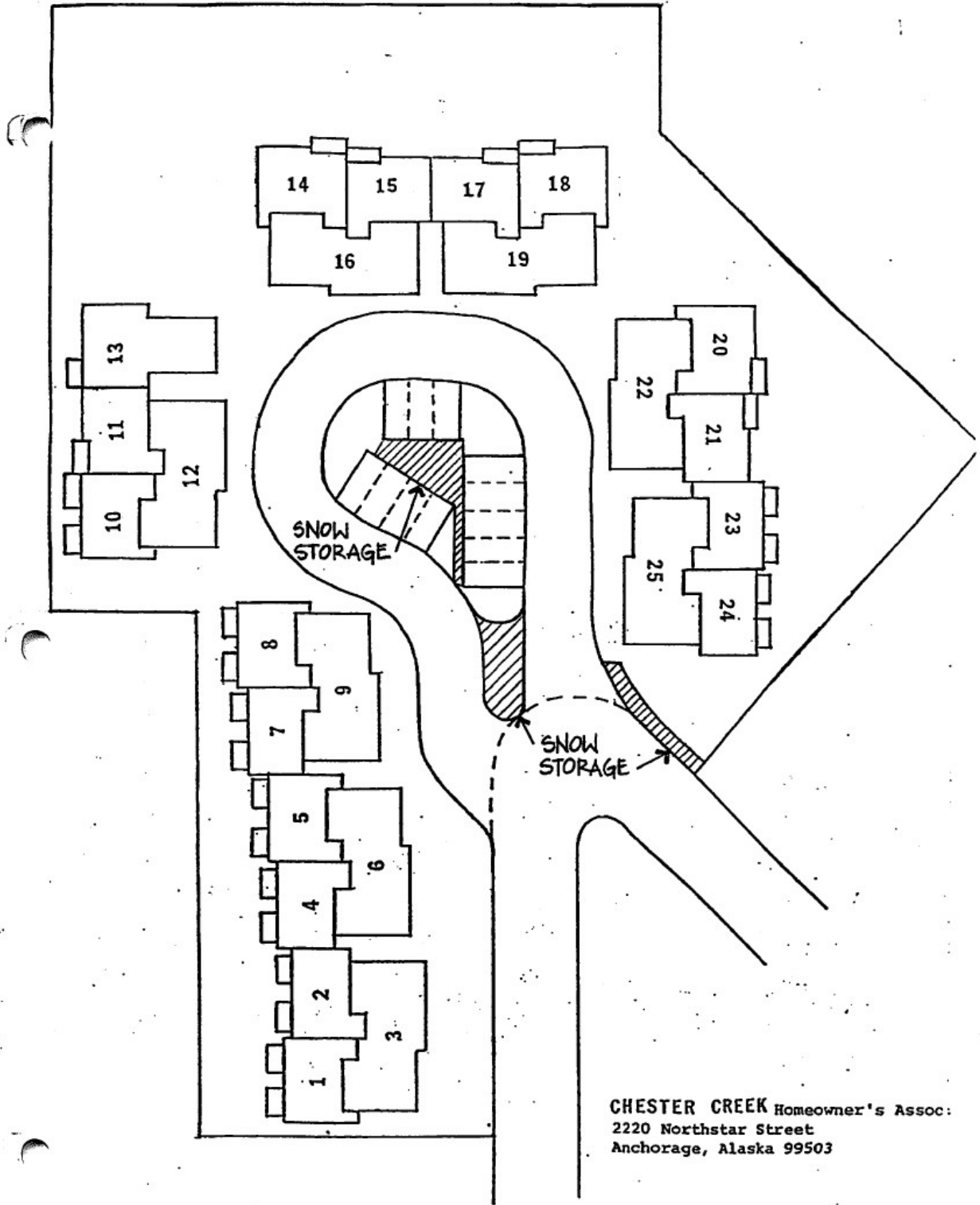
### **Components Maintenance & Inspections**

The Client stated that they have been working with the Vendors for ongoing maintenance of components. Note that a lack of ongoing maintenance at any point in the past or future can significantly reduce the useful life of components. It is assumed that all proper maintenance has and will be completed per the component specific Vendor's recommendations (unless otherwise noted). It is assumed all inspections will be completed per local statute and are assumed to be paid for from the operational account, as reported by the Client (unless otherwise noted).

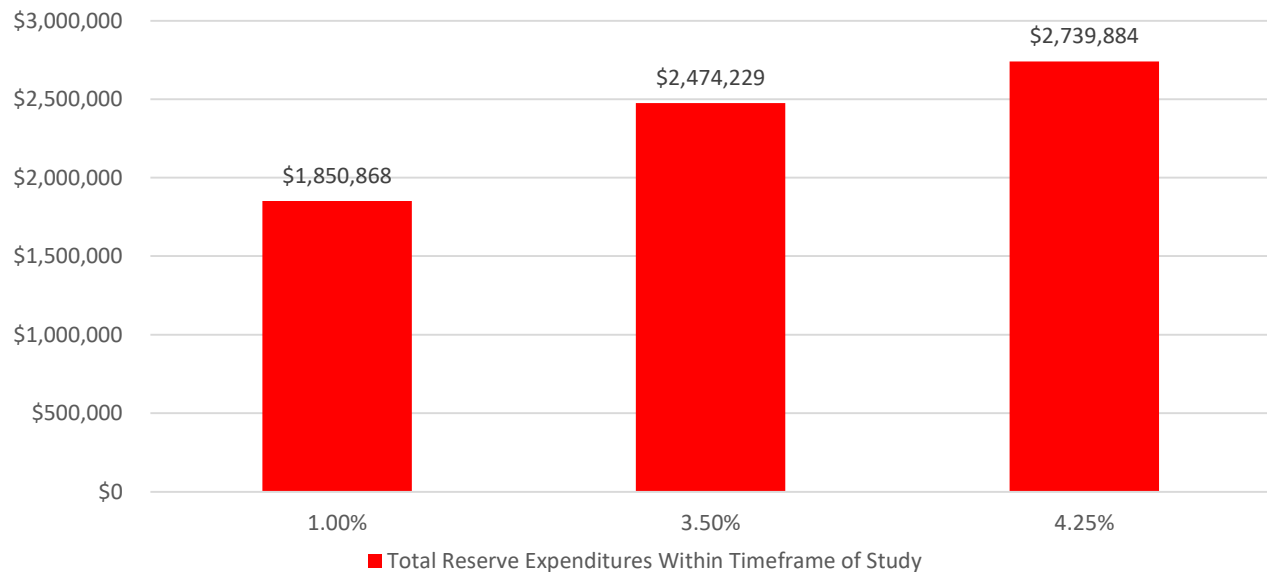
### **Comments on Reserve Data Analyst's Software**

#### Software Functions

Utilizing software that is mathematically accurate, and which is also adaptable is an extremely important part of completing a reserve study. With so many scenarios we encounter having flexible software helps us to create comprehensive and adaptable reserve studies. Typically comments will be made in the Component Details sections of this reserve study when a components fully funded balance or projected allocation/replace date has been altered utilizing one of our software functions. To learn more about our software functions please visit our blog post about our proprietary software and its functions: [www.reservedataanalyst.com/blog/software-functions/](http://www.reservedataanalyst.com/blog/software-functions/)



## Impact of Construction Inflation



The above chart compares the impact of the below annual construction inflation rates applied to the reserve expenditures over time (an annual list is provided on the Annual Expenditures List Pages - see Table of Contents). The total sum of the 30-years of projected reserve project expenditures varies significantly based on these different inflation rates applied to the reserve study mathematical models. Updating prior studies with actual construction inflation rates and utilizing an accurate historical average going forward in time helps to achieve a reserve account will have a higher success in meeting expected reserve expenditures.

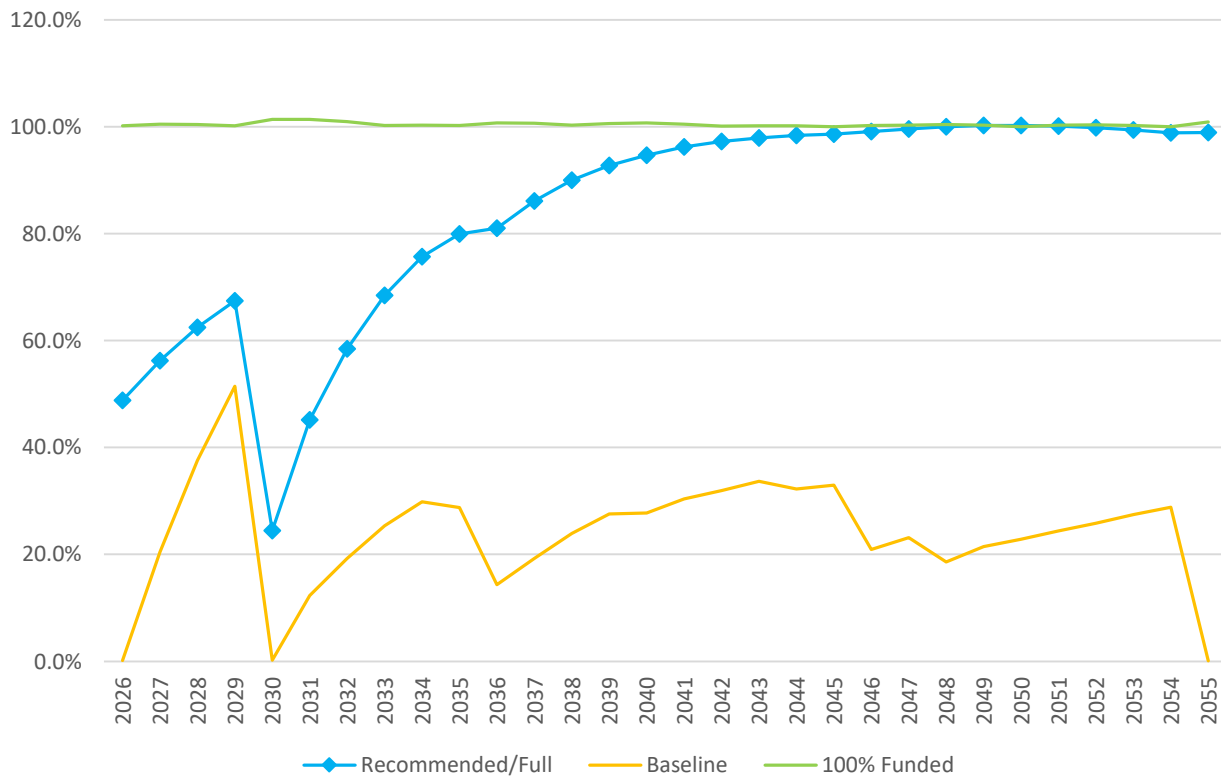
- > **1.00%** - this is a common annual inflation rate we see being utilized in reserve budgets.  
\*costs double approximately every 71 years at 1.0% annual inflation
- > **3.50%** - the most recent 50-year U.S. historical average annual construction cost inflation rate.  
\*costs double approximately every 21.5 years at 3.5% annual inflation
- > **4.25%** - the most recent 30-year U.S. historical average annual construction cost inflation rate.  
\*costs double approximately every 17.5 years at 4.25% annual inflation

In this reserve study we have used an inflation rate that is well supported by the historical data without being overly conservative. Unless otherwise noted (e.g., variance to specific component inflation rates), we typically use a 50-year historical average which has fluctuated less than the most recent 30-year average.

Inflation factors impacting reserve projects costs, over time, is the number one aspect of reserve budgeting that an adequately funded reserve account must address as time passes. It has been our experience that ignoring the impact of inflationary factors and/or using an annual inflation rate that is significantly lower than historical average (for future projections) will typically result in a much higher risk for reliance on emergency financing (special assessments/loans) due to reserve account balances that do not adequately fund predictable reserve projects. It is also important to remember that inflation of project costs occurs whether a reserve project occurs or not, and is one of the reasons why pushing off a reserve project simply results in a more expensive project later.

Often we see budgets that utilize inflation cost indexes that are not related to construction costs (e.g., the Consumer Price Index - CPI). Please follow the link here to learn more about construction cost indices and mistakes we often see when applying inflation rates to reserve account budgets. (link: <https://www.reservedataanalyst.com/inf>)

## Percent Funded Chart



The above chart compares the funding models by the percentage funded levels over the timeframe of the projections, as calculated at the end of each fiscal year.

The **Recommended/Full Funding Model** increases the Client's reserve account Percent Funded Level to 100% funding within the timeframe of the projections in this report. Once this 100% funded level is reached it is a good indicator that the reserve account is on track to meet its future obligations with minimal risk of reliance on emergency financing or having to defer projects that come due. Note that the Recommended Model is not necessarily a low risk, no risk or ideal model to follow. It simply has a goal of guiding the reserve account to a 100% funded level within the timeframe of projections.

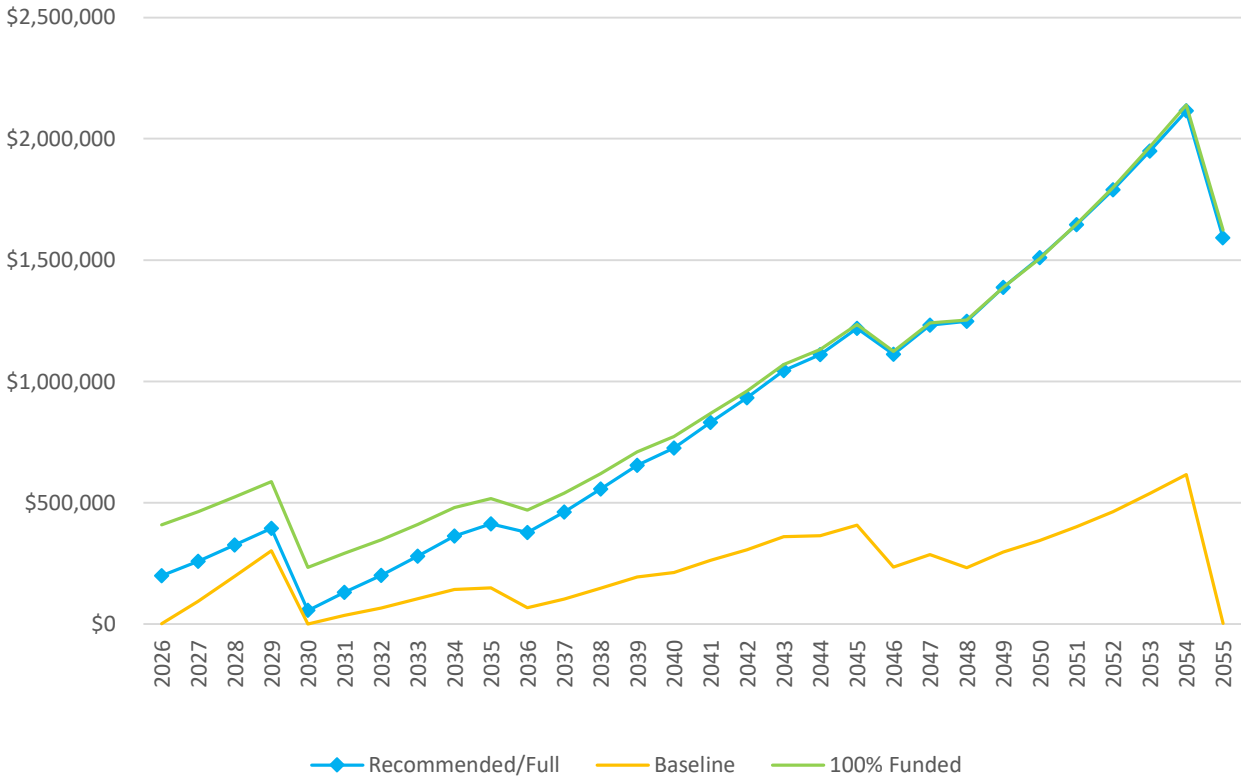
The **Alt. Recommended/Full Funding Model** has been included (if applicable) as an alternative to the regular Recommended Model (which utilizes an annual reserve contribution percentage increase rate that is similar to the inflation rate). This alternative model has a goal of reaching 100% funded by the end of a 30-year period but starts with a higher or lower reserve allocation rate and increases at a significantly higher or lower annual percentage increase (i.e., the annual reserve allocation percentage change is significantly higher or lower than the projected inflation rate) until the reserve account reaches the 100% funded level by the end of the 30-years of projections.

The **Baseline Funding Model** has a goal of only keeping the reserve account cash positive within the timeframe of the projections (i.e., at some point within the timeframe of the projections the reserve account is depleted to near \$0). This model carries significant risk for reliance on emergency financing and/or having to defer projects due to the common occurrence of components failing earlier than projected or costs increasing more rapidly than projected.

The **100% Funded Model** has a goal of maintaining the reserve account to a minimum of 100% Funded in each year of the projections. This model minimizes risk for reliance on emergency financing and deferred maintenance and places the reserve account on a low-risk path for budgeting of future reserve expenditures.

The **Current Funding Model** (if included here) is based on the reserve allocation rate supplied by the Client as of the date of this study; it has not been independently verified and is assumed to be correct.

# Reserve Account Balance Chart



The chart above compares the annual year-end balance of the reserve account for the respective funding models over the timeframe covered in the projections. Projected reserve account balances (funding model lines) will often have large fluctuations from year to year due to projects occurring in any given year.

There is often an incorrect perception that the reserve account funds grow and just "sit" in the reserve account indefinitely. In actuality the reserve funds should be allowed to accumulate over time so that there are adequate funds when the reserve projects are projected to occur. The math for the fully funded balance and projections does not simply end at the 30-year timeframe of projections in this reserve study.

**Example:** Reserve funds that are projected to be in the reserve account at the end of year 30 of the study are for projected reserve projects in fiscal years 31, 32, 33, 34, etc. Often a peak expense year (one or numerous large reserve projects) will fall outside of the 30-year projections so it may appear to a reader of this study that these funds are "extra" when in fact they are needed for projections that are simply not visible due to the printout stopping at a 30 year timeframe.

The model that departs from this "building reserves" philosophy, by definition, is the Baseline Funding Model which ignores all expenses past the 30-year timeframe of the reserve study (like they simply do not exist) and is the reason it typically indicates a much lower needed reserve allocation rate and reserve account balance. **However**, in updates to the study as these projected reserve projects do begin to fall within the 30-year snapshot they will need to be funded for, often requiring significant increases to the reserve account allocation rate. It is one of the reasons the Baseline Model is a high risk model that is extremely difficult to follow (especially for communities past 20 years of age) for any significant period of time.

## 100% Funded Model

This funding model has a goal of being a minimum of 100% funded, annually, over the timeframe of the projections. Allocation rates will fluctuate based on the expenditures projected in any given year. The initial year will have a higher allocation rate than subsequent years if the reserve account is underfunded and requires a cash injection to elevate the reserve account to a 100% funded track.

While being at a 100% funded level is considered ideal it has been our experience that it is frequently not realistic due to a lack of funds that would need to be deposited into the reserve account to elevate it to a 100% funded level in the initial year of the projections. The initial year allocation percentage increase/decrease is the change from the Client provided current reserve allocation amount.

| Beginning Balance: |                           | \$189,855          |                 |                     |               |                 |                |                     |                          |              |                |
|--------------------|---------------------------|--------------------|-----------------|---------------------|---------------|-----------------|----------------|---------------------|--------------------------|--------------|----------------|
|                    | YrEnd Inflated Asset Cost | Inflation Rate     | Allocation Rate | Allocation % Change | Interest Rate | NET Interest    | Special Assess | Annual Expenditures | Year End Account Balance | Year End FFB | YrEnd % Funded |
| 2026               | \$1,227,716               | 3.50%              | \$909,000       | 1856.31%            | 0.25%         | \$713           |                | \$691,255           | \$408,313                | \$407,554    | 100.2%         |
| 2027               | \$1,270,686               | 3.50%              | \$58,000        | -93.62%             | 0.25%         | \$808           |                | \$4,645             | \$462,477                | \$460,263    | 100.5%         |
| 2028               | \$1,315,160               | 3.50%              | \$60,030        | 3.50%               | 0.25%         | \$914           |                | \$0                 | \$523,421                | \$521,137    | 100.4%         |
| 2029               | \$1,361,191               | 3.50%              | \$62,131        | 3.50%               | 0.25%         | \$1,025         |                | \$0                 | \$586,577                | \$585,709    | 100.1%         |
| 2030               | \$1,408,832               | 3.50%              | \$56,000        | -9.87%              | 0.25%         | \$408           |                | \$409,551           | \$233,434                | \$230,278    | 101.4%         |
| 2031               | \$1,458,141               | 3.50%              | \$57,960        | 3.50%               | 0.25%         | \$510           |                | \$0                 | \$291,904                | \$287,970    | 101.4%         |
| 2032               | \$1,509,176               | 3.50%              | \$59,989        | 3.50%               | 0.25%         | \$606           |                | \$5,516             | \$346,982                | \$343,708    | 101.0%         |
| 2033               | \$1,561,997               | 3.50%              | \$62,088        | 3.50%               | 0.25%         | \$716           |                | \$0                 | \$409,786                | \$408,905    | 100.2%         |
| 2034               | \$1,616,667               | 3.50%              | \$69,000        | 11.13%              | 0.25%         | \$838           |                | \$0                 | \$479,624                | \$478,245    | 100.3%         |
| 2035               | \$1,673,251               | 3.50%              | \$71,415        | 3.50%               | 0.25%         | \$904           |                | \$34,556            | \$517,387                | \$516,171    | 100.2%         |
| 2036               | \$1,731,814               | 3.50%              | \$73,915        | 3.50%               | 0.25%         | \$819           |                | \$123,230           | \$468,891                | \$465,642    | 100.7%         |
| 2037               | \$1,792,428               | 3.50%              | \$76,502        | 3.50%               | 0.25%         | \$943           |                | \$6,552             | \$539,783                | \$536,169    | 100.7%         |
| 2038               | \$1,855,163               | 3.50%              | \$79,179        | 3.50%               | 0.25%         | \$1,083         |                | \$0                 | \$620,046                | \$618,080    | 100.3%         |
| 2039               | \$1,920,094               | 3.50%              | \$88,000        | 11.14%              | 0.25%         | \$1,239         |                | \$0                 | \$709,285                | \$705,069    | 100.6%         |
| 2040               | \$1,987,297               | 3.50%              | \$91,080        | 3.50%               | 0.25%         | \$1,349         |                | \$29,525            | \$772,189                | \$766,832    | 100.7%         |
| 2041               | \$2,056,852               | 3.50%              | \$94,268        | 3.50%               | 0.25%         | \$1,516         |                | \$0                 | \$867,973                | \$863,682    | 100.5%         |
| 2042               | \$2,128,842               | 3.50%              | \$97,567        | 3.50%               | 0.25%         | \$1,676         |                | \$7,781             | \$959,435                | \$958,318    | 100.1%         |
| 2043               | \$2,203,352               | 3.50%              | \$107,500       | 10.18%              | 0.25%         | \$1,867         |                | \$0                 | \$1,068,802              | \$1,066,857  | 100.2%         |
| 2044               | \$2,280,469               | 3.50%              | \$111,263       | 3.50%               | 0.25%         | \$1,976         |                | \$50,870            | \$1,131,170              | \$1,129,168  | 100.2%         |
| 2045               | \$2,360,285               | 3.50%              | \$115,157       | 3.50%               | 0.25%         | \$2,157         |                | \$13,765            | \$1,234,719              | \$1,234,781  | 100.0%         |
| 2046               | \$2,442,895               | 3.50%              | \$119,187       | 3.50%               | 0.25%         | \$1,964         |                | \$231,771           | \$1,124,099              | \$1,121,267  | 100.3%         |
| 2047               | \$2,528,397               | 3.50%              | \$123,359       | 3.50%               | 0.25%         | \$2,167         |                | \$9,242             | \$1,240,383              | \$1,237,007  | 100.3%         |
| 2048               | \$2,616,891               | 3.50%              | \$127,676       | 3.50%               | 0.25%         | \$2,189         |                | \$117,233           | \$1,253,015              | \$1,248,040  | 100.4%         |
| 2049               | \$2,708,482               | 3.50%              | \$132,145       | 3.50%               | 0.25%         | \$2,424         |                | \$0                 | \$1,387,584              | \$1,383,912  | 100.3%         |
| 2050               | \$2,803,279               | 3.50%              | \$136,770       | 3.50%               | 0.25%         | \$2,631         |                | \$21,078            | \$1,505,907              | \$1,505,951  | 100.0%         |
| 2051               | \$2,901,393               | 3.50%              | \$152,750       | 11.68%              | 0.25%         | \$2,880         |                | \$12,762            | \$1,648,775              | \$1,644,208  | 100.3%         |
| 2052               | \$3,002,942               | 3.50%              | \$158,096       | 3.50%               | 0.25%         | \$3,143         |                | \$10,976            | \$1,799,038              | \$1,792,609  | 100.4%         |
| 2053               | \$3,108,045               | 3.50%              | \$163,630       | 3.50%               | 0.25%         | \$3,435         |                | \$0                 | \$1,966,102              | \$1,961,141  | 100.3%         |
| 2054               | \$3,216,827               | 3.50%              | \$169,357       | 3.50%               | 0.25%         | \$3,737         |                | \$0                 | \$2,139,196              | \$2,139,275  | 100.0%         |
| 2055               | \$3,329,416               | 3.50%              | \$175,284       | 3.50%               | 0.25%         | \$2,836         |                | \$693,921           | \$1,623,395              | \$1,609,268  | 100.9%         |
| <b>Totals:</b>     |                           | <b>\$3,858,296</b> |                 |                     |               | <b>\$49,473</b> |                | <b>\$2,474,229</b>  |                          |              |                |

# Recommended/Full Funding Model

We have developed a funding plan which will help steer the reserve account into a high funded range within the 30-year projection timeframe. This Recommended Funding Model (also commonly referred to as the Full Funding Model) requires the Client allocate the recommended allocation amount into the reserve account with annual increases thereafter to offset inflationary factors.

This Recommended Funding Plan Considers 4 Basic Principles; there are adequate reserves when needed, the budget should remain stable but increasing to offset inflationary factors, the costs are fairly distributed over time, and the funding plan must allow the Client to be fiscally responsible. Note that the Recommended Model is not necessarily a low risk, no risk or ideal model to follow (especially if the reserve account is currently significantly underfunded). It simply has a goal of having the reserve account reach 100% funded by the end of a 30-year period. An "ideal" model to follow would be the 100% funded model as this model has the reserve account funded to a minimum 100% funded level each year of the study which is considered an ideal level of funding and overall low risk for having to rely on emergency financing.

| Beginning Balance: |                           | \$189,855      |                    |                     |               |                 |                |                     |                          |              |                |
|--------------------|---------------------------|----------------|--------------------|---------------------|---------------|-----------------|----------------|---------------------|--------------------------|--------------|----------------|
|                    | YrEnd Inflated Asset Cost | Inflation Rate | Allocation Rate    | Allocation % Change | Interest Rate | NET Interest    | Special Assess | Annual Expenditures | Year End Account Balance | Year End FFB | YrEnd % Funded |
| 2026               | \$1,227,716               | 3.50%          | \$700,000          | 1406.51%            | 0.25%         | \$348           |                | \$691,255           | \$198,948                | \$407,554    | 48.8%          |
| 2027               | \$1,270,686               | 3.50%          | \$64,000           | -90.86%             | 0.25%         | \$452           |                | \$4,645             | \$258,755                | \$460,263    | 56.2%          |
| 2028               | \$1,315,160               | 3.50%          | \$66,240           | 3.50%               | 0.25%         | \$569           |                | \$0                 | \$325,564                | \$521,137    | 62.5%          |
| 2029               | \$1,361,191               | 3.50%          | \$68,558           | 3.50%               | 0.25%         | \$690           |                | \$0                 | \$394,812                | \$585,709    | 67.4%          |
| 2030               | \$1,408,832               | 3.50%          | \$70,958           | 3.50%               | 0.25%         | \$98            |                | \$409,551           | \$56,318                 | \$230,278    | 24.5%          |
| 2031               | \$1,458,141               | 3.50%          | \$73,441           | 3.50%               | 0.25%         | \$227           |                | \$0                 | \$129,986                | \$287,970    | 45.1%          |
| 2032               | \$1,509,176               | 3.50%          | \$76,012           | 3.50%               | 0.25%         | \$351           |                | \$5,516             | \$200,833                | \$343,708    | 58.4%          |
| 2033               | \$1,561,997               | 3.50%          | \$78,672           | 3.50%               | 0.25%         | \$489           |                | \$0                 | \$279,994                | \$408,905    | 68.5%          |
| 2034               | \$1,616,667               | 3.50%          | \$81,426           | 3.50%               | 0.25%         | \$632           |                | \$0                 | \$362,052                | \$478,245    | 75.7%          |
| 2035               | \$1,673,251               | 3.50%          | \$84,276           | 3.50%               | 0.25%         | \$721           |                | \$34,556            | \$412,493                | \$516,171    | 79.9%          |
| 2036               | \$1,731,814               | 3.50%          | \$87,225           | 3.50%               | 0.25%         | \$659           |                | \$123,230           | \$377,147                | \$465,642    | 81.0%          |
| 2037               | \$1,792,428               | 3.50%          | \$90,278           | 3.50%               | 0.25%         | \$807           |                | \$6,552             | \$461,680                | \$536,169    | 86.1%          |
| 2038               | \$1,855,163               | 3.50%          | \$93,438           | 3.50%               | 0.25%         | \$971           |                | \$0                 | \$556,089                | \$618,080    | 90.0%          |
| 2039               | \$1,920,094               | 3.50%          | \$96,708           | 3.50%               | 0.25%         | \$1,142         |                | \$0                 | \$653,940                | \$705,069    | 92.7%          |
| 2040               | \$1,987,297               | 3.50%          | \$100,093          | 3.50%               | 0.25%         | \$1,268         |                | \$29,525            | \$725,776                | \$766,832    | 94.6%          |
| 2041               | \$2,056,852               | 3.50%          | \$103,596          | 3.50%               | 0.25%         | \$1,451         |                | \$0                 | \$830,824                | \$863,682    | 96.2%          |
| 2042               | \$2,128,842               | 3.50%          | \$107,222          | 3.50%               | 0.25%         | \$1,628         |                | \$7,781             | \$931,893                | \$958,318    | 97.2%          |
| 2043               | \$2,203,352               | 3.50%          | \$110,975          | 3.50%               | 0.25%         | \$1,825         |                | \$0                 | \$1,044,693              | \$1,066,857  | 97.9%          |
| 2044               | \$2,280,469               | 3.50%          | \$114,859          | 3.50%               | 0.25%         | \$1,940         |                | \$50,870            | \$1,110,622              | \$1,129,168  | 98.4%          |
| 2045               | \$2,360,285               | 3.50%          | \$118,879          | 3.50%               | 0.25%         | \$2,128         |                | \$13,765            | \$1,217,864              | \$1,234,781  | 98.6%          |
| 2046               | \$2,442,895               | 3.50%          | \$123,040          | 3.50%               | 0.25%         | \$1,941         |                | \$231,771           | \$1,111,075              | \$1,121,267  | 99.1%          |
| 2047               | \$2,528,397               | 3.50%          | \$127,346          | 3.50%               | 0.25%         | \$2,151         |                | \$9,242             | \$1,231,330              | \$1,237,007  | 99.5%          |
| 2048               | \$2,616,891               | 3.50%          | \$131,804          | 3.50%               | 0.25%         | \$2,180         |                | \$117,233           | \$1,248,081              | \$1,248,040  | 100.0%         |
| 2049               | \$2,708,482               | 3.50%          | \$136,417          | 3.50%               | 0.25%         | \$2,423         |                | \$0                 | \$1,386,921              | \$1,383,912  | 100.2%         |
| 2050               | \$2,803,279               | 3.50%          | \$141,191          | 3.50%               | 0.25%         | \$2,637         |                | \$21,078            | \$1,509,671              | \$1,505,951  | 100.2%         |
| 2051               | \$2,901,393               | 3.50%          | \$146,133          | 3.50%               | 0.25%         | \$2,875         |                | \$12,762            | \$1,645,918              | \$1,644,208  | 100.1%         |
| 2052               | \$3,002,942               | 3.50%          | \$151,248          | 3.50%               | 0.25%         | \$3,126         |                | \$10,976            | \$1,789,315              | \$1,792,609  | 99.8%          |
| 2053               | \$3,108,045               | 3.50%          | \$156,541          | 3.50%               | 0.25%         | \$3,405         |                | \$0                 | \$1,949,262              | \$1,961,141  | 99.4%          |
| 2054               | \$3,216,827               | 3.50%          | \$162,020          | 3.50%               | 0.25%         | \$3,695         |                | \$0                 | \$2,114,977              | \$2,139,275  | 98.9%          |
| 2055               | \$3,329,416               | 3.50%          | \$167,691          | 3.50%               | 0.25%         | \$2,780         |                | \$693,921           | \$1,591,527              | \$1,609,268  | 98.9%          |
| <b>Totals:</b>     |                           |                | <b>\$3,830,291</b> |                     |               | <b>\$45,610</b> |                | <b>\$2,474,229</b>  |                          |              |                |

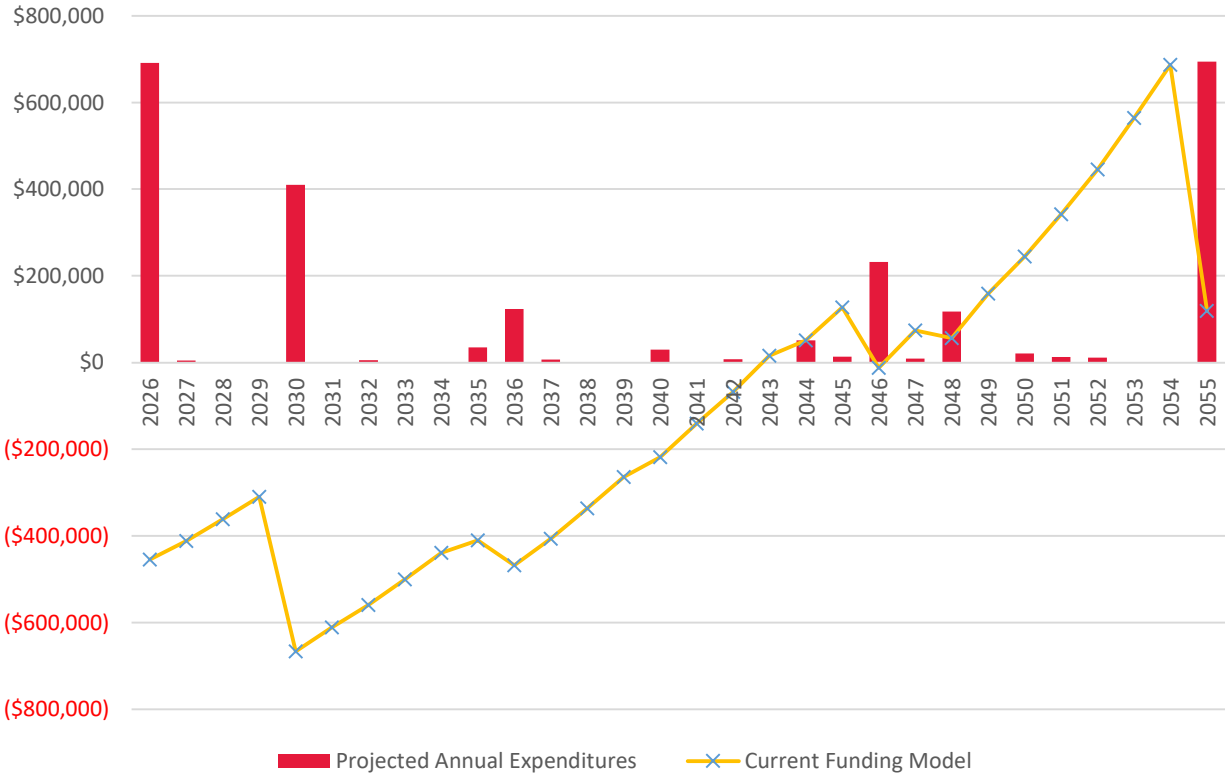
## Baseline Funding Model

The Baseline Funding Model is considered a bare minimum approach which has a goal of keeping the reserve account balance above \$0 within the 30-year timeframe of the projections and does not take into consideration projected expenses that fall outside of the 30-year timeframe of the projections (i.e., longer life components are simply ignored).

This funding model carries a higher risk for reliance on emergency financing specifically if large component expenses occur earlier than projected or costs see significant increases. Additionally, in the future when longer life components come into the 30-year timeframe of the projections their projected expenditures will have a significant impact on the allocation requirements to keep the reserve account cash positive. Should there be a desire to not fund for longer life component projects (i.e., projects that are set to occur after the 30-year projections) at this time then we suggest setting a goal of at least funding to the Baseline Funding Model which has the goal of only staying cash positive for the 30-year time-frame of the projections. Note the "Year End Account Balance" column (3rd from right) which indicates the year(s) that the reserve account is projected to drop to near **zero** in the reserve account.

| Beginning Balance: |                           | \$189,855          |                 |                     |               |                    |                |                     |                          |              |                |
|--------------------|---------------------------|--------------------|-----------------|---------------------|---------------|--------------------|----------------|---------------------|--------------------------|--------------|----------------|
|                    | YrEnd Inflated Asset Cost | Inflation Rate     | Allocation Rate | Allocation % Change | Interest Rate | NET Interest       | Special Assess | Annual Expenditures | Year End Account Balance | Year End FFB | YrEnd % Funded |
| 2026               | \$1,227,716               | 3.50%              | \$502,000       | 980.38%             | 0.25%         | \$1                |                | \$691,255           | \$601                    | \$407,554    | 0.1%           |
| 2027               | \$1,270,686               | 3.50%              | \$98,000        | -80.48%             | 0.25%         | \$164              |                | \$4,645             | \$94,121                 | \$460,263    | 20.4%          |
| 2028               | \$1,315,160               | 3.50%              | \$101,430       | 3.50%               | 0.25%         | \$342              |                | \$0                 | \$195,893                | \$521,137    | 37.6%          |
| 2029               | \$1,361,191               | 3.50%              | \$104,980       | 3.50%               | 0.25%         | \$527              |                | \$0                 | \$301,400                | \$585,709    | 51.5%          |
| 2030               | \$1,408,832               | 3.50%              | \$108,654       | 3.50%               | 0.25%         | \$1                |                | \$409,551           | \$504                    | \$230,278    | 0.2%           |
| 2031               | \$1,458,141               | 3.50%              | \$34,900        | -67.88%             | 0.25%         | \$62               |                | \$0                 | \$35,466                 | \$287,970    | 12.3%          |
| 2032               | \$1,509,176               | 3.50%              | \$36,122        | 3.50%               | 0.25%         | \$116              |                | \$5,516             | \$66,187                 | \$343,708    | 19.3%          |
| 2033               | \$1,561,997               | 3.50%              | \$37,386        | 3.50%               | 0.25%         | \$181              |                | \$0                 | \$103,754                | \$408,905    | 25.4%          |
| 2034               | \$1,616,667               | 3.50%              | \$38,694        | 3.50%               | 0.25%         | \$249              |                | \$0                 | \$142,698                | \$478,245    | 29.8%          |
| 2035               | \$1,673,251               | 3.50%              | \$40,049        | 3.50%               | 0.25%         | \$259              |                | \$34,556            | \$148,449                | \$516,171    | 28.8%          |
| 2036               | \$1,731,814               | 3.50%              | \$41,450        | 3.50%               | 0.25%         | \$117              |                | \$123,230           | \$66,786                 | \$465,642    | 14.3%          |
| 2037               | \$1,792,428               | 3.50%              | \$42,901        | 3.50%               | 0.25%         | \$180              |                | \$6,552             | \$103,316                | \$536,169    | 19.3%          |
| 2038               | \$1,855,163               | 3.50%              | \$44,403        | 3.50%               | 0.25%         | \$259              |                | \$0                 | \$147,977                | \$618,080    | 23.9%          |
| 2039               | \$1,920,094               | 3.50%              | \$45,957        | 3.50%               | 0.25%         | \$339              |                | \$0                 | \$194,273                | \$705,069    | 27.6%          |
| 2040               | \$1,987,297               | 3.50%              | \$47,565        | 3.50%               | 0.25%         | \$372              |                | \$29,525            | \$212,685                | \$766,832    | 27.7%          |
| 2041               | \$2,056,852               | 3.50%              | \$49,230        | 3.50%               | 0.25%         | \$458              |                | \$0                 | \$262,373                | \$863,682    | 30.4%          |
| 2042               | \$2,128,842               | 3.50%              | \$50,953        | 3.50%               | 0.25%         | \$535              |                | \$7,781             | \$306,079                | \$958,318    | 31.9%          |
| 2043               | \$2,203,352               | 3.50%              | \$52,736        | 3.50%               | 0.25%         | \$628              |                | \$0                 | \$359,443                | \$1,066,857  | 33.7%          |
| 2044               | \$2,280,469               | 3.50%              | \$54,582        | 3.50%               | 0.25%         | \$636              |                | \$50,870            | \$363,791                | \$1,129,168  | 32.2%          |
| 2045               | \$2,360,285               | 3.50%              | \$56,492        | 3.50%               | 0.25%         | \$711              |                | \$13,765            | \$407,229                | \$1,234,781  | 33.0%          |
| 2046               | \$2,442,895               | 3.50%              | \$58,470        | 3.50%               | 0.25%         | \$409              |                | \$231,771           | \$234,338                | \$1,121,267  | 20.9%          |
| 2047               | \$2,528,397               | 3.50%              | \$60,516        | 3.50%               | 0.25%         | \$500              |                | \$9,242             | \$286,112                | \$1,237,007  | 23.1%          |
| 2048               | \$2,616,891               | 3.50%              | \$62,634        | 3.50%               | 0.25%         | \$405              |                | \$117,233           | \$231,918                | \$1,248,040  | 18.6%          |
| 2049               | \$2,708,482               | 3.50%              | \$64,826        | 3.50%               | 0.25%         | \$519              |                | \$0                 | \$297,264                | \$1,383,912  | 21.5%          |
| 2050               | \$2,803,279               | 3.50%              | \$67,095        | 3.50%               | 0.25%         | \$601              |                | \$21,078            | \$343,882                | \$1,505,951  | 22.8%          |
| 2051               | \$2,901,393               | 3.50%              | \$69,444        | 3.50%               | 0.25%         | \$701              |                | \$12,762            | \$401,265                | \$1,644,208  | 24.4%          |
| 2052               | \$3,002,942               | 3.50%              | \$71,874        | 3.50%               | 0.25%         | \$809              |                | \$10,976            | \$462,971                | \$1,792,609  | 25.8%          |
| 2053               | \$3,108,045               | 3.50%              | \$74,390        | 3.50%               | 0.25%         | \$940              |                | \$0                 | \$538,302                | \$1,961,141  | 27.4%          |
| 2054               | \$3,216,827               | 3.50%              | \$76,993        | 3.50%               | 0.25%         | \$1,077            |                | \$0                 | \$616,372                | \$2,139,275  | 28.8%          |
| 2055               | \$3,329,416               | 3.50%              | \$79,688        | 3.50%               | 0.25%         | \$4                |                | \$693,921           | \$2,143                  | \$1,609,268  | 0.1%           |
| <b>Totals:</b>     |                           | <b>\$2,274,414</b> |                 | <b>\$12,102</b>     |               | <b>\$2,474,229</b> |                |                     |                          |              |                |

# Client Current Funding Model Chart



The above chart provides a visual of the Client Current Funding Model's reserve account projected year end balance and the projected annual expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for, as they are often overlooked, or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later.

If applicable, any negative account balance shown is for visual representation of deficiency over time.

## Client Current Funding Model

The Current Funding Model is based on the annual reserve allocation rate supplied by the Client as of the date of this study; it has not been independently verified and is assumed to be correct. We have assumed that the Current Model's reserve allocation rate will increase annually based on the below provided allocation percent change, to offset inflationary factors.

| Beginning Balance: |                           | \$189,855          |                 |                     |               |                |                |                     |                          |              |                |
|--------------------|---------------------------|--------------------|-----------------|---------------------|---------------|----------------|----------------|---------------------|--------------------------|--------------|----------------|
|                    | YrEnd Inflated Asset Cost | Inflation Rate     | Allocation Rate | Allocation % Change | Interest Rate | NET Interest   | Special Assess | Annual Expenditures | Year End Account Balance | Year End FFB | YrEnd % Funded |
| 2026               | \$1,227,716               | 3.50%              | \$46,465        | 0.00%               | 0.25%         | \$0            |                | \$691,255           | -\$454,935               | \$407,554    |                |
| 2027               | \$1,270,686               | 3.50%              | \$48,091        | 3.50%               | 0.25%         | \$0            |                | \$4,645             | -\$411,488               | \$460,263    |                |
| 2028               | \$1,315,160               | 3.50%              | \$49,774        | 3.50%               | 0.25%         | \$0            |                | \$0                 | -\$361,714               | \$521,137    |                |
| 2029               | \$1,361,191               | 3.50%              | \$51,517        | 3.50%               | 0.25%         | \$0            |                | \$0                 | -\$310,197               | \$585,709    |                |
| 2030               | \$1,408,832               | 3.50%              | \$53,320        | 3.50%               | 0.25%         | \$0            |                | \$409,551           | -\$666,428               | \$230,278    |                |
| 2031               | \$1,458,141               | 3.50%              | \$55,186        | 3.50%               | 0.25%         | \$0            |                | \$0                 | -\$611,242               | \$287,970    |                |
| 2032               | \$1,509,176               | 3.50%              | \$57,117        | 3.50%               | 0.25%         | \$0            |                | \$5,516             | -\$559,641               | \$343,708    |                |
| 2033               | \$1,561,997               | 3.50%              | \$59,116        | 3.50%               | 0.25%         | \$0            |                | \$0                 | -\$500,525               | \$408,905    |                |
| 2034               | \$1,616,667               | 3.50%              | \$61,186        | 3.50%               | 0.25%         | \$0            |                | \$0                 | -\$439,339               | \$478,245    |                |
| 2035               | \$1,673,251               | 3.50%              | \$63,327        | 3.50%               | 0.25%         | \$0            |                | \$34,556            | -\$410,569               | \$516,171    |                |
| 2036               | \$1,731,814               | 3.50%              | \$65,543        | 3.50%               | 0.25%         | \$0            |                | \$123,230           | -\$468,255               | \$465,642    |                |
| 2037               | \$1,792,428               | 3.50%              | \$67,837        | 3.50%               | 0.25%         | \$0            |                | \$6,552             | -\$406,969               | \$536,169    |                |
| 2038               | \$1,855,163               | 3.50%              | \$70,212        | 3.50%               | 0.25%         | \$0            |                | \$0                 | -\$336,757               | \$618,080    |                |
| 2039               | \$1,920,094               | 3.50%              | \$72,669        | 3.50%               | 0.25%         | \$0            |                | \$0                 | -\$264,088               | \$705,069    |                |
| 2040               | \$1,987,297               | 3.50%              | \$75,213        | 3.50%               | 0.25%         | \$0            |                | \$29,525            | -\$218,401               | \$766,832    |                |
| 2041               | \$2,056,852               | 3.50%              | \$77,845        | 3.50%               | 0.25%         | \$0            |                | \$0                 | -\$140,556               | \$863,682    |                |
| 2042               | \$2,128,842               | 3.50%              | \$80,570        | 3.50%               | 0.25%         | \$0            |                | \$7,781             | -\$67,767                | \$958,318    |                |
| 2043               | \$2,203,352               | 3.50%              | \$83,390        | 3.50%               | 0.25%         | \$27           |                | \$0                 | \$15,650                 | \$1,066,857  | 1.5%           |
| 2044               | \$2,280,469               | 3.50%              | \$86,308        | 3.50%               | 0.25%         | \$89           |                | \$50,870            | \$51,177                 | \$1,129,168  | 4.5%           |
| 2045               | \$2,360,285               | 3.50%              | \$89,329        | 3.50%               | 0.25%         | \$222          |                | \$13,765            | \$126,963                | \$1,234,781  | 10.3%          |
| 2046               | \$2,442,895               | 3.50%              | \$92,456        | 3.50%               | 0.25%         | \$0            |                | \$231,771           | -\$12,352                | \$1,121,267  |                |
| 2047               | \$2,528,397               | 3.50%              | \$95,691        | 3.50%               | 0.25%         | \$130          |                | \$9,242             | \$74,227                 | \$1,237,007  | 6.0%           |
| 2048               | \$2,616,891               | 3.50%              | \$99,041        | 3.50%               | 0.25%         | \$98           |                | \$117,233           | \$56,132                 | \$1,248,040  | 4.5%           |
| 2049               | \$2,708,482               | 3.50%              | \$102,507       | 3.50%               | 0.25%         | \$278          |                | \$0                 | \$158,917                | \$1,383,912  | 11.5%          |
| 2050               | \$2,803,279               | 3.50%              | \$106,095       | 3.50%               | 0.25%         | \$427          |                | \$21,078            | \$244,361                | \$1,505,951  | 16.2%          |
| 2051               | \$2,901,393               | 3.50%              | \$109,808       | 3.50%               | 0.25%         | \$597          |                | \$12,762            | \$342,005                | \$1,644,208  | 20.8%          |
| 2052               | \$3,002,942               | 3.50%              | \$113,651       | 3.50%               | 0.25%         | \$778          |                | \$10,976            | \$445,458                | \$1,792,609  | 24.8%          |
| 2053               | \$3,108,045               | 3.50%              | \$117,629       | 3.50%               | 0.25%         | \$985          |                | \$0                 | \$564,073                | \$1,961,141  | 28.8%          |
| 2054               | \$3,216,827               | 3.50%              | \$121,746       | 3.50%               | 0.25%         | \$1,200        |                | \$0                 | \$687,019                | \$2,139,275  | 32.1%          |
| 2055               | \$3,329,416               | 3.50%              | \$126,007       | 3.50%               | 0.25%         | \$208          |                | \$693,921           | \$119,315                | \$1,609,268  | 7.4%           |
| <b>Totals:</b>     |                           | <b>\$2,398,648</b> |                 |                     |               | <b>\$5,040</b> |                | <b>\$2,474,229</b>  |                          |              |                |

## Full Funded Balance Calculations (Beginning FY)

Version: Draft1

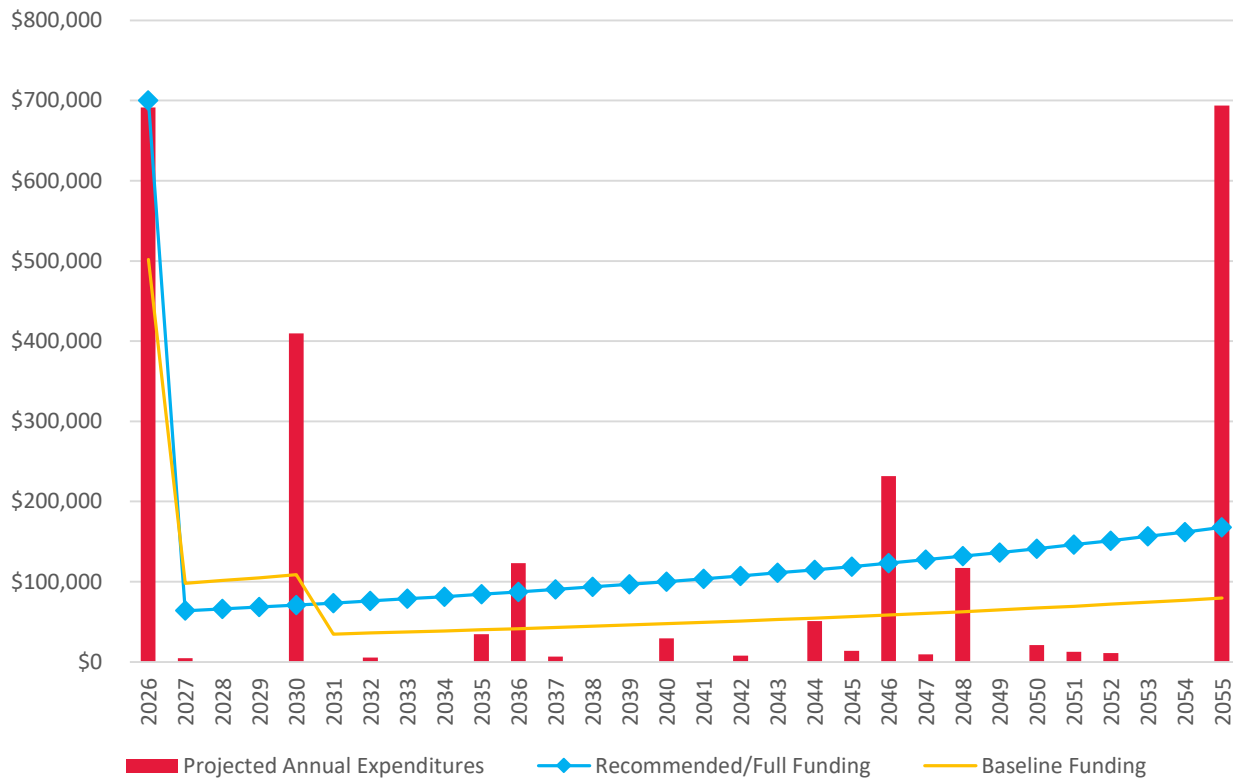
| Component Description                        | Asset ID | Current Cost | Effective Age | Useful Life | FFB Totals       | % of FFB      |
|--|----------|--------------|---------------|-------------|------------------|---------------|
| >> Building Exterior Components <<           |          |              |               |             |                  |               |
| Building Exteriors (wood) - Paint & Seal ... | 1940     | \$84,000     | X 10 / 10     | =           | \$84,000         | 8.04%         |
| Building Exteriors (wood) - Replace          | 1950     | \$525,000    | X 50 / 50     | =           | \$525,000        | 50.26%        |
| Doors (ext./common) - Replace                | 2750     | \$5,250      | X 50 / 50     | =           | \$5,250          | 0.50%         |
| Electrical Meter Sockets - Replace           | 2970     | \$33,125     | X 50 / 50     | =           | \$33,125         | 3.17%         |
| Gutters & Downs. - Replace                   | 7310     | \$55,000     | X 8 / 30      | =           | \$14,667         | 1.40%         |
| Lights (exterior) - Replace                  | 4820     | \$5,400      | X 25 / 25     | =           | \$5,400          | 0.52%         |
| Roof (asph.shingle) - Replace                | 6970     | \$153,010    | X 21 / 25     | =           | \$128,528        | 12.30%        |
| Roof Chimney Chase Covers - Replace          | 7220     | \$30,000     | X 21 / 25     | =           | \$25,200         | 2.41%         |
| Roof Flue Caps - Replace                     | 7290     | \$8,750      | X 21 / 25     | =           | \$7,350          | 0.70%         |
| Windows (vinyl/common) - Replace             | 8400     | \$2,880      | X 16 / 35     | =           | \$1,317          | 0.13%         |
| <b>Building Exterior Components Subtotal</b> |          |              |               |             | <b>\$829,837</b> | <b>79.44%</b> |
| >> Building Interior Components <<           |          |              |               |             |                  |               |
| Flooring (carpet) - Replace                  | 3730     | \$3,360      | X 10 / 10     | =           | \$3,360          | 0.32%         |
| Flooring (laminated) - Replace               | 3790     | \$1,040      | X 16 / 20     | =           | \$832            | 0.08%         |
| Interior Surfaces - Paint                    | 4430     | \$1,411      | X 16 / 20     | =           | \$1,129          | 0.11%         |
| <b>Building Interior Components Subtotal</b> |          |              |               |             | <b>\$5,321</b>   | <b>0.51%</b>  |
| >> Site Components <<                        |          |              |               |             |                  |               |
| Asphalt (driveways) - Resurface              | 1141     | \$27,387     | X 7 / 25      | =           | \$7,668          | 0.73%         |
| Asphalt (road/parking) - Resurface           | 1140     | \$42,617     | X 21 / 25     | =           | \$35,798         | 3.43%         |
| Asphalt Aggregate Base (road) - Replenis ... | 1111     | \$12,337     | X 46 / 50     | =           | \$11,350         | 1.09%         |
| Concrete Curb (angled) - 20% Replace         | 2090     | \$4,280      | X 1 / 5       | =           | \$856            | 0.08%         |
| Concrete Curb (parking areas) - Replace      | 2070     | \$25,725     | X 46 / 50     | =           | \$23,667         | 2.27%         |
| Concrete Walkways (private) - 20% Replac ... | 2150     | \$4,488      | X 4 / 5       | =           | \$3,590          | 0.34%         |
| Elevated Walkways (decking & railings) - ... | 2510     | \$9,640      | X 6 / 20      | =           | \$2,892          | 0.28%         |
| Elevated Walkways (superstructure) - Reb ... | 2490     | \$13,255     | X 6 / 40      | =           | \$1,988          | 0.19%         |

## Full Funded Balance Calculations (Beginning FY)

|                 |
|-----------------|
| Version: Draft1 |
|-----------------|

| Component Description                        | Asset ID | Current Cost |   | Effective Age |   | Useful Life |   | FFB Totals         | % of FFB       |
|--|----------|--------------|---|---------------|---|-------------|---|--------------------|----------------|
| Fence (wood 6'/2000) - Replace               | 3370     | \$29,120     | X | 20            | / | 20          | = | \$29,120           | 2.79%          |
| Fence (wood 6'/2015) - Replace               | 3371     | \$17,225     | X | 11            | / | 20          | = | \$9,474            | 0.91%          |
| Mailbox Structure (wood) - Replace           | 4990     | \$9,200      | X | 26            | / | 30          | = | \$7,973            | 0.76%          |
| Mailboxes (single) - Replace                 | 5000     | \$3,150      | X | 26            | / | 30          | = | \$2,730            | 0.26%          |
| Retaining Wall (masonry block) - Replace ... | 6870     | \$4,320      | X | 26            | / | 40          | = | \$2,808            | 0.27%          |
| Retaining Walls (rock) - Replace             | 6880     | \$3,850      | X | 51            | / | 60          | = | \$3,273            | 0.31%          |
| Signage (comm. Sign/monument) - Replace      | 7650     | \$6,000      | X | 40            | / | 40          | = | \$6,000            | 0.57%          |
| Storm Drain System - Local Repairs           | 7800     | \$2,500      | X | 16            | / | 20          | = | \$2,000            | 0.19%          |
| Water & Sewer Lateral Lines - Replace        | 5470     | \$62,880     | X | 51            | / | 55          | = | \$58,307           | 5.58%          |
| <b>Site Components Subtotal</b>              |          |              |   |               |   |             |   | <b>\$209,494</b>   | <b>20.05%</b>  |
| <b>Fully Funded Balance Grand Total</b>      |          |              |   |               |   |             |   | <b>\$1,044,652</b> | <b>100.00%</b> |

## Projected Annual Expenditures Chart



**Total Projected Expenses Over the 30-Year Timeframe of the Reserve Study: \$2,474,229**

The above chart provides a visual of the reserve account projected expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for, as they are often overlooked, or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later. A breakdown of what projects are included in each years' projected expenditures can be found on the Projected Annual Expenditures List pages in this reserve study (page number in Table of Contents).

One of the greatest challenges when planning for reserve budgeting is creating and implementing a funding model that is stable and fair while also adequate to cover reserve project expenditures that are typically infrequent and erratic. This is particularly true for reserve accounts that drop to low levels of funding; there will be a need to catch up the reserve account to a more suitable level while also being as fair and stable as possible as time progresses.

We have created numerous funding models with various goals in mind; the above models (Recommended/Full & Baseline) adhere to the principle of having stability going forward in time while also covering the projected annual reserve expenditures. Their respective annual allocation rates (lines on the chart) are shown compared to the annual reserve expenditures (columns on the chart) within the timeframe of the projections. Note the relative stableness of the annual funding model allocation rates versus the infrequent and erratic nature of the reserve expenditures.

## Projected Annual Expenditures List

| Asset ID                   | Projected Expenditures By Year            | Projected Costs  |
|----------------------------|---|------------------|
| <b>2026</b>                |   |                  |
| 1940                       | Building Exteriors (wood) - Paint & Seal  | \$84,000         |
| 1950                       | Building Exteriors (wood) - Replace       | \$525,000        |
| 2750                       | Doors (ext./common) - Replace             | \$5,250          |
| 2970                       | Electrical Meter Sockets - Replace        | \$33,125         |
| 4820                       | Lights (exterior) - Replace               | \$5,400          |
| 3730                       | Flooring (carpet) - Replace               | \$3,360          |
| 3370                       | Fence (wood 6'/2000) - Replace            | \$29,120         |
| 7650                       | Signage (comm. Sign/monument) - Replace   | \$6,000          |
| <b>Total for Year 2026</b> |   | <b>\$691,255</b> |
| <b>2027</b>                |   |                  |
| 2150                       | Concrete Walkways (private) - 20% Replace | \$4,645          |
| <b>Total for Year 2027</b> |   | <b>\$4,645</b>   |
| <b>2028</b>                |   |                  |
| <b>Total for Year 2028</b> |   | <b>\$0</b>       |
| <b>2029</b>                |   |                  |
| <b>Total for Year 2029</b> |   | <b>\$0</b>       |
| <b>2030</b>                |   |                  |
| 6970                       | Roof (asph.shingle) - Replace             | \$175,582        |
| 7220                       | Roof Chimney Chase Covers - Replace       | \$34,426         |
| 7290                       | Roof Flue Caps - Replace                  | \$10,041         |
| 3790                       | Flooring (laminata) - Replace             | \$1,193          |
| 4430                       | Interior Surfaces - Paint                 | \$1,619          |
| 1140                       | Asphalt (road/parking) - Resurface        | \$48,904         |
| 1111                       | Asphalt Aggregate Base (road) - Replenish | \$14,156         |
| 2070                       | Concrete Curb (parking areas) - Replace   | \$29,520         |
| 2090                       | Concrete Curb (angled) - 20% Replace      | \$4,911          |
| 4990                       | Mailbox Structure (wood) - Replace        | \$10,557         |
| 5000                       | Mailboxes (single) - Replace              | \$3,615          |
| 7800                       | Storm Drain System - Local Repairs        | \$2,869          |
| 5470                       | Water & Sewer Lateral Lines - Replace     | \$72,156         |
| <b>Total for Year 2030</b> |   | <b>\$409,551</b> |
| <b>2031</b>                |   |                  |
| <b>Total for Year 2031</b> |   | <b>\$0</b>       |
| <b>2032</b>                |   |                  |
| 2150                       | Concrete Walkways (private) - 20% Replace | \$5,516          |
| <b>Total for Year 2032</b> |   | <b>\$5,516</b>   |
| <b>2033</b>                |   |                  |
| <b>Total for Year 2033</b> |   | <b>\$0</b>       |
| <b>2034</b>                |   |                  |
| <b>Total for Year 2034</b> |   | <b>\$0</b>       |
| <b>2035</b>                |   |                  |
| 2090                       | Concrete Curb (angled) - 20% Replace      | \$5,833          |
| 3371                       | Fence (wood 6'/2015) - Replace            | \$23,476         |
| 6880                       | Retaining Walls (rock) - Replace          | \$5,247          |
| <b>Total for Year 2035</b> |   | <b>\$34,556</b>  |
| <b>2036</b>                |   |                  |
| 1940                       | Building Exteriors (wood) - Paint & Seal  | \$118,490        |
| 3730                       | Flooring (carpet) - Replace               | \$4,740          |

## Projected Annual Expenditures List

| Asset ID | Projected Expenditures By Year                   | Projected Costs  |
|----------|--|------------------|
|          | <b>Total for Year 2036</b>                       | <b>\$123,230</b> |
|          | <b>2037</b>                                      |                  |
| 2150     | Concrete Walkways (private) - 20% Replace        | \$6,552          |
|          | <b>Total for Year 2037</b>                       | <b>\$6,552</b>   |
|          | <b>2038</b>                                      |                  |
|          | <b>Total for Year 2038</b>                       | <b>\$0</b>       |
|          | <b>2039</b>                                      |                  |
|          | <b>Total for Year 2039</b>                       | <b>\$0</b>       |
|          | <b>2040</b>                                      |                  |
| 2090     | Concrete Curb (angled) - 20% Replace             | \$6,928          |
| 2510     | Elevated Walkways (decking & railings) - Replace | \$15,604         |
| 6870     | Retaining Wall (masonry block) - Replace         | \$6,993          |
|          | <b>Total for Year 2040</b>                       | <b>\$29,525</b>  |
|          | <b>2041</b>                                      |                  |
|          | <b>Total for Year 2041</b>                       | <b>\$0</b>       |
|          | <b>2042</b>                                      |                  |
| 2150     | Concrete Walkways (private) - 20% Replace        | \$7,781          |
|          | <b>Total for Year 2042</b>                       | <b>\$7,781</b>   |
|          | <b>2043</b>                                      |                  |
|          | <b>Total for Year 2043</b>                       | <b>\$0</b>       |
|          | <b>2044</b>                                      |                  |
| 1141     | Asphalt (driveways) - Resurface                  | \$50,870         |
|          | <b>Total for Year 2044</b>                       | <b>\$50,870</b>  |
|          | <b>2045</b>                                      |                  |
| 8400     | Windows (vinyl/common) - Replace                 | \$5,537          |
| 2090     | Concrete Curb (angled) - 20% Replace             | \$8,228          |
|          | <b>Total for Year 2045</b>                       | <b>\$13,765</b>  |
|          | <b>2046</b>                                      |                  |
| 1940     | Building Exteriors (wood) - Paint & Seal         | \$167,142        |
| 3730     | Flooring (carpet) - Replace                      | \$6,686          |
| 3370     | Fence (wood 6'/2000) - Replace                   | \$57,943         |
|          | <b>Total for Year 2046</b>                       | <b>\$231,771</b> |
|          | <b>2047</b>                                      |                  |
| 2150     | Concrete Walkways (private) - 20% Replace        | \$9,242          |
|          | <b>Total for Year 2047</b>                       | <b>\$9,242</b>   |
|          | <b>2048</b>                                      |                  |
| 7310     | Gutters & Downs. - Replace                       | \$117,233        |
|          | <b>Total for Year 2048</b>                       | <b>\$117,233</b> |
|          | <b>2049</b>                                      |                  |
|          | <b>Total for Year 2049</b>                       | <b>\$0</b>       |
|          | <b>2050</b>                                      |                  |
| 3790     | Flooring (laminated) - Replace                   | \$2,375          |
| 4430     | Interior Surfaces - Paint                        | \$3,222          |
| 2090     | Concrete Curb (angled) - 20% Replace             | \$9,773          |
| 7800     | Storm Drain System - Local Repairs               | \$5,708          |
|          | <b>Total for Year 2050</b>                       | <b>\$21,078</b>  |
|          | <b>2051</b>                                      |                  |
| 4820     | Lights (exterior) - Replace                      | \$12,762         |
|          | <b>Total for Year 2051</b>                       | <b>\$12,762</b>  |

## Projected Annual Expenditures List

| Asset ID    | Projected Expenditures By Year            | Projected Costs  |
|-------------|---|------------------|
| <b>2052</b> |   |                  |
| 2150        | Concrete Walkways (private) - 20% Replace | \$10,976         |
|             | <b>Total for Year 2052</b>                | <b>\$10,976</b>  |
| <b>2053</b> |   |                  |
|             | <b>Total for Year 2053</b>                | <b>\$0</b>       |
| <b>2054</b> |   |                  |
|             | <b>Total for Year 2054</b>                | <b>\$0</b>       |
| <b>2055</b> |   |                  |
| 6970        | Roof (asph.shingle) - Replace             | \$414,944        |
| 7220        | Roof Chimney Chase Covers - Replace       | \$81,356         |
| 7290        | Roof Flue Caps - Replace                  | \$23,729         |
| 1140        | Asphalt (road/parking) - Resurface        | \$115,572        |
| 2090        | Concrete Curb (angled) - 20% Replace      | \$11,607         |
| 3371        | Fence (wood 6'/2015) - Replace            | \$46,712         |
|             | <b>Total for Year 2055</b>                | <b>\$693,921</b> |

Projected Annual Expenditures Spreadsheet

|  |          |             |            | Annual Totals | \$691,255 | \$4,645 | \$0  | \$0  | \$409,551 | \$0  |
|--|----------|-------------|------------|---------------|-----------|---------|------|------|-----------|------|
| Component Description                            | Asset ID | Useful Life | Remain. UL | Current Cost  | 2026      | 2027    | 2028 | 2029 | 2030      | 2031 |
| >> Building Exterior Components <<               |          |             |            |               |           |         |      |      |           |      |
| Building Exteriors (wood) - Paint & Seal         | 1940     | 10          | 0          | \$84,000      | \$84,000  |         |      |      |           |      |
| Building Exteriors (wood) - Replace              | 1950     | 50          | 0          | \$525,000     | \$525,000 |         |      |      |           |      |
| Doors (ext./common) - Replace                    | 2750     | 50          | 0          | \$5,250       | \$5,250   |         |      |      |           |      |
| Electrical Meter Sockets - Replace               | 2970     | 50          | 0          | \$33,125      | \$33,125  |         |      |      |           |      |
| Gutters & Downs. - Replace                       | 7310     | 30          | 22         | \$55,000      |           |         |      |      |           |      |
| Lights (exterior) - Replace                      | 4820     | 25          | 0          | \$5,400       | \$5,400   |         |      |      |           |      |
| Roof (asph.shingle) - Replace                    | 6970     | 25          | 4          | \$153,010     |           |         |      |      | \$175,582 |      |
| Roof Chimney Chase Covers - Replace              | 7220     | 25          | 4          | \$30,000      |           |         |      |      | \$34,426  |      |
| Roof Flue Caps - Replace                         | 7290     | 25          | 4          | \$8,750       |           |         |      |      | \$10,041  |      |
| Windows (vinyl/common) - Replace                 | 8400     | 35          | 19         | \$2,880       |           |         |      |      |           |      |
| >> Building Interior Components <<               |          |             |            |               |           |         |      |      |           |      |
| Flooring (carpet) - Replace                      | 3730     | 10          | 0          | \$3,360       | \$3,360   |         |      |      |           |      |
| Flooring (laminated) - Replace                   | 3790     | 20          | 4          | \$1,040       |           |         |      |      | \$1,193   |      |
| Interior Surfaces - Paint                        | 4430     | 20          | 4          | \$1,411       |           |         |      |      | \$1,619   |      |
| >> Site Components <<                            |          |             |            |               |           |         |      |      |           |      |
| Asphalt (driveways) - Resurface                  | 1141     | 25          | 18         | \$27,387      |           |         |      |      |           |      |
| Asphalt (road/parking) - Resurface               | 1140     | 25          | 4          | \$42,617      |           |         |      |      | \$48,904  |      |
| Asphalt Aggregate Base (road) - Replenish        | 1111     | 50          | 4          | \$12,337      |           |         |      |      | \$14,156  |      |
| Concrete Curb (parking areas) - Replace          | 2070     | 50          | 4          | \$25,725      |           |         |      |      | \$29,520  |      |
| Concrete Curb (angled) - 20% Replace             | 2090     | 5           | 4          | \$4,280       |           |         |      |      | \$4,911   |      |
| Concrete Walkways (private) - 20% Replace        | 2150     | 5           | 1          | \$4,488       |           | \$4,645 |      |      |           |      |
| Elevated Walkways (decking & railings) - Replace | 2510     | 20          | 14         | \$9,640       |           |         |      |      |           |      |
| Elevated Walkways (superstructure) - Rebuild     | 2490     | 40          | 34         | \$13,255      |           |         |      |      |           |      |
| Fence (wood 6'/2000) - Replace                   | 3370     | 20          | 0          | \$29,120      | \$29,120  |         |      |      |           |      |
| Fence (wood 6'/2015) - Replace                   | 3371     | 20          | 9          | \$17,225      |           |         |      |      |           |      |
| Mailbox Structure (wood) - Replace               | 4990     | 30          | 4          | \$9,200       |           |         |      |      | \$10,557  |      |
| Mailboxes (single) - Replace                     | 5000     | 30          | 4          | \$3,150       |           |         |      |      | \$3,615   |      |
| Retaining Wall (masonry block) - Replace         | 6870     | 40          | 14         | \$4,320       |           |         |      |      |           |      |
| Retaining Walls (rock) - Replace                 | 6880     | 60          | 9          | \$3,850       |           |         |      |      |           |      |
| Signage (comm. Sign/monument) - Replace          | 7650     | 40          | 0          | \$6,000       | \$6,000   |         |      |      |           |      |
| Storm Drain System - Local Repairs               | 7800     | 20          | 4          | \$2,500       |           |         |      |      | \$2,869   |      |
| Water & Sewer Lateral Lines - Replace            | 5470     | 55          | 4          | \$62,880      |           |         |      |      | \$72,156  |      |

Projected Annual Expenditures Spreadsheet

|  |          | \$5,516 | \$0  | \$0  | \$34,556 | \$123,230 | \$6,552 | \$0  | \$0  |
|--|----------|---------|------|------|----------|-----------|---------|------|------|
| Component Description                            | Asset ID | 2032    | 2033 | 2034 | 2035     | 2036      | 2037    | 2038 | 2039 |
| >> Building Exterior Components <<               |          |         |      |      |          |           |         |      |      |
| Building Exteriors (wood) - Paint & Seal         | 1940     |         |      |      |          | \$118,490 |         |      |      |
| Building Exteriors (wood) - Replace              | 1950     |         |      |      |          |           |         |      |      |
| Doors (ext./common) - Replace                    | 2750     |         |      |      |          |           |         |      |      |
| Electrical Meter Sockets - Replace               | 2970     |         |      |      |          |           |         |      |      |
| Gutters & Downs. - Replace                       | 7310     |         |      |      |          |           |         |      |      |
| Lights (exterior) - Replace                      | 4820     |         |      |      |          |           |         |      |      |
| Roof (asph.shingle) - Replace                    | 6970     |         |      |      |          |           |         |      |      |
| Roof Chimney Chase Covers - Replace              | 7220     |         |      |      |          |           |         |      |      |
| Roof Flue Caps - Replace                         | 7290     |         |      |      |          |           |         |      |      |
| Windows (vinyl/common) - Replace                 | 8400     |         |      |      |          |           |         |      |      |
| >> Building Interior Components <<               |          |         |      |      |          |           |         |      |      |
| Flooring (carpet) - Replace                      | 3730     |         |      |      |          | \$4,740   |         |      |      |
| Flooring (laminated) - Replace                   | 3790     |         |      |      |          |           |         |      |      |
| Interior Surfaces - Paint                        | 4430     |         |      |      |          |           |         |      |      |
| >> Site Components <<                            |          |         |      |      |          |           |         |      |      |
| Asphalt (driveways) - Resurface                  | 1141     |         |      |      |          |           |         |      |      |
| Asphalt (road/parking) - Resurface               | 1140     |         |      |      |          |           |         |      |      |
| Asphalt Aggregate Base (road) - Replenish        | 1111     |         |      |      |          |           |         |      |      |
| Concrete Curb (parking areas) - Replace          | 2070     |         |      |      |          |           |         |      |      |
| Concrete Curb (angled) - 20% Replace             | 2090     |         |      |      | \$5,833  |           |         |      |      |
| Concrete Walkways (private) - 20% Replace        | 2150     | \$5,516 |      |      |          |           | \$6,552 |      |      |
| Elevated Walkways (decking & railings) - Replace | 2510     |         |      |      |          |           |         |      |      |
| Elevated Walkways (superstructure) - Rebuild     | 2490     |         |      |      |          |           |         |      |      |
| Fence (wood 6'/2000) - Replace                   | 3370     |         |      |      |          |           |         |      |      |
| Fence (wood 6'/2015) - Replace                   | 3371     |         |      |      | \$23,476 |           |         |      |      |
| Mailbox Structure (wood) - Replace               | 4990     |         |      |      |          |           |         |      |      |
| Mailboxes (single) - Replace                     | 5000     |         |      |      |          |           |         |      |      |
| Retaining Wall (masonry block) - Replace         | 6870     |         |      |      |          |           |         |      |      |
| Retaining Walls (rock) - Replace                 | 6880     |         |      |      | \$5,247  |           |         |      |      |
| Signage (comm. Sign/monument) - Replace          | 7650     |         |      |      |          |           |         |      |      |
| Storm Drain System - Local Repairs               | 7800     |         |      |      |          |           |         |      |      |
| Water & Sewer Lateral Lines - Replace            | 5470     |         |      |      |          |           |         |      |      |

Projected Annual Expenditures Spreadsheet

|  |          | \$29,525 | \$0  | \$7,781 | \$0  | \$50,870 | \$13,765 | \$231,771 | \$9,242 |
|--|----------|----------|------|---------|------|----------|----------|-----------|---------|
| Component Description                            | Asset ID | 2040     | 2041 | 2042    | 2043 | 2044     | 2045     | 2046      | 2047    |
| >> Building Exterior Components <<               |          |          |      |         |      |          |          |           |         |
| Building Exteriors (wood) - Paint & Seal         | 1940     |          |      |         |      |          |          | \$167,142 |         |
| Building Exteriors (wood) - Replace              | 1950     |          |      |         |      |          |          |           |         |
| Doors (ext./common) - Replace                    | 2750     |          |      |         |      |          |          |           |         |
| Electrical Meter Sockets - Replace               | 2970     |          |      |         |      |          |          |           |         |
| Gutters & Downs. - Replace                       | 7310     |          |      |         |      |          |          |           |         |
| Lights (exterior) - Replace                      | 4820     |          |      |         |      |          |          |           |         |
| Roof (asph.shingle) - Replace                    | 6970     |          |      |         |      |          |          |           |         |
| Roof Chimney Chase Covers - Replace              | 7220     |          |      |         |      |          |          |           |         |
| Roof Flue Caps - Replace                         | 7290     |          |      |         |      |          |          |           |         |
| Windows (vinyl/common) - Replace                 | 8400     |          |      |         |      |          | \$5,537  |           |         |
| >> Building Interior Components <<               |          |          |      |         |      |          |          |           |         |
| Flooring (carpet) - Replace                      | 3730     |          |      |         |      |          |          | \$6,686   |         |
| Flooring (laminated) - Replace                   | 3790     |          |      |         |      |          |          |           |         |
| Interior Surfaces - Paint                        | 4430     |          |      |         |      |          |          |           |         |
| >> Site Components <<                            |          |          |      |         |      |          |          |           |         |
| Asphalt (driveways) - Resurface                  | 1141     |          |      |         |      | \$50,870 |          |           |         |
| Asphalt (road/parking) - Resurface               | 1140     |          |      |         |      |          |          |           |         |
| Asphalt Aggregate Base (road) - Replenish        | 1111     |          |      |         |      |          |          |           |         |
| Concrete Curb (parking areas) - Replace          | 2070     |          |      |         |      |          |          |           |         |
| Concrete Curb (angled) - 20% Replace             | 2090     | \$6,928  |      |         |      |          | \$8,228  |           |         |
| Concrete Walkways (private) - 20% Replace        | 2150     |          |      | \$7,781 |      |          |          |           | \$9,242 |
| Elevated Walkways (decking & railings) - Replace | 2510     | \$15,604 |      |         |      |          |          |           |         |
| Elevated Walkways (superstructure) - Rebuild     | 2490     |          |      |         |      |          |          |           |         |
| Fence (wood 6'/2000) - Replace                   | 3370     |          |      |         |      |          |          | \$57,943  |         |
| Fence (wood 6'/2015) - Replace                   | 3371     |          |      |         |      |          |          |           |         |
| Mailbox Structure (wood) - Replace               | 4990     |          |      |         |      |          |          |           |         |
| Mailboxes (single) - Replace                     | 5000     |          |      |         |      |          |          |           |         |
| Retaining Wall (masonry block) - Replace         | 6870     | \$6,993  |      |         |      |          |          |           |         |
| Retaining Walls (rock) - Replace                 | 6880     |          |      |         |      |          |          |           |         |
| Signage (comm. Sign/monument) - Replace          | 7650     |          |      |         |      |          |          |           |         |
| Storm Drain System - Local Repairs               | 7800     |          |      |         |      |          |          |           |         |
| Water & Sewer Lateral Lines - Replace            | 5470     |          |      |         |      |          |          |           |         |

Projected Annual Expenditures Spreadsheet

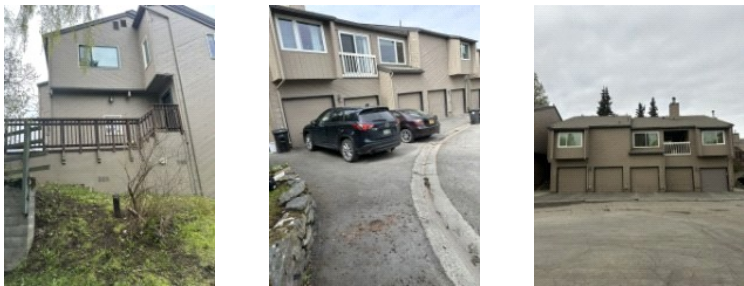
|  |          | \$117,233 | \$0  | \$21,078 | \$12,762 | \$10,976 | \$0  | \$0  | \$693,921 |
|--|----------|-----------|------|----------|----------|----------|------|------|-----------|
| Component Description                            | Asset ID | 2048      | 2049 | 2050     | 2051     | 2052     | 2053 | 2054 | 2055      |
| >> Building Exterior Components <<               |          |           |      |          |          |          |      |      |           |
| Building Exteriors (wood) - Paint & Seal         | 1940     |           |      |          |          |          |      |      |           |
| Building Exteriors (wood) - Replace              | 1950     |           |      |          |          |          |      |      |           |
| Doors (ext./common) - Replace                    | 2750     |           |      |          |          |          |      |      |           |
| Electrical Meter Sockets - Replace               | 2970     |           |      |          |          |          |      |      |           |
| Gutters & Downs. - Replace                       | 7310     | \$117,233 |      |          |          |          |      |      |           |
| Lights (exterior) - Replace                      | 4820     |           |      |          | \$12,762 |          |      |      |           |
| Roof (asph.shingle) - Replace                    | 6970     |           |      |          |          |          |      |      | \$414,944 |
| Roof Chimney Chase Covers - Replace              | 7220     |           |      |          |          |          |      |      | \$81,356  |
| Roof Flue Caps - Replace                         | 7290     |           |      |          |          |          |      |      | \$23,729  |
| Windows (vinyl/common) - Replace                 | 8400     |           |      |          |          |          |      |      |           |
| >> Building Interior Components <<               |          |           |      |          |          |          |      |      |           |
| Flooring (carpet) - Replace                      | 3730     |           |      |          |          |          |      |      |           |
| Flooring (laminated) - Replace                   | 3790     |           |      | \$2,375  |          |          |      |      |           |
| Interior Surfaces - Paint                        | 4430     |           |      | \$3,222  |          |          |      |      |           |
| >> Site Components <<                            |          |           |      |          |          |          |      |      |           |
| Asphalt (driveways) - Resurface                  | 1141     |           |      |          |          |          |      |      |           |
| Asphalt (road/parking) - Resurface               | 1140     |           |      |          |          |          |      |      | \$115,572 |
| Asphalt Aggregate Base (road) - Replenish        | 1111     |           |      |          |          |          |      |      |           |
| Concrete Curb (parking areas) - Replace          | 2070     |           |      |          |          |          |      |      |           |
| Concrete Curb (angled) - 20% Replace             | 2090     |           |      | \$9,773  |          |          |      |      | \$11,607  |
| Concrete Walkways (private) - 20% Replace        | 2150     |           |      |          |          | \$10,976 |      |      |           |
| Elevated Walkways (decking & railings) - Replace | 2510     |           |      |          |          |          |      |      |           |
| Elevated Walkways (superstructure) - Rebuild     | 2490     |           |      |          |          |          |      |      |           |
| Fence (wood 6'/2000) - Replace                   | 3370     |           |      |          |          |          |      |      |           |
| Fence (wood 6'/2015) - Replace                   | 3371     |           |      |          |          |          |      |      | \$46,712  |
| Mailbox Structure (wood) - Replace               | 4990     |           |      |          |          |          |      |      |           |
| Mailboxes (single) - Replace                     | 5000     |           |      |          |          |          |      |      |           |
| Retaining Wall (masonry block) - Replace         | 6870     |           |      |          |          |          |      |      |           |
| Retaining Walls (rock) - Replace                 | 6880     |           |      |          |          |          |      |      |           |
| Signage (comm. Sign/monument) - Replace          | 7650     |           |      |          |          |          |      |      |           |
| Storm Drain System - Local Repairs               | 7800     |           |      | \$5,708  |          |          |      |      |           |
| Water & Sewer Lateral Lines - Replace            | 5470     |           |      |          |          |          |      |      |           |

**Building Exteriors (wood) - Paint & Seal**

|                         |                          |                       |            |
|-------------------------|--------------------------|-----------------------|------------|
| Asset ID                | 1940                     | Age Adjust +/-        | None       |
| Funded?                 | Yes                      | Delay Funding?        | No         |
| Group                   | 0                        | Repeat Count Limit    | No         |
| Category                | Building Exteriors       | Next Replacement Year | 2026       |
| Install / Allocate Year | 2011                     | Units                 | 35,000 gsf |
| Useful Life (UL)        | 10                       | Unit Cost             | \$2.40     |
| Remaining UL            | 0                        | % Replace             | 100.0%     |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$84,000   |

| 2026  | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     | 2033     | 2034      | 2035      |
|---|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| Fully Funded Balance for Building Exteriors (wood) - Paint & Seal (year end)                |          |          |          |          |          |          |          |           |           |
| \$8,694   | \$17,997 | \$27,940 | \$38,557 | \$49,883 | \$61,954 | \$74,810 | \$88,490 | \$103,035 | \$118,490 |
| Inflation Rate for Building Exteriors (wood) - Paint & Seal Component - 10 Year Projections |          |          |          |          |          |          |          |           |           |
| 3.50%   | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%     | 3.50%     |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2026   | \$84,000    |
| 2036   | \$118,490   |
| 2046   | \$167,142   |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Building Exteriors (wood) - Paint & Seal**

Exterior paint appears to be deteriorating at a rate typical of its age. As routine maintenance, inspect regularly and touch up/repair locally as needed using operating funds. Typical paint cycles for wood surfaces are between five to seven years depending upon surface preparation, material quality, application methods, site and weather conditions. Removal and replacement of sealants where applicable with high quality product is important part of surface preparation. Repair areas as needed prior to painting.

> Per Client records they have had a history of 10 year paint cycles which we have found to be the upper end of what is best to minimize water intrusion and protect the wood siding from the elements. It is assumed a paint quality is being used

Continued on Next Page ...

### Comments for Building Exteriors (wood) - Paint & Seal ... Continued

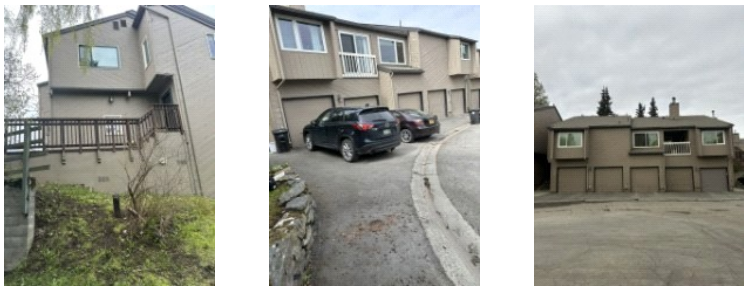
that has a warranty of 10 years. Note that we frequently see communities budget for a useful life of high quality paint but actually pay for a lower quality paint which typically has 5 year useful life.

**Building Exteriors (wood) - Replace**

|                         |                          |                       |            |
|-------------------------|--------------------------|-----------------------|------------|
| Asset ID                | 1950                     | Age Adjust +/-        | None       |
| Funded?                 | Yes                      | Delay Funding?        | No         |
| Group                   | 0                        | Repeat Count Limit    | No         |
| Category                | Building Exteriors       | Next Replacement Year | 2026       |
| Install / Allocate Year | 1975                     | Units                 | 35,000 gsf |
| Useful Life (UL)        | 50                       | Unit Cost             | \$15.00    |
| Remaining UL            | 0                        | % Replace             | 100.0%     |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$525,000  |

| 2026   | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     | 2033      | 2034      | 2035      |
|--|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| Fully Funded Balance for Building Exteriors (wood) - Replace (year end)                |          |          |          |          |          |          |           |           |           |
| \$10,868   | \$22,496 | \$34,925 | \$48,196 | \$62,354 | \$77,443 | \$93,513 | \$110,612 | \$128,794 | \$148,113 |
| Inflation Rate for Building Exteriors (wood) - Replace Component - 10 Year Projections |          |          |          |          |          |          |           |           |           |
| 3.50%  | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%     | 3.50%     | 3.50%     |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2026   | \$525,000   |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Building Exteriors (wood) - Replace**

Exterior wood building surfaces appear to be deteriorating at a rate typical of their age (significant rot visible). This component is included for replacement of the wood siding and trim which will deteriorate and need replacement along with the underlying weather resistant barrier. Regular paint cycles and sealing (caulking) where necessary will maximize the useful life of this component as paint/sealing prevents moisture intrusion.

> Note that cost estimate does not take into account any underlying rot/mold issues that may be present and in need of repair before new siding can be installed, so it is likely that the final cost will be significantly higher than the estimate in this reserve study as there is significant rot visible on the exterior

Continued on Next Page ...

### Comments for Building Exteriors (wood) - Replace ... Continued

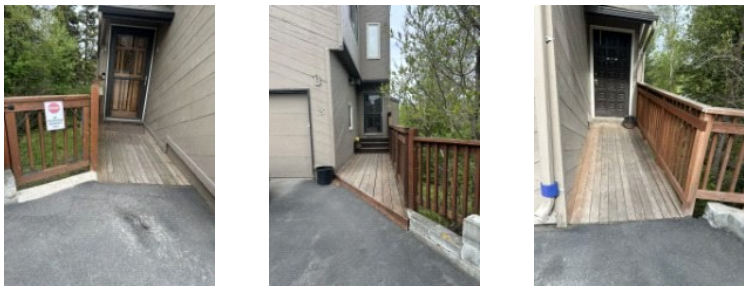
of the siding. Per Client records bids have been between \$200,000 in recent years to repair/replace only some areas of the siding, a \$500,000 bid to replace siding a \$600,000 bid to replace the siding. In 2023, and reportedly a bid of \$11.40 per square foot in June of 2023 to replace the siding (note none of these addressed any underlying rot repairs). Note that vendors will not typically include any underlying rot repairs estimates until they have removed the siding and are better able to access the level of rot present. It has been our experience that for this age of siding and with the amount of rot visible from the exteriors that actual costs are typically significantly higher than the Vendor bids and the Reserve Analyst estimates.

**Doors (ext./common) - Replace**

|                         |                          |                       |            |
|-------------------------|--------------------------|-----------------------|------------|
| Asset ID                | 2750                     | Age Adjust +/-        | None       |
| Funded?                 | Yes                      | Delay Funding?        | No         |
| Group                   | 0                        | Repeat Count Limit    | No         |
| Category                | Doors                    | Next Replacement Year | 2026       |
| Install / Allocate Year | 1975                     | Units                 | 3 ea       |
| Useful Life (UL)        | 50                       | Unit Cost             | \$1,750.00 |
| Remaining UL            | 0                        | % Replace             | 100.0%     |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$5,250    |

| 2026   | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 2033    | 2034    | 2035    |
|--|-------|-------|-------|-------|-------|-------|---------|---------|---------|
| Fully Funded Balance for Doors (ext./common) - Replace (year end)                |       |       |       |       |       |       |         |         |         |
| \$109  | \$225 | \$349 | \$482 | \$624 | \$774 | \$935 | \$1,106 | \$1,288 | \$1,481 |
| Inflation Rate for Doors (ext./common) - Replace Component - 10 Year Projections |       |       |       |       |       |       |         |         |         |
| 3.50%  | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2026   | \$5,250     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Doors (ext./common) - Replace**

Exterior common entry hallway doors (reportedly 3 total in community) appear to be deteriorating at a rate typical of their age. Inspect regularly, repair hardware as needed from maintenance budget. Reserve funding recommended at level indicated.

**Electrical Meter Sockets - Replace**

|                         |                          |                       |            |
|-------------------------|--------------------------|-----------------------|------------|
| Asset ID                | 2970                     | Age Adjust +/-        | None       |
| Funded?                 | Yes                      | Delay Funding?        | No         |
| Group                   | 0                        | Repeat Count Limit    | No         |
| Category                | Electrical               | Next Replacement Year | 2026       |
| Install / Allocate Year | 1975                     | Units                 | 25 ea      |
| Useful Life (UL)        | 50                       | Unit Cost             | \$1,325.00 |
| Remaining UL            | 0                        | % Replace             | 100.0%     |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$33,125   |

| 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fully Funded Balance for Electrical Meter Sockets - Replace (year end)                |         |         |         |         |         |         |         |         |         |
| \$686   | \$1,419 | \$2,204 | \$3,041 | \$3,934 | \$4,886 | \$5,900 | \$6,979 | \$8,126 | \$9,345 |
| Inflation Rate for Electrical Meter Sockets - Replace Component - 10 Year Projections |         |         |         |         |         |         |         |         |         |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2026   | \$33,125    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Electrical Meter Sockets - Replace**

Electrical meter sockets appear to be deteriorating at a rate typical of their age. We recommend that a qualified professional be consulted to evaluate these systems and determine the current condition and repair/modernization needs.

> Best to time with siding replacement component. Note some have detached from the buildings Likely due to underlying rot0.

**Gutters & Downs. - Replace**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 7310                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | 0                        | Repeat Count Limit    | No       |
| Category                | Roofing System           | Next Replacement Year | 2048     |
| Install / Allocate Year | 2018                     | Units                 | 4,400 lf |
| Useful Life (UL)        | 30                       | Unit Cost             | \$12.50  |
| Remaining UL            | 22                       | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$55,000 |

|   |          |          |          |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 2026  | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     | 2033     | 2034     | 2035     |
| Fully Funded Balance for Gutters & Downs. - Replace (year end)                |          |          |          |          |          |          |          |          |          |
| \$17,078  | \$19,639 | \$22,359 | \$25,246 | \$28,307 | \$31,551 | \$34,988 | \$38,626 | \$42,477 | \$46,550 |
| Inflation Rate for Gutters & Downs. - Replace Component - 10 Year Projections |          |          |          |          |          |          |          |          |          |
| 3.50%   | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2048   | \$117,233   |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Gutters & Downs. - Replace**

Appear to be deteriorating at a rate typical of their age based our limited scope visual inspection. As routine maintenance, inspect regularly, keep gutters and downspouts free of debris. Repair locally as needed from general operating funds.

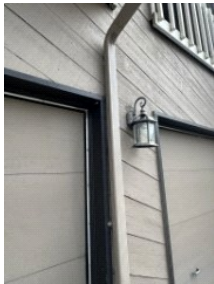
> Estimated placed in service date taken from Client records.

**Lights (exterior) - Replace**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 4820                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | 0                        | Repeat Count Limit    | No       |
| Category                | Lighting                 | Next Replacement Year | 2026     |
| Install / Allocate Year | 2000                     | Units                 | 36 ea    |
| Useful Life (UL)        | 25                       | Unit Cost             | \$150.00 |
| Remaining UL            | 0                        | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$5,400  |

|  |       |       |       |         |         |         |         |         |         |
|--|-------|-------|-------|---------|---------|---------|---------|---------|---------|
| 2026   | 2027  | 2028  | 2029  | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
| Fully Funded Balance for Lights (exterior) - Replace (year end)                |       |       |       |         |         |         |         |         |         |
| \$224  | \$463 | \$718 | \$991 | \$1,283 | \$1,593 | \$1,924 | \$2,275 | \$2,649 | \$3,047 |
| Inflation Rate for Lights (exterior) - Replace Component - 10 Year Projections |       |       |       |         |         |         |         |         |         |
| 3.50%  | 3.50% | 3.50% | 3.50% | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2026   | \$5,400     |
| 2051   | \$12,762    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Lights (exterior) - Replace**

Exterior lights appear to be deteriorating at a rate typical of their age. Observed during daylight hours; assumed to be in functional operating condition. As routine maintenance, clean by wiping down with an appropriate cleaner, change bulbs and repair as needed. Best to plan for replacement at roughly the time frame indicated for periodic aesthetic updating, cost efficiency and consistent quality/appearance.

> Light fixtures at rear of Units and at front decks are reportedly the Unit Owner's responsibility and have not been included in this light fixture count.

**Roof (asph.shingle) - Replace**

|                         |                              |                       |           |
|-------------------------|------------------------------|-----------------------|-----------|
| Asset ID                | 6970                         | Age Adjust +/-        | None      |
| Funded?                 | Yes                          | Delay Funding?        | No        |
| Group                   | Building Exterior Components | Repeat Count Limit    | No        |
| Category                | Roofing System               | Next Replacement Year | 2030      |
| Install / Allocate Year | 2005                         | Units                 | 286 sq    |
| Useful Life (UL)        | 25                           | Unit Cost             | \$535.00  |
| Remaining UL            | 4                            | % Replace             | 100.0%    |
| Cost Source             | Reserve Analyst Research     | Total Current Cost    | \$153,010 |

| 2026   | 2027      | 2028      | 2029      | 2030    | 2031     | 2032     | 2033     | 2034     | 2035     |
|--|-----------|-----------|-----------|---------|----------|----------|----------|----------|----------|
| Fully Funded Balance for Roof (asph.shingle) - Replace (year end)                |           |           |           |         |          |          |          |          |          |
| \$139,362  | \$150,795 | \$162,859 | \$175,582 | \$7,269 | \$15,047 | \$23,361 | \$32,238 | \$41,707 | \$51,801 |
| Inflation Rate for Roof (asph.shingle) - Replace Component - 10 Year Projections |           |           |           |         |          |          |          |          |          |
| 3.50%  | 3.50%     | 3.50%     | 3.50%     | 3.50%   | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$175,582   |
| 2055   | \$414,944   |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Roof (asph.shingle) - Replace**

Appears to be deteriorating at a rate typical of its age based on our limited scope visual inspection. As routine maintenance, we recommend professional inspections at least twice annually and after windstorms. Promptly replace any damaged/missing shingles or any other repair needed to ensure waterproof integrity of roof. Keep gutters and downspouts clear and free of debris. Plan for replacement at roughly the time frame indicated. Cost estimates include removal of old roofing materials and replacement of flashing. Underlying rot/mold issues that may be present have not been considered in the cost estimate as it will not be known until the roof is removed, the extent of this damage (if any). Roof Vendors will typically include verbiage in their

Continued on Next Page ...

### Comments for Roof (asph.shingle) - Replace ... Continued

bid/estimate that the cost does not include any necessary repairs to sheathing that may be found. A common budgeting mistake we see is pushing out the roof replacement project well past the Roof Vendor's recommended replacement date only to have a much higher cost related to moisture intrusion issues (e.g., mold, rot) when the roof is eventually replaced.

> Estimated placed in service date taken from Client historical records.

**Roof Chimney Chase Covers - Replace**

|                         |                              |                       |            |
|-------------------------|------------------------------|-----------------------|------------|
| Asset ID                | 7220                         | Age Adjust +/-        | None       |
| Funded?                 | Yes                          | Delay Funding?        | No         |
| Group                   | Building Exterior Components | Repeat Count Limit    | No         |
| Category                | Roofing System               | Next Replacement Year | 2030       |
| Install / Allocate Year | 2005                         | Units                 | 25 ea      |
| Useful Life (UL)        | 25                           | Unit Cost             | \$1,200.00 |
| Remaining UL            | 4                            | % Replace             | 100.0%     |
| Cost Source             | Reserve Analyst Research     | Total Current Cost    | \$30,000   |

| 2026   | 2027     | 2028     | 2029     | 2030    | 2031    | 2032    | 2033    | 2034    | 2035     |
|--|----------|----------|----------|---------|---------|---------|---------|---------|----------|
| Fully Funded Balance for Roof Chimney Chase Covers - Replace (year end)                |          |          |          |         |         |         |         |         |          |
| \$27,324   | \$29,566 | \$31,931 | \$34,426 | \$1,425 | \$2,950 | \$4,580 | \$6,321 | \$8,177 | \$10,156 |
| Inflation Rate for Roof Chimney Chase Covers - Replace Component - 10 Year Projections |          |          |          |         |         |         |         |         |          |
| 3.50%  | 3.50%    | 3.50%    | 3.50%    | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%    |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$34,426    |
| 2055   | \$81,356    |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Roof Chimney Chase Covers - Replace**

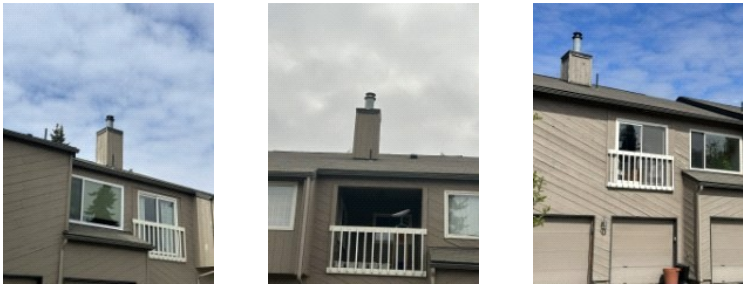
Chimney chase covers are a common area of water intrusion as they age. We recommend budgeting for replacement at the timeframe indicated.

Roof Flue Caps - Replace

|                         |                              |                       |          |
|-------------------------|------------------------------|-----------------------|----------|
| Asset ID                | 7290                         | Age Adjust +/-        | None     |
| Funded?                 | Yes                          | Delay Funding?        | No       |
| Group                   | Building Exterior Components | Repeat Count Limit    | No       |
| Category                | Roofing System               | Next Replacement Year | 2030     |
| Install / Allocate Year | 2005                         | Units                 | 25 ea    |
| Useful Life (UL)        | 25                           | Unit Cost             | \$350.00 |
| Remaining UL            | 4                            | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research     | Total Current Cost    | \$8,750  |

| 2026  | 2027    | 2028    | 2029     | 2030  | 2031  | 2032    | 2033    | 2034    | 2035    |
|---|---------|---------|----------|-------|-------|---------|---------|---------|---------|
| Fully Funded Balance for Roof Flue Caps - Replace (year end)                |         |         |          |       |       |         |         |         |         |
| \$7,970   | \$8,623 | \$9,313 | \$10,041 | \$416 | \$860 | \$1,336 | \$1,844 | \$2,385 | \$2,962 |
| Inflation Rate for Roof Flue Caps - Replace Component - 10 Year Projections |         |         |          |       |       |         |         |         |         |
| 3.50%   | 3.50%   | 3.50%   | 3.50%    | 3.50% | 3.50% | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

Photo Inventory



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$10,041    |
| 2055   | \$23,729    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

Comments for Roof Flue Caps - Replace

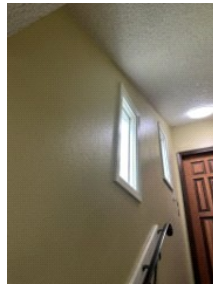
Inspect regularly to ensure water proofing of buildings is maintained, clean/ treat with rust inhibitor and repair as needed from operating funds. Assuming proactive maintenance, best to plan for eventual replacement at roughly the time frame indicated and along with roof cycles if at all possible.

**Windows (vinyl/common) - Replace**

|                         |                              |                       |         |
|-------------------------|------------------------------|-----------------------|---------|
| Asset ID                | 8400                         | Age Adjust +/-        | None    |
| Funded?                 | Yes                          | Delay Funding?        | No      |
| Group                   | Building Exterior Components | Repeat Count Limit    | No      |
| Category                | Windows                      | Next Replacement Year | 2045    |
| Install / Allocate Year | 2010                         | Units                 | 36 sf   |
| Useful Life (UL)        | 35                           | Unit Cost             | \$80.00 |
| Remaining UL            | 19                           | % Replace             | 100.0%  |
| Cost Source             | Reserve Analyst Research     | Total Current Cost    | \$2,880 |

|   |         |         |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
| Fully Funded Balance for Windows (vinyl/common) - Replace (year end)                |         |         |         |         |         |         |         |         |         |
| \$1,448   | \$1,587 | \$1,733 | \$1,888 | \$2,052 | \$2,225 | \$2,408 | \$2,601 | \$2,804 | \$3,018 |
| Inflation Rate for Windows (vinyl/common) - Replace Component - 10 Year Projections |         |         |         |         |         |         |         |         |         |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2045   | \$5,537     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Windows (vinyl/common) - Replace**

The vinyl windows (at common area hallways) appear to be deteriorating at a rate typical of their age. No reported problems such as water intrusion. As routine maintenance, we recommend regular professional inspections and prompt repair as needed to ensure building waterproofing and help prevent structural damage. If properly installed without defect, plan to replace at roughly the time frame indicated.

> Place in service date estimated based on typical useful life of windows.

**Flooring (carpet) - Replace**

|                         |                          |                       |         |
|-------------------------|--------------------------|-----------------------|---------|
| Asset ID                | 3730                     | Age Adjust +/-        | None    |
| Funded?                 | Yes                      | Delay Funding?        | No      |
| Group                   | 0                        | Repeat Count Limit    | No      |
| Category                | Flooring                 | Next Replacement Year | 2026    |
| Install / Allocate Year | 2015                     | Units                 | 210 sf  |
| Useful Life (UL)        | 10                       | Unit Cost             | \$16.00 |
| Remaining UL            | 0                        | % Replace             | 100.0%  |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$3,360 |

|  |       |         |         |         |         |         |         |         |         |
|--|-------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2026   | 2027  | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
| Fully Funded Balance for Flooring (carpet) - Replace (year end)                |       |         |         |         |         |         |         |         |         |
| \$348  | \$720 | \$1,118 | \$1,542 | \$1,995 | \$2,478 | \$2,992 | \$3,540 | \$4,121 | \$4,740 |
| Inflation Rate for Flooring (carpet) - Replace Component - 10 Year Projections |       |         |         |         |         |         |         |         |         |
| 3.50%  | 3.50% | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2026   | \$3,360     |
| 2036   | \$4,740     |
| 2046   | \$6,686     |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Flooring (carpet) - Replace**

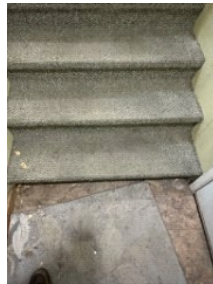
Appears to be deteriorating at a rate typical of its age; wear patterns and deterioration apparent at high traffic areas. As part of ongoing maintenance program vacuum and professionally clean as needed. Plan to replace at the time frame indicated to retain and elevate the aesthetic appeal of the building, best timed after repainting. Wide variety of type and quality available; a mid-range funding allowance is factored for planning purposes.

**Flooring (lamininate) - Replace**

|                         |                          |                       |         |
|-------------------------|--------------------------|-----------------------|---------|
| Asset ID                | 3790                     | Age Adjust +/-        | None    |
| Funded?                 | Yes                      | Delay Funding?        | No      |
| Group                   | 0                        | Repeat Count Limit    | No      |
| Category                | Flooring                 | Next Replacement Year | 2030    |
| Install / Allocate Year | 2010                     | Units                 | 52 sf   |
| Useful Life (UL)        | 20                       | Unit Cost             | \$20.00 |
| Remaining UL            | 4                        | % Replace             | 100.0%  |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$1,040 |

| 2026   | 2027    | 2028    | 2029    | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  |
|--|---------|---------|---------|-------|-------|-------|-------|-------|-------|
| Fully Funded Balance for Flooring (lamininate) - Replace (year end)                |         |         |         |       |       |       |       |       |       |
| \$915  | \$1,003 | \$1,095 | \$1,193 | \$62  | \$128 | \$198 | \$274 | \$354 | \$440 |
| Inflation Rate for Flooring (lamininate) - Replace Component - 10 Year Projections |         |         |         |       |       |       |       |       |       |
| 3.50%  | 3.50%   | 3.50%   | 3.50%   | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$1,193     |
| 2050   | \$2,375     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Flooring (lamininate) - Replace**

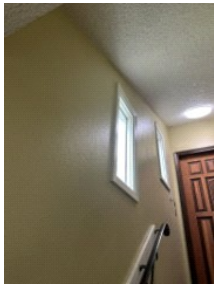
Appears to be deteriorating at a rate typical of its age. As part of ongoing maintenance program mop and professionally clean as needed. Plan to replace at the time frame indicated, best timed after repainting. Wide variety of type and quality available; a mid-range funding allowance is factored for planning purposes.

**Interior Surfaces - Paint**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 4430                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | 0                        | Repeat Count Limit    | No       |
| Category                | Building Interiors       | Next Replacement Year | 2030     |
| Install / Allocate Year | 2010                     | Units                 | 1,176 sf |
| Useful Life (UL)        | 20                       | Unit Cost             | \$1.20   |
| Remaining UL            | 4                        | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$1,411  |

| 2026   | 2027    | 2028    | 2029    | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  |
|--|---------|---------|---------|-------|-------|-------|-------|-------|-------|
| Fully Funded Balance for Interior Surfaces - Paint (year end)                |         |         |         |       |       |       |       |       |       |
| \$1,242  | \$1,361 | \$1,486 | \$1,619 | \$84  | \$173 | \$269 | \$372 | \$481 | \$597 |
| Inflation Rate for Interior Surfaces - Paint Component - 10 Year Projections |         |         |         |       |       |       |       |       |       |
| 3.50%  | 3.50%   | 3.50%   | 3.50%   | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$1,619     |
| 2050   | \$3,222     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Interior Surfaces - Paint**

Interior paint appears to be deteriorating at a rate typical of its age. Keep touchup paint on site for minor touch ups between the larger repainting projects. Plan to paint these areas on roughly the time frame indicated.

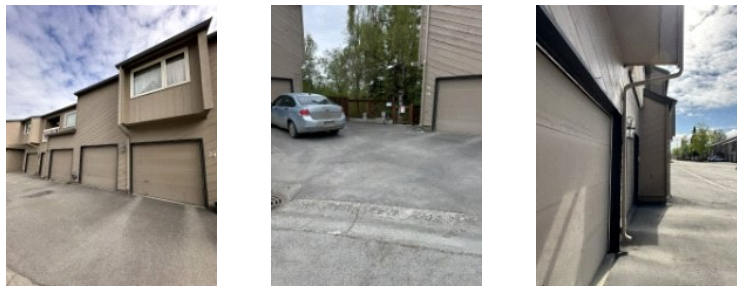
> Time to coincide with carpet replacement when possible.

**Asphalt (driveways) - Resurface**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 1141                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | 0                        | Repeat Count Limit    | No       |
| Category                | Asphalt Surfaces         | Next Replacement Year | 2044     |
| Install / Allocate Year | 2019                     | Units                 | 7,207 sf |
| Useful Life (UL)        | 25                       | Unit Cost             | \$3.80   |
| Remaining UL            | 18                       | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$27,387 |

| 2026   | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     | 2033     | 2034     | 2035     |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fully Funded Balance for Asphalt (driveways) - Resurface (year end)                |          |          |          |          |          |          |          |          |          |
| \$9,070  | \$10,561 | \$12,146 | \$13,828 | \$15,613 | \$17,506 | \$19,512 | \$21,638 | \$23,888 | \$26,269 |
| Inflation Rate for Asphalt (driveways) - Resurface Component - 10 Year Projections |          |          |          |          |          |          |          |          |          |
| 3.50%  | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    |

**Photo Inventory**



| Client Provided Replacement History  |         |        |
|--|---------|--------|
| Year   | Cost    | Source |
| 2018   | Unknown | Client |
| Comments On Replacement History  |         |        |
| Per Client HOA minutes in 2019 a partial asphalt driveway bill totaled \$12,600. |         |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2044   | \$50,870    |
|  |             |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Asphalt (driveways) - Resurface**

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurfacing (overlay). If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life. Cost estimate assumes a 2 inch overlay over

Continued on Next Page ...

### Comments for Asphalt (driveways) - Resurface ... Continued

existing surfaces. Note that the most common mistake we see when budgeting for asphalt is pushing out the overlay project too far in time due to the high expense. The typical outcome of this scenario is that Vendors will no longer be able to complete an overlay project due to advanced deterioration and there must be a replacement project completed which is typically much more expensive than an overlay project. Deterioration to asphalt typically rapidly increases in the later years of its useful life so delaying an Overlay project is often an extremely costly budgeting mistake.

We also suggest consulting with the Asphalt Vendor to determine conclusively if an Overlay is appropriate for these surfaces. Different Vendors will have different equipment, experience and opinions as to the benefit of an Overlay versus Replacement of these areas which is often related to slope/drainage concerns with (replacement of the asphalt and aggregate base - which is typically considerably more expensive than an Overlay). Should the Client wish to budget for a Replacement project versus an Overlay (based on the Asphalt Vendor recommendations) this reserve study, or a future update should be revised to reflect that decision.

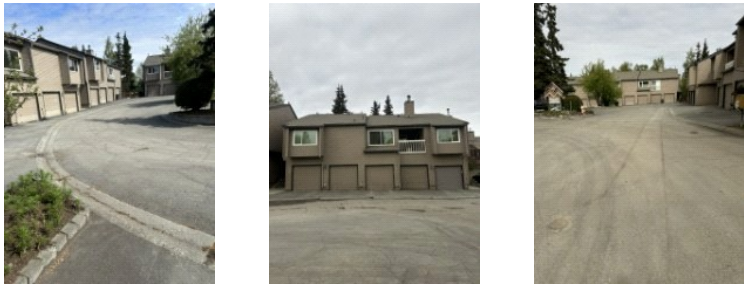
>Only asphalt for driveways has been included in this measurement as the cul-de-sac road is much older and a separate component in this reserve study. No sealcoating present so this has not been included as a component.

**Asphalt (road/parking) - Resurface**

|                         |                          |                       |           |
|-------------------------|--------------------------|-----------------------|-----------|
| Asset ID                | 1140                     | Age Adjust +/-        | 5         |
| Funded?                 | Yes                      | Delay Funding?        | No        |
| Group                   | 0                        | Repeat Count Limit    | No        |
| Category                | Asphalt Surfaces         | Next Replacement Year | 2030      |
| Install / Allocate Year | 2000                     | Units                 | 11,215 sf |
| Useful Life (UL)        | 25                       | Unit Cost             | \$3.80    |
| Remaining UL            | 4                        | % Replace             | 100.0%    |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$42,617  |

| 2026  | 2027     | 2028     | 2029     | 2030    | 2031    | 2032    | 2033    | 2034     | 2035     |
|---|----------|----------|----------|---------|---------|---------|---------|----------|----------|
| Fully Funded Balance for Asphalt (road/parking) - Resurface (year end)                |          |          |          |         |         |         |         |          |          |
| \$38,816  | \$42,000 | \$45,360 | \$48,904 | \$2,025 | \$4,191 | \$6,506 | \$8,979 | \$11,617 | \$14,428 |
| Inflation Rate for Asphalt (road/parking) - Resurface Component - 10 Year Projections |          |          |          |         |         |         |         |          |          |
| 3.50%   | 3.50%    | 3.50%    | 3.50%    | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%    | 3.50%    |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$48,904    |
| 2055   | \$115,572   |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Asphalt (road/parking) - Resurface**

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurfacing (overlay). If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life. Cost estimate assumes a 2 inch overlay over

Continued on Next Page ...

### Comments for Asphalt (road/parking) - Resurface ... Continued

existing surfaces. Note that the most common mistake we see when budgeting for asphalt is pushing out the overlay project too far in time due to the high expense. The typical outcome of this scenario is that Vendors will no longer be able to complete an overlay project due to advanced deterioration and there must be a replacement project completed which is typically much more expensive than an overlay project. Deterioration to asphalt typically rapidly increases in the later years of its useful life so delaying an Overlay project is often an extremely costly budgeting mistake.

We also suggest consulting with the Asphalt Vendor to determine conclusively if an Overlay is appropriate for these surfaces. Different Vendors will have different equipment, experience and opinions as to the benefit of an Overlay versus Replacement of these areas which is often related to slope/drainage concerns with (replacement of the asphalt and aggregate base - which is typically considerably more expensive than an Overlay). Should the Client wish to budget for a Replacement project versus an Overlay (based on the Asphalt Vendor recommendations) this reserve study, or a future update should be revised to reflect that decision.

> Per the Client and their records the asphalt cul-de-sac area and parking spots are the HOA's responsibility. Asphalt for driveways has not been included in this measurement, as it is a separate component. Adjustment given so this is timed to coincide with the water and sewer pipe replacement component. No sealcoating present so this has not been included as a component.

**Asphalt Aggregate Base (road) - Replenish**

|                         |                          |                       |           |
|-------------------------|--------------------------|-----------------------|-----------|
| Asset ID                | 1111                     | Age Adjust +/-        | 5         |
| Funded?                 | Yes                      | Delay Funding?        | No        |
| Group                   | 0                        | Repeat Count Limit    | No        |
| Category                | Asphalt Surfaces         | Next Replacement Year | 2030      |
| Install / Allocate Year | 1975                     | Units                 | 11,215 sf |
| Useful Life (UL)        | 50                       | Unit Cost             | \$1.10    |
| Remaining UL            | 4                        | % Replace             | 100.0%    |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$12,337  |

| 2026   | 2027     | 2028     | 2029     | 2030  | 2031  | 2032  | 2033    | 2034    | 2035    |
|--|----------|----------|----------|-------|-------|-------|---------|---------|---------|
| Fully Funded Balance for Asphalt Aggregate Base (road) - Replenish (year end)                |          |          |          |       |       |       |         |         |         |
| \$12,002   | \$12,687 | \$13,404 | \$14,156 | \$293 | \$607 | \$942 | \$1,300 | \$1,681 | \$2,088 |
| Inflation Rate for Asphalt Aggregate Base (road) - Replenish Component - 10 Year Projections |          |          |          |       |       |       |         |         |         |
| 3.50%  | 3.50%    | 3.50%    | 3.50%    | 3.50% | 3.50% | 3.50% | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$14,156    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Asphalt Aggregate Base (road) - Replenish**

If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). Over time significant deterioration to asphalt will typically warrant a replacement project as vendors will not be able to guarantee their work if the base layer(s) are not functioning as designed. Cost estimate assumes removal of the current asphalt and base as warranted.

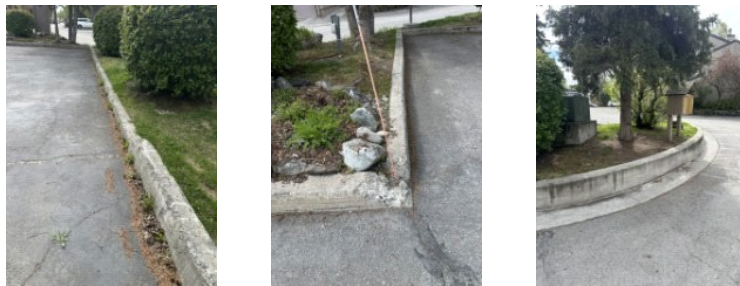
> Adjustment given so this is timed to coincide with the water and sewer pipe replacement component. Aggregate base will typically need replacement/replenishment with the water and sewer pipe trenching.

**Concrete Curb (parking areas) - Replace**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 2070                     | Age Adjust +/-        | 5        |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | 0                        | Repeat Count Limit    | No       |
| Category                | Concrete Surfaces        | Next Replacement Year | 2030     |
| Install / Allocate Year | 1975                     | Units                 | 343 lf   |
| Useful Life (UL)        | 50                       | Unit Cost             | \$75.00  |
| Remaining UL            | 4                        | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$25,725 |

| 2026  | 2027     | 2028     | 2029     | 2030  | 2031    | 2032    | 2033    | 2034    | 2035    |
|---|----------|----------|----------|-------|---------|---------|---------|---------|---------|
| <b>Fully Funded Balance for Concrete Curb (parking areas) - Replace (year end)</b>                |          |          |          |       |         |         |         |         |         |
| \$25,028  | \$26,455 | \$27,951 | \$29,520 | \$611 | \$1,265 | \$1,964 | \$2,710 | \$3,506 | \$4,355 |
| <b>Inflation Rate for Concrete Curb (parking areas) - Replace Component - 10 Year Projections</b> |          |          |          |       |         |         |         |         |         |
| 3.50%   | 3.50%    | 3.50%    | 3.50%    | 3.50% | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$29,520    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Concrete Curb (parking areas) - Replace**

Concrete curbs appear to be deteriorating at a rate typical of their age. Best to cycle curb replacement with road Overlay or Replacement projects. Over time root intrusion, vehicle damage, drainage and general deterioration of curbs occur. Note that it is likely that there will be areas that need replacement well before the end of the useful life for this component (typically due to root intrusion or vehicle damage); as these areas of curbing are replaced the reserve study should be updated to reflect those particular phases.

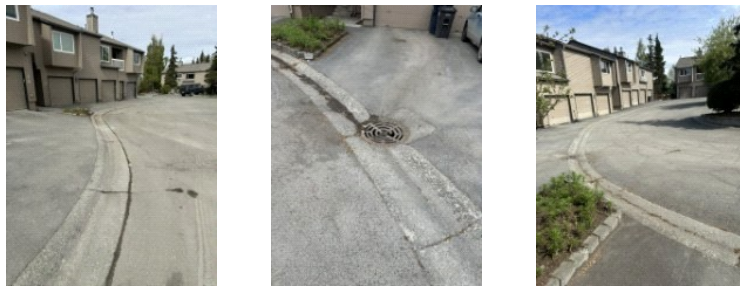
> Adjustment given so this coincides with the road replacement component and water/sewer pipe replacement component.

**Concrete Curb (angled) - 20% Replace**

|                         |                          |                       |         |
|-------------------------|--------------------------|-----------------------|---------|
| Asset ID                | 2090                     | Age Adjust +/-        | 50      |
| Funded?                 | Yes                      | Delay Funding?        | No      |
| Group                   | 0                        | Repeat Count Limit    | No      |
| Category                | Concrete Surfaces        | Next Replacement Year | 2030    |
| Install / Allocate Year | 1975                     | Units                 | 535 lf  |
| Useful Life (UL)        | 5                        | Unit Cost             | \$40.00 |
| Remaining UL            | 4                        | % Replace             | 20.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$4,280 |

| 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fully Funded Balance for Concrete Curb (angled) - 20% Replace (year end)                |         |         |         |         |         |         |         |         |         |
| \$1,772   | \$2,751 | \$3,796 | \$4,911 | \$1,017 | \$2,104 | \$3,267 | \$4,509 | \$5,833 | \$1,207 |
| Inflation Rate for Concrete Curb (angled) - 20% Replace Component - 10 Year Projections |         |         |         |         |         |         |         |         |         |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$4,911     |
| 2035   | \$5,833     |
| 2040   | \$6,928     |
| 2045   | \$8,228     |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Concrete Curb (angled) - 20% Replace**

Concrete curbs appear to be deteriorating at a rate typical of their age.

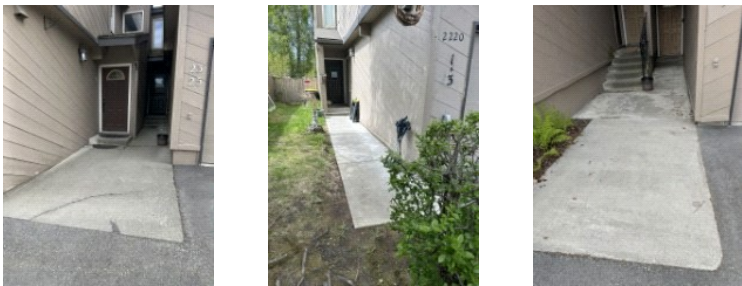
> Adjustment given so this coincides with the road replacement component and water/sewer pipe replacement component.

**Concrete Walkways (private) - 20% Replace**

|                         |                          |                       |         |
|-------------------------|--------------------------|-----------------------|---------|
| Asset ID                | 2150                     | Age Adjust +/-        | None    |
| Funded?                 | Yes                      | Delay Funding?        | No      |
| Group                   | 0                        | Repeat Count Limit    | No      |
| Category                | Concrete Surfaces        | Next Replacement Year | 2027    |
| Install / Allocate Year | 2022                     | Units                 | 863 sf  |
| Useful Life (UL)        | 5                        | Unit Cost             | \$26.00 |
| Remaining UL            | 1                        | % Replace             | 20.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$4,488 |

| 2026   | 2027  | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
|--|-------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fully Funded Balance for Concrete Walkways (private) - 20% Replace (year end)                |       |         |         |         |         |         |         |         |         |
| \$4,645  | \$961 | \$1,990 | \$3,090 | \$4,264 | \$5,516 | \$1,142 | \$2,364 | \$3,670 | \$5,064 |
| Inflation Rate for Concrete Walkways (private) - 20% Replace Component - 10 Year Projections |       |         |         |         |         |         |         |         |         |
| 3.50%  | 3.50% | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2027   | \$4,645     |
| 2032   | \$5,516     |
| 2037   | \$6,552     |
| 2042   | \$7,781     |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Concrete Walkways (private) - 20% Replace**

Replacement contingency for the concrete walkways. Amount and cycle to be reviewed annually. We recommend repairing trip hazards immediately to limit liability. This component has been set to cycle at 5 year increments (with 15% each cycle being replaced) after 25 years of age, typically when we see concrete surfaces requiring periodic repair/replacement due to vehicle damage, root intrusion and deterioration.

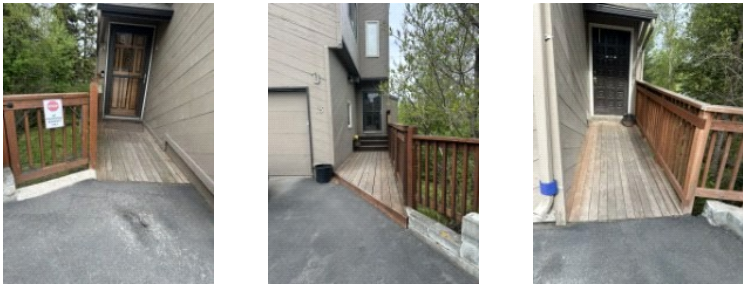
> It appears, in recent years, approximately 88 sf of this concrete walkways has been replaced.

**Elevated Walkways (decking & railings) - Replace**

|                         |                          |                       |         |
|-------------------------|--------------------------|-----------------------|---------|
| Asset ID                | 2510                     | Age Adjust +/-        | None    |
| Funded?                 | Yes                      | Delay Funding?        | No      |
| Group                   | 0                        | Repeat Count Limit    | No      |
| Category                | Deck Systems             | Next Replacement Year | 2040    |
| Install / Allocate Year | 2020                     | Units                 | 241 sf  |
| Useful Life (UL)        | 20                       | Unit Cost             | \$40.00 |
| Remaining UL            | 14                       | % Replace             | 100.0%  |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$9,640 |

| 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035     |
|---|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Fully Funded Balance for Elevated Walkways (decking & railings) - Replace (year end)                |         |         |         |         |         |         |         |         |          |
| \$3,492   | \$4,131 | \$4,810 | \$5,531 | \$6,297 | \$7,110 | \$7,972 | \$8,886 | \$9,854 | \$10,879 |
| Inflation Rate for Elevated Walkways (decking & railings) - Replace Component - 10 Year Projections |         |         |         |         |         |         |         |         |          |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%    |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2040   | \$15,604    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Elevated Walkways (decking & railings) - Replace**

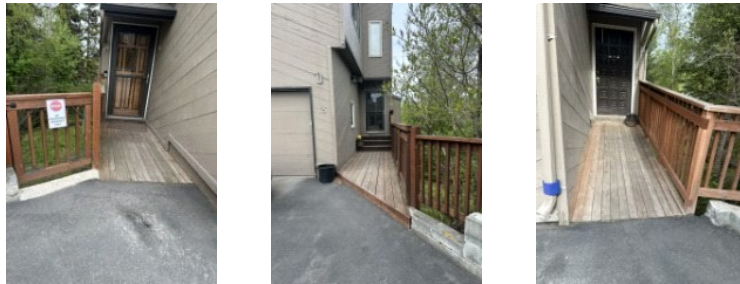
Wood elevated walkway (at entrances) appear to be deteriorating at a rate typical of their age. As part of ongoing maintenance program, inspect regularly for any damage/deterioration and repair promptly as needed from operating budget. Clean regularly for appearance, maximum design life and to ensure adequate footing. We recommend budgeting for replacement/refurbishment of these exposed walkways (decking) due to constant exposure to the elements. Cost estimate for "refurbishment" of walkways include replacement of decking, railing (if not separate component) and necessary/warranted hardware.

**Elevated Walkways (superstructure) - Rebuild**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 2490                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | 0                        | Repeat Count Limit    | No       |
| Category                | Deck Systems             | Next Replacement Year | 2060     |
| Install / Allocate Year | 2020                     | Units                 | 241 sf   |
| Useful Life (UL)        | 40                       | Unit Cost             | \$55.00  |
| Remaining UL            | 34                       | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$13,255 |

| 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fully Funded Balance for Elevated Walkways (superstructure) - Rebuild (year end)                |         |         |         |         |         |         |         |         |         |
| \$2,401   | \$2,840 | \$3,307 | \$3,803 | \$4,329 | \$4,888 | \$5,481 | \$6,109 | \$6,774 | \$7,479 |
| Inflation Rate for Elevated Walkways (superstructure) - Rebuild Component - 10 Year Projections |         |         |         |         |         |         |         |         |         |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2060   | \$42,693    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Elevated Walkways (superstructure) - Rebuild**

We recommend budgeting for rebuilding of the decking system which includes all the superstructure of the elevated walkways.

**Fence (wood 6'/2000) - Replace**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 3370                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | 0                        | Repeat Count Limit    | No       |
| Category                | Fencing                  | Next Replacement Year | 2026     |
| Install / Allocate Year | 2000                     | Units                 | 448 lf   |
| Useful Life (UL)        | 20                       | Unit Cost             | \$65.00  |
| Remaining UL            | 0                        | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$29,120 |

| 2026  | 2027    | 2028    | 2029    | 2030    | 2031     | 2032     | 2033     | 2034     | 2035     |
|---|---------|---------|---------|---------|----------|----------|----------|----------|----------|
| Fully Funded Balance for Fence (wood 6'/2000) - Replace (year end)                |         |         |         |         |          |          |          |          |          |
| \$1,507   | \$3,119 | \$4,843 | \$6,683 | \$8,646 | \$10,739 | \$12,967 | \$15,338 | \$17,859 | \$20,538 |
| Inflation Rate for Fence (wood 6'/2000) - Replace Component - 10 Year Projections |         |         |         |         |          |          |          |          |          |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2026   | \$29,120    |
| 2046   | \$57,943    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Fence (wood 6'/2000) - Replace**

Wood fencing appears to be deteriorating at a rate typical of its age. As routine maintenance, inspect regularly for any damage, repair as needed. Avoid contact with ground and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance and maximize life. Plan to replace at roughly the time frame indicated.

> Only fencing that is still present (note some areas have falling down ) has been included in this measurement (some areas have fallen down and been removed in the past) as the Client stated they plan to only replace areas where the ground is stable enough to hold the fence. No paint present so we have give the typical useful life for unpainted fencing. Note cost assumes that the fence will be replaced with a typical

Continued on Next Page ...

Comments for Fence (wood 6'/2000) - Replace ... Continued

style and quality cedar fence (matching the newer fence areas), as this older fence is of a higher quality.

**Fence (wood 6'/2015) - Replace**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 3371                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | 0                        | Repeat Count Limit    | No       |
| Category                | Fencing                  | Next Replacement Year | 2035     |
| Install / Allocate Year | 2015                     | Units                 | 265 lf   |
| Useful Life (UL)        | 20                       | Unit Cost             | \$65.00  |
| Remaining UL            | 9                        | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$17,225 |

| 2026  | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     | 2033     | 2034     | 2035    |
|---|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| Fully Funded Balance for Fence (wood 6'/2015) - Replace (year end)                |          |          |          |          |          |          |          |          |         |
| \$10,697  | \$11,994 | \$13,368 | \$14,825 | \$16,366 | \$17,998 | \$19,724 | \$21,548 | \$23,476 | \$1,215 |
| Inflation Rate for Fence (wood 6'/2015) - Replace Component - 10 Year Projections |          |          |          |          |          |          |          |          |         |
| 3.50%   | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%    | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2035   | \$23,476    |
| 2055   | \$46,712    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Fence (wood 6'/2015) - Replace**

Wood fencing appears to be deteriorating at a rate typical of its age. As routine maintenance, inspect regularly for any damage, repair as needed. Avoid contact with ground and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance and maximize life. Plan to replace at roughly the time frame indicated.

> Only newer fencing (appears approximately 10 years old), has been included in this measurement. No paint present so we have give the typical useful life for unpainted fencing.

**Mailbox Structure (wood) - Replace**

|                         |                          |                       |            |
|-------------------------|--------------------------|-----------------------|------------|
| Asset ID                | 4990                     | Age Adjust +/-        | None       |
| Funded?                 | Yes                      | Delay Funding?        | No         |
| Group                   | Site Components          | Repeat Count Limit    | No         |
| Category                | Mailboxes                | Next Replacement Year | 2030       |
| Install / Allocate Year | 2000                     | Units                 | 4 ea       |
| Useful Life (UL)        | 30                       | Unit Cost             | \$2,300.00 |
| Remaining UL            | 4                        | % Replace             | 100.0%     |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$9,200    |

| 2026  | 2027    | 2028    | 2029     | 2030  | 2031  | 2032    | 2033    | 2034    | 2035    |
|---|---------|---------|----------|-------|-------|---------|---------|---------|---------|
| Fully Funded Balance for Mailbox Structure (wood) - Replace (year end)                |         |         |          |       |       |         |         |         |         |
| \$8,570   | \$9,198 | \$9,860 | \$10,557 | \$364 | \$754 | \$1,170 | \$1,615 | \$2,090 | \$2,596 |
| Inflation Rate for Mailbox Structure (wood) - Replace Component - 10 Year Projections |         |         |          |       |       |         |         |         |         |
| 3.50%   | 3.50%   | 3.50%   | 3.50%    | 3.50% | 3.50% | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$10,557    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Mailbox Structure (wood) - Replace**

Wood mailbox structure appears to be deteriorating at a rate typical of its age. This wood structure should be inspected and painted/stained as needed paid from the Operating account. Over time this structure will need replacement due to exposure to the elements.

**Mailboxes (single) - Replace**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 5000                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | Site Components          | Repeat Count Limit    | No       |
| Category                | Mailboxes                | Next Replacement Year | 2030     |
| Install / Allocate Year | 2000                     | Units                 | 30 ea    |
| Useful Life (UL)        | 30                       | Unit Cost             | \$105.00 |
| Remaining UL            | 4                        | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$3,150  |

| 2026  | 2027    | 2028    | 2029    | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  |
|---|---------|---------|---------|-------|-------|-------|-------|-------|-------|
| Fully Funded Balance for Mailboxes (single) - Replace (year end)                |         |         |         |       |       |       |       |       |       |
| \$2,934   | \$3,149 | \$3,376 | \$3,615 | \$125 | \$258 | \$401 | \$553 | \$716 | \$889 |
| Inflation Rate for Mailboxes (single) - Replace Component - 10 Year Projections |         |         |         |       |       |       |       |       |       |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$3,615     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Mailboxes (single) - Replace**

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

> Count includes outgoing boxes.

**Retaining Wall (masonry block) - Replace**

|                         |                          |                       |         |
|-------------------------|--------------------------|-----------------------|---------|
| Asset ID                | 6870                     | Age Adjust +/-        | None    |
| Funded?                 | Yes                      | Delay Funding?        | No      |
| Group                   | Site Components          | Repeat Count Limit    | No      |
| Category                | Retaining Walls          | Next Replacement Year | 2040    |
| Install / Allocate Year | 2000                     | Units                 | 96 sf   |
| Useful Life (UL)        | 40                       | Unit Cost             | \$45.00 |
| Remaining UL            | 14                       | % Replace             | 100.0%  |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$4,320 |

| 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fully Funded Balance for Retaining Wall (masonry block) - Replace (year end)                |         |         |         |         |         |         |         |         |         |
| \$3,018   | \$3,239 | \$3,473 | \$3,718 | \$3,976 | \$4,248 | \$4,534 | \$4,835 | \$5,152 | \$5,484 |
| Inflation Rate for Retaining Wall (masonry block) - Replace Component - 10 Year Projections |         |         |         |         |         |         |         |         |         |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2040   | \$6,993     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Retaining Wall (masonry block) - Replace**

Masonry retaining wall (at stormwater pipe) on site appear to be in generally fair and stable condition; no significant instability noted. We assume that retaining walls were designed and installed properly with adequate base and surrounding drainage. Monitor closely and if areas of instability emerge, consult with civil or geotechnical engineer for repair scope.

**Retaining Walls (rock) - Replace**

|                         |                          |                       |         |
|-------------------------|--------------------------|-----------------------|---------|
| Asset ID                | 6880                     | Age Adjust +/-        | None    |
| Funded?                 | Yes                      | Delay Funding?        | No      |
| Group                   | Site Components          | Repeat Count Limit    | No      |
| Category                | Retaining Walls          | Next Replacement Year | 2035    |
| Install / Allocate Year | 1975                     | Units                 | 70 sf   |
| Useful Life (UL)        | 60                       | Unit Cost             | \$55.00 |
| Remaining UL            | 9                        | % Replace             | 100.0%  |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$3,850 |

| 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035  |
|---|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Fully Funded Balance for Retaining Walls (rock) - Replace (year end)                |         |         |         |         |         |         |         |         |       |
| \$3,453   | \$3,643 | \$3,842 | \$4,050 | \$4,268 | \$4,496 | \$4,735 | \$4,985 | \$5,247 | \$91  |
| Inflation Rate for Retaining Walls (rock) - Replace Component - 10 Year Projections |         |         |         |         |         |         |         |         |       |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50% |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2035   | \$5,247     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Retaining Walls (rock) - Replace**

Rock retaining wall on site appear to be in generally fair and stable condition; no significant crumbling, erosion, etc., noted. We assume that these were designed and installed properly with adequate base and surrounding drainage. Monitor closely and if areas of deterioration emerge, consult with civil or geotechnical engineer for repair scope. Boulder retaining walls are a long life component (if installed correctly), it is likely that some areas will need repair well before the useful life given in this reserve study.

**Signage (comm. Sign/monument) - Replace**

|                         |                          |                       |            |
|-------------------------|--------------------------|-----------------------|------------|
| Asset ID                | 7650                     | Age Adjust +/-        | None       |
| Funded?                 | Yes                      | Delay Funding?        | No         |
| Group                   | Site Components          | Repeat Count Limit    | No         |
| Category                | Signage                  | Next Replacement Year | 2026       |
| Install / Allocate Year | 1975                     | Units                 | 1 ea       |
| Useful Life (UL)        | 40                       | Unit Cost             | \$6,000.00 |
| Remaining UL            | 0                        | % Replace             | 100.0%     |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$6,000    |

| 2026   | 2027  | 2028  | 2029  | 2030  | 2031    | 2032    | 2033    | 2034    | 2035    |
|--|-------|-------|-------|-------|---------|---------|---------|---------|---------|
| Fully Funded Balance for Signage (comm. Sign/monument) - Replace (year end)                |       |       |       |       |         |         |         |         |         |
| \$155  | \$321 | \$499 | \$689 | \$891 | \$1,106 | \$1,336 | \$1,580 | \$1,840 | \$2,116 |
| Inflation Rate for Signage (comm. Sign/monument) - Replace Component - 10 Year Projections |       |       |       |       |         |         |         |         |         |
| 3.50%  | 3.50% | 3.50% | 3.50% | 3.50% | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2026   | \$6,000     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Signage (comm. Sign/monument) - Replace**

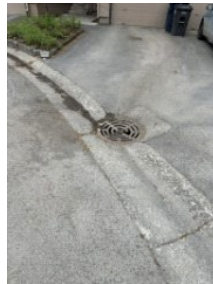
Wood entry sign and monument appears to be deteriorating at a rate typical of its age (significant rot visible). As routine maintenance, inspect regularly, clean/touch up for appearance and complete minor repairs, paid from operating budget. Reserve funding for eventual replacement of this monument recommended to maintain a consistent, quality appearance.

**Storm Drain System - Local Repairs**

|                         |                          |                       |            |
|-------------------------|--------------------------|-----------------------|------------|
| Asset ID                | 7800                     | Age Adjust +/-        | 35         |
| Funded?                 | Yes                      | Delay Funding?        | No         |
| Group                   | Site Components          | Repeat Count Limit    | No         |
| Category                | Stormwater Facilities    | Next Replacement Year | 2030       |
| Install / Allocate Year | 1975                     | Units                 | 1 ls       |
| Useful Life (UL)        | 20                       | Unit Cost             | \$2,500.00 |
| Remaining UL            | 4                        | % Replace             | 100.0%     |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$2,500    |

| 2026  | 2027    | 2028    | 2029    | 2030  | 2031  | 2032  | 2033  | 2034  | 2035    |
|---|---------|---------|---------|-------|-------|-------|-------|-------|---------|
| Fully Funded Balance for Storm Drain System - Local Repairs (year end)                |         |         |         |       |       |       |       |       |         |
| \$2,199   | \$2,410 | \$2,633 | \$2,869 | \$148 | \$307 | \$477 | \$658 | \$852 | \$1,058 |
| Inflation Rate for Storm Drain System - Local Repairs Component - 10 Year Projections |         |         |         |       |       |       |       |       |         |
| 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$2,869     |
| 2050   | \$5,708     |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Storm Drain System - Local Repairs**

This line item is for local repairs to the storm drainage system, not replacement of the piping or catch basins on a large scale. Review contingency annually and adjust as conditions and repair needs dictate.

> Adjustment given so this is times to coincide with the asphalt replacement component.

**Water & Sewer Lateral Lines - Replace**

|                         |                          |                       |          |
|-------------------------|--------------------------|-----------------------|----------|
| Asset ID                | 5470                     | Age Adjust +/-        | None     |
| Funded?                 | Yes                      | Delay Funding?        | No       |
| Group                   | Site Components          | Repeat Count Limit    | No       |
| Category                | Plumbing                 | Next Replacement Year | 2030     |
| Install / Allocate Year | 1975                     | Units                 | 786 lf   |
| Useful Life (UL)        | 55                       | Unit Cost             | \$80.00  |
| Remaining UL            | 4                        | % Replace             | 100.0%   |
| Cost Source             | Reserve Analyst Research | Total Current Cost    | \$62,880 |

| 2026   | 2027     | 2028     | 2029     | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
|--|----------|----------|----------|---------|---------|---------|---------|---------|---------|
| Fully Funded Balance for Water & Sewer Lateral Lines - Replace (year end)                |          |          |          |         |         |         |         |         |         |
| \$61,531   | \$64,909 | \$68,449 | \$72,156 | \$1,358 | \$2,811 | \$4,364 | \$6,022 | \$7,791 | \$9,676 |
| Inflation Rate for Water & Sewer Lateral Lines - Replace Component - 10 Year Projections |          |          |          |         |         |         |         |         |         |
| 3.50%  | 3.50%    | 3.50%    | 3.50%    | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   | 3.50%   |

**Photo Inventory**



| Client Provided Replacement History |      |        |
|-------------------------------------|------|--------|
| Year                                | Cost | Source |
|                                     |      |        |
| Comments On Replacement History     |      |        |
|                                     |      |        |

| *Projected Replacement Years                                 |             |
|--|-------------|
| Year   | Future Cost |
| 2030   | \$72,156    |
|  |             |
|  |             |
| *Next replace year then only within timeframe of this study* |             |

**Comments for Water & Sewer Lateral Lines - Replace**

Water & sewer lateral lines are reportedly functioning as designed. We recommend budgeting for water and sewer lateral line replacement at the timeframe indicated due to the age of the piping and likelihood that these lines will require replacement at approximately the timeframe indicated per our experiences with similar style piping. A condition evaluation of these systems is beyond the scope of a Reserve Study. We recommend that a qualified professional be consulted to evaluate these systems and determine the current condition and repair needs. Once a widespread replacement plan is implemented the reserve study will need to be adjusted to reflect scheduled repairs. Note that this component should be set to coincide with the asphalt replacement

Continued on Next Page ...

### Comments for Water & Sewer Lateral Lines - Replace ... Continued

project for cost efficiencies when possible. A Client provided map (obtained from AWWU maps) has provided us an approximately linear footage for both water and sewer lines that are the HOA's responsibility (under cul-de-sac area and going to each building).

## Definitions Index

### Abbreviations

ea = each    FY = fiscal year    lf or lin ft = lineal feet  
 ls = lump sum    RL = remaining life    sf or sq ft = square feet  
 sy or sq yd = square yard    UL = useful life    100 sq ft = 1 square)  
 % = percent

#### 1. Allocation %

A percentage of the total Reserve Allocation. See - Calculations Appendix

#### 2. Allocation Increase Rate

Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow Analysis.

#### 3. Base Year

The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period) and utilized to determine the approximate complex age. This parameter is provided for information only.

#### 4. Common Interest Development (CID)

Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The following are two typical CID subdivision types:  
 > Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit.  
 > Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

\*Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.

#### 5. Component Inventory

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

#### 6. Condition Assessment

The task of evaluating the current condition of the component based on observed or reported characteristics and normal documented in the field report for a Level 1 or Level 2 Reserve Study.

#### 7. Contingency Rate

Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.

#### 8. Current Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See - Calculations Appendix.

#### 9. Disbursement / Expenditures

The funds expected to be paid or expended from the Reserve Balance.

#### 10. Extended Cost

See - Calculations Appendix.

#### 11. Fiscal Year (FY)

A twelve-month period for which an organization plans the use of its funds. There are two distinct types:

- > Calendar Fiscal Year (ends December 31)
- > Non-Calendar Fiscal Year (does not end December)

#### 12. Full Funded Balance (FFB)

Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared. The balance that is in direct proportion to the fraction of life "used up" of the cost. See - Calculations Appendix.

#### 13. Funding Goal

Independent of methodology utilized, the following represents the basic categories of funding plan goals:

- > Baseline Funding- Maintaining a Net Reserve Balance above zero for length of the study.
- > Full Funding- Maintaining a Reserve Balance at or near Percent Funded of 100%.
- > Statutory Funding- Maintaining a specified Reserve Balance/Percent Funded per statute.
- > Threshold Funding- Establishing and maintaining a set predetermined Reserve Balance or Percent Funded.

#### 14. Funding Method (or Funding Plan)

An Association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:

- > Cash Flow Method- A method of developing a reserve funding plan where allocations 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 Method** - The component method develops a reserve-funding plan where the total contribution is based on the sum of contributions for individual components. The component method is the more conservative (typically higher reserve account balance) of the two funding options and assures that the association will achieve and maintain an ideal level of reserves over time. This method also allows for computations on individual components in the analysis. However, this method has also limitations with respects to variations in actual useful life of components and is much more time intensive to accurately follow this funding strategy.

## 15. Funding Plan

The combined Funding Method & Funding Goal.

## 16. FY End Balance (same as next FY Start Balance)

The balance in reserves at end of applicable fiscal year. See - Calculations Appendix.

## 17. FY Start Balance (same as prior year FY End Balance)

The balance in reserves at start of applicable fiscal year.

## 18. Inflation Rate

Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.

## 19. Interest Earned

The annual earning of reserve funds that have been deposited into certificates of deposit (CDs), money market accounts or other investment vehicles. See - Calculations Appendix.

## 20. Interest Rate

The ratio of the gain received from an investment and the investment over a period (usually one year), prior to any federal or state-imposed taxes.

## 21. Interest Rate (net effective)

The ratio of the gain received from an investment and the investment over a period (usually one year), after any federal or state-imposed taxes.

## 22. Levels of Service

**Level 1 Reserve Study** (Full or Comprehensive) - A Reserve Study in which the following Reserve Study tasks are performed:

- > Component Inventory
- > Life and Cost Estimates
- > Remaining Useful Life Estimates
- > Fund Status
- > Funding Plan

**Level 2 Reserve Study** (Update, With-Site-Visit/On-Site Review) - A Reserve Study update in which the following five tasks are performed:

- > Component Inventory (from prior study)
- > Life and Valuation Estimates
- > Remaining Useful Life Estimate
- > Fund Status
- > Funding Plan

\*Note - Updates are reliant on the validity of prior Reserve Studies.

**Level 3 Reserve Study** (Update, No-Site-Visit/Off-Site Review) - A Reserve Study update with no on-site visual observations in which the following three tasks are performed:

- > Component Inventory (from prior study)
- > Life and Cost Estimates
- > Remaining Useful Life Estimate
- > Fund Status
- > Funding Plan

\*Note - Updates are reliant on the validity of prior Reserve Studies.

## 23. Percent Funded

A comparison of the Fully Funded Balance (ideal balance) to the Fiscal Year Actual Start Balance expressed as a percentage and used to provide a 'general indication' of reserve strength. See Calculations Appendix.

## 24. Quantity

The number or amount of a reserve component or sub-component.

## 25. Remaining Life (RL)

The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.

## 26. Replacement %

A percentage of the total replacement for a reserve component or sub-component. This parameter is normally 100%.

## 27. Reserve Allocation

The amount to be annually budgeted towards reserves based on a Funding Plan.

## 28. Reserve Component (or sub-component)

The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- > an association responsibility
- > with limited useful life expectancy
- > predictable remaining useful life expectancy
- > above a minimum threshold cost (Client defined)
- > as required by statutes.

## 29. Restoration

Defined as to bring back to an unimpaired or improved condition.

General types follow:

- > Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
- > Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
- > Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.

## 30. Risk Factor (Percent Funded)

The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:

- > 70% and above -LOW
- > 30% to 70% -MODERATE
- > 30% and below -HIGH

\*High risk is associated with a higher risk for reliance on special assessments, loans and litigation.

## 31. Unit Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or sub-component to its original functional condition.

## 32. Unit of Measure

A system of units used in measuring a reserve component or sub-component (i.e., each, lineal feet, square feet, etc.).

## 33. Useful Life (UL)

Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

## Disclosures Index

The below disclosures are in accordance with reserve study standards developed by CAI, APRA and statutory requirements.

### 1. Items Beyond the Scope of this Report

This reserve study has been conducted to outline a financial plan for the proper and adequate budgeting of the Association component repair and/or replacement. This report should not be utilized for any other purpose and should not be considered or deemed appropriate or reliable for, but not limited to, any of the following:

- > Building or land appraisals for any purpose
- > State or local zoning ordinance violations
- > Building code violations
- > Soils conditions, soils contamination or geological stability of site
- > Engineering analysis or structural stability of site
- > Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
- > Water quality or other environmental hazards
- > Invasions by termites and any or all other destroying organisms or insects
- > Damage or destruction due to pests, birds, bats or animals to buildings or site
- > Adequacy or efficiency of any system or component on site
- > Specifically excluded reserve items
- > Septic systems and septic tanks
- > Buried or concealed portions of swing pools, pool liners, Jacuzzis/spas or similar items
- > Items concealed by signs, carpets or other things
- > Missing or omitted information supplied by the Association for the purposes of reserve study preparation
- > Hidden improvements such as sewer lines, water lines, or other buried or concealed items

### 2. Qualifications

We are a professional business in the market to prepare Reserve Studies. Our Reserve Analysts' are either designated with or working towards the RS and/or PRA designations which are given by the two leading industry organizations which require peer review, continuing education and provide resources to stay on top of industry trends.

## 3. Invasive Testing

Estimated life expectancy and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive/invasive testing during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.

## 4. Conflicts of Interests

As the preparer of this reserve study; the Reserve Analyst certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

## 5. Representative Sampling

This study and report is based on observations of the visible and apparent conditions of a reasonable representative sampling of the property's elements at the time of inspection. Although due diligence was performed during the inspection phase, we make no representations regarding latent or concealed defects that may exist. The inspection did not constitute any invasive investigations and was not intended to determine whether applicable building components, systems, or equipment are adequate or in compliance with any specific or commonly accepted design requirement, building code, or specification. Such tasks as material testing, engineering analysis, destructive testing, or performance testing of building systems, components, or equipment are not considered as part of the scope of work, nor are they considered by the reserve study industry standard.

## 6. Reliance on Client & Vendor Data Provided

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 reflect 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. A site visit 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 their experience and research during their 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.

## 7. Update to Prior 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. It is assumed all prior study component information related to quantities, condition assessments, useful life and remaining useful life are accurate.

## 8. Assumption Regarding Ongoing Maintenance

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.

## 9. Assumptions Regarding Defect in Design or Construction

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 all components have been properly built and will reach normal, typical life expectancy. 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.

## 10. Basis of Cost Estimates

Pricing used for the repair or replacement costs indicated in this report are derived from a variety of sources, e.g., recent contractor bids received by subject property HOA or prior clients, construction product vendor catalogs, internet, or national construction cost estimating publishers (RS Means / Marshall & Swift). The material and labor pricing provided are estimates and have been augmented, as necessary, to account for specific site conditions (i.e. material handling, scaffolding, etc.). The total expenses represent a useful guideline whereby reserve funds can be accumulated for future repairs and replacements. The estimated repair and replacement expenses, unless otherwise noted, do not include allowances for architectural, engineering, or permitting fees.

## 11. Limitations on Report Use

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. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. 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.

## 12. State Specific Disclosures

### Washington State

RCW 64.34.382 & WA State RCW 64.38.070 & 64.90.550

This reserve study meets minimum standards as required per WA State RCW requirements outlined in the Washington Condominium Act, the Homeowners’ Association Act, and the Washington Uniform Common Interest Ownership Act

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.

### Washington State

Disclosures Required by RCW 64.90.550.

This Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act.

- a) This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent;
- b) This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and
- c) 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 the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.

## Calculations Index

### 1. Allocation % =

Reserve Allocation (Component Method) / Total Reserve Allocation (Component Method) x 100

### 2. Current Cost =

Extended Cost (for a component without subcomponents)

-or-

Sum of subcomponent Extended Costs (for a component with subcomponents)

### 3. Extended Cost =

Quantity x Unit Cost x Replacement % x (1+Contingency Rate)

### 4. FY End Balance (same as Next FY Start Balance) =

Initial or current fiscal year-

Current Reserve Balance + Interest Earned + Reserve Allocation to Fund + Special Assessment to

Fund + Funds Due from Operating - Approved Funds to Disburse - Disbursements

Subsequent fiscal years-

FY Start Balance + Interest Earned + (Reserve Allocation (from previous year) x

(1 + Reserve Allocation Rate) - Disbursements

### 5. Interest Earned =

Initial fiscal year-

Current Reserve Balance x (Interest Rate

(net effective)/12 x

Number of funding months remaining in current fiscal year)

Subsequent fiscal years-

FY Start Balance x Interest Rate (net effective)

Accumulation Function and Amount Function

<https://www.reservedataanalyst.com/int>

### 6. Percent Funded =

(Reserve Account Balance / Fully Funded Balance) x 100

### 7. Reserve Allocation (Component Method) =

Current Cost / Useful Life

### 8. Fully Funded Balance (FFB) =

*Basic Fully Funded*

> Fully Funded = Age/Useful Life \* Cost

Note that "Age" is adjusted for each year of the study (e.g. one year later also equates to an Age which is one year greater). We do not use the age from the first year of the study for future FFB calculations as this would not appropriately address the deterioration of the component over time (i.e. when providing future projections one can make a valid assumption that a component will deteriorate by one year if providing projections for one year later).

Cost (component project cost) is inflated for each year based on an annual inflation rate (compounding) given in this reserve study (e.g., a paint project "cost" may be \$1,000 in Year 1 of the study but will have a "cost" of \$1,030 in Year 2 of the study, and \$1,060.90 in Year 3 of the study, when utilizing an annual 3% inflation rate). Note that we do not use the "cost" (current project cost) from the first year of the study for future year's FFB calculations as this approach does not consider the impact of inflation on the project cost and will usually result in a significantly underfunded reserve account over time. This is also known as the Inflation Adjusted Cost Method

\*\*Unless specifically noted otherwise we have utilized the above FFB formula and methodology in this reserve study.

### Community Association Institute FFB Formula

The Community Association Institute published the FFB formula to account for inflation and interest earned on deposit ("present value" is based on the current cost only - with no inflation of the project cost) the writers of 'RESERVE FUNDS: How & Why community Associations Invest Assets' published:

Mathematical formula information can be found at the following link: [www.reservedataanalyst.com/math](http://www.reservedataanalyst.com/math)