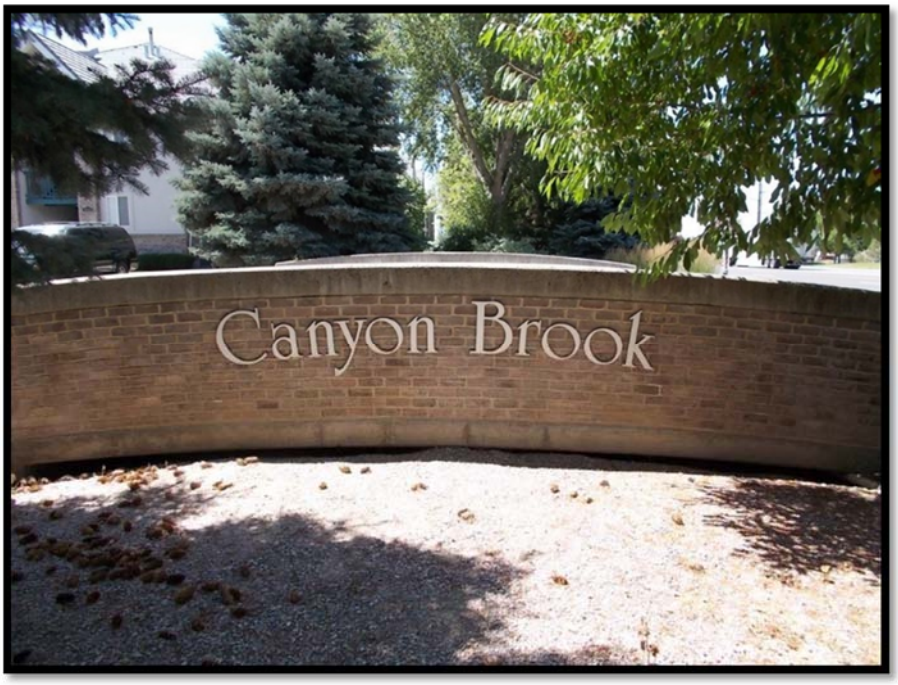
Canyonbrook Condominiums

Level 2 Reserve Study



Report Period – 01/01/2020 – 12/31/2020

Client Reference Number	**10075**
Property Type	**Condominium**
Number of Units	**64**
Fiscal Year End	**12/31**

Type of Study	**Update w/Site Visit**
Date of Property Inspection	**7/10/2019**
Prepared By	**Dale Gifford**
Analysis Method	**Cash Flow**
Funding Goal	**Full Funding**

Report prepared on – Friday, August 09, 2019

COMPLEX SOLUTIONS, LTD.

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

Table of Contents

Introduction

Reserve Analysis

Component Evaluation

Glossary of Commonly used Words and Phrases

Executive Summary – Canyonbrook Condominiums - ID # 10075

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

Projected Starting Balance as of 01/01/2020	**$178,327**
Ideal Reserve Balance as of 01/01/2020	**$480,751**
Percent Funded as of 01/01/2020	**37%**
Recommended Reserve Contribution (per month)	**$4,050**
Recommended Special Assessment	**$0**

Canyonbrook Condominiums is a 64-unit Condominium community. The community offers covered parking, landscaped areas as amenities. Construction on the community was completed in 1996.

Currently Programmed Projects
Projects programmed to occur this fiscal year (FY2020) include garage ceilings repair/repaint (Comp# 203), wood balcony surfaces repaint (Comp# 606), benches replace (Comp# 1307), and street light fixtures replace (Comp# 1609). We have programmed an estimated $58,300 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects
The association's significant reserve projects are garage ceilings repair/repaint (Comp# 203), tile roofs 2027 underlayment replace (Comp# 106), tile roofs 2021 underlayment replace (Comp# 106), and tile roofs 2023 underlayment replace (Comp# 106). The fiscal significance of these components is approximately 12%, 9%, 9%, and 8% respectively (see page 9). A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives.

Reserve Funding
In comparing the projected starting reserve balance of $178,327 versus the ideal reserve balance of $480,751 we find the association's reserve fund to be approximately 37% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of $4,050 ($63.28/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Introduction

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

Preparer's Credentials
Mr. Gifford has been working in the community association industry for the last 16 years. Prior to taking a position, as the Regional Project Manager covering the Utah region, at Complex Solutions, he worked in community association management in Utah. While in community association management his positions included, Maintenance Supervisor, Senior Portfolio Manager and Vice President of Community Management. His work in community association management gave him extensive experience with; budget creation, reserves and reserve budgeting, community inspections and analyzing common area components.

- Professional Reserve Analyst (PRA) designation from Association of Professional Reserve Analysts (APRA), PRA #2320
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231
- Personally has prepared over 1,400 reserve studies in Salt Lake City Utah and surrounding areas
- Bachelor of Science in Chemistry from Emporia State University
- Certified Manager of Community Associations® (CMCA®) designation from the National Board of Certification for Community Association Managers (NBC-CAM)
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI)
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI), PCAM# 1740,
- Active member and former Board member and chapter President of the Utah Chapter of Community Associations Institute (UCCAI)
- Recipient of Community Associations Institute's (CAI) annual award of Excellence in Chapter Leadership for service an achievement in 2010

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

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

General Information and Frequently Asked Questions

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

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

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

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

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

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

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

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

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

Measures of reserve fund financial strength are as follows:

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

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

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

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

Disclosures:

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

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

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

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

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

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

Update Reserve Studies:

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

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

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

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

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

Funding Summary

Beginning Assumptions

# of units	64
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	$2,500
Projected Starting Reserve Balance	$178,327
Ideal Starting Reserve Balance	$480,751

Economic Assumptions

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

Current Reserve Status

Current Balance as a % of Ideal Balance	37%

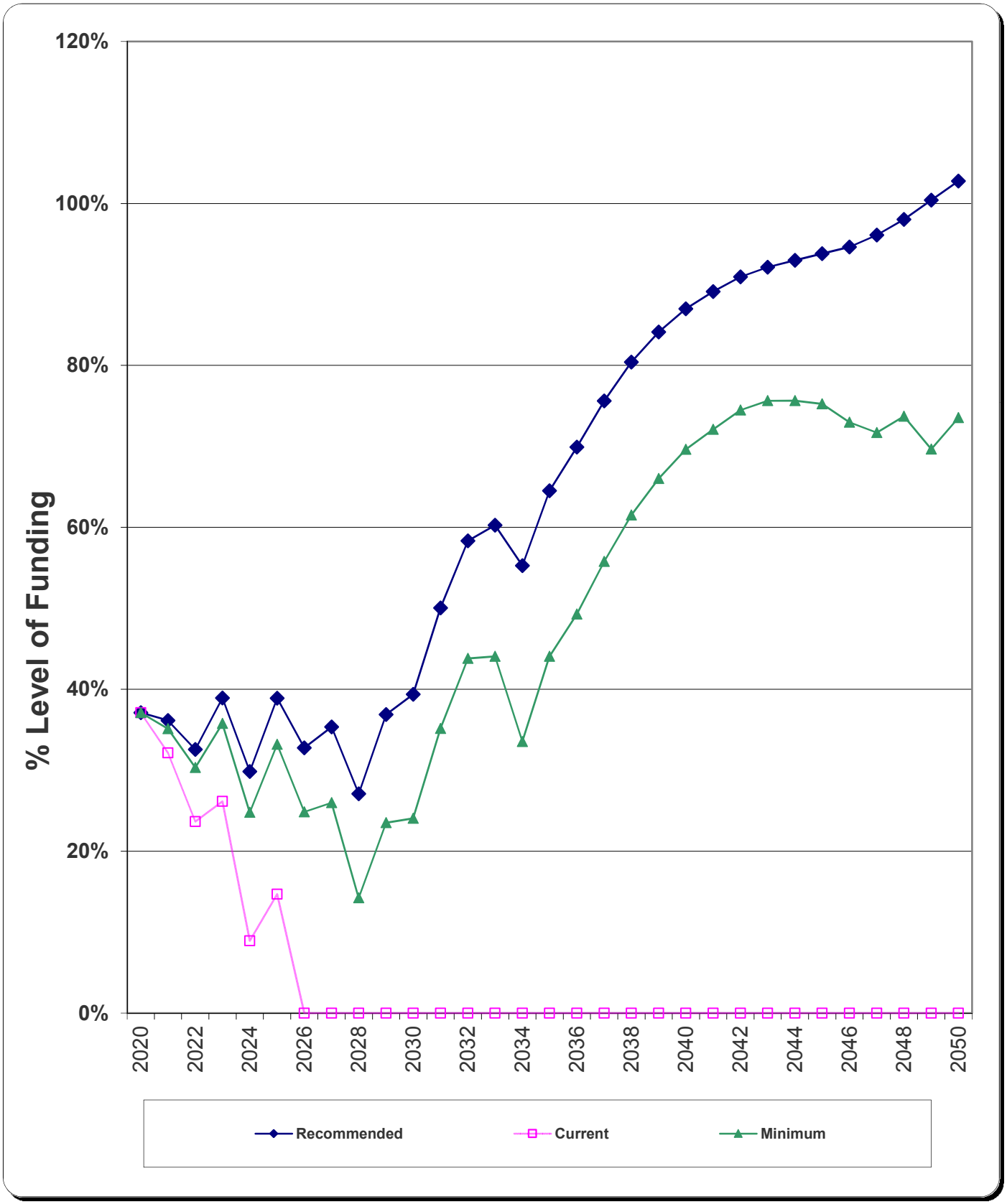
Recommendations

Recommended Monthly Reserve Allocation	$4,050
Per Unit	$63.28
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	$3,650
Per Unit	$57.03
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation	$1,550
as Percentage	62%

Percent Funded - Graph



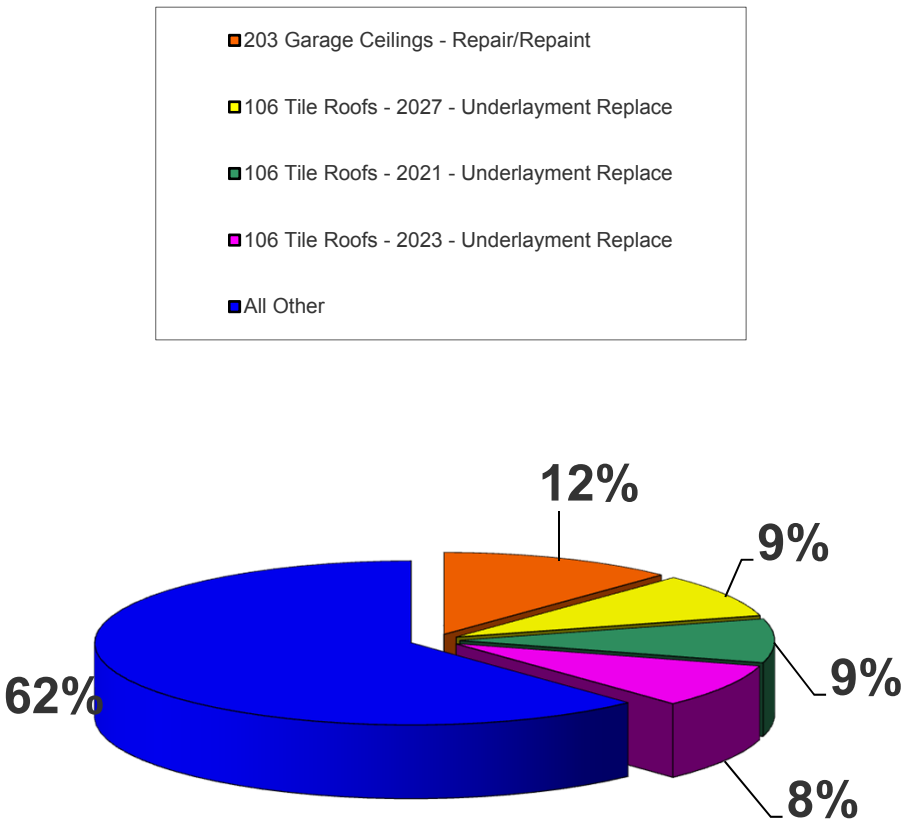
Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	106	Tile Roofs - 2021 - Underlayment Replac	25	1	$60,300	$73,700
	106	Tile Roofs - 2023 - Underlayment Replac	25	3	$60,300	$73,700
	106	Tile Roofs - 2025 - Underlayment Replac	25	5	$60,300	$73,700
	106	Tile Roofs - 2027 - Underlayment Replac	25	7	$60,795	$74,305
	120	Rain Gutters/Downspouts - Replace	30	5	$18,920	$22,360
Painted Surfaces	201	Stucco Surfaces - Repair/Repaint	15	13	$32,000	$40,000
	203	Garage Ceilings - Repair/Repaint	12	0	$41,000	$49,200
	204	Doors - Repaint	10	3	$12,800	$16,000
	212	Balcony & Common Area Railing - Repai	10	3	$19,350	$23,220
Drive Materials	401	Asphalt - Major Rehab	30	9	$37,200	$49,600
	402	Asphalt - Seal Coat	7	1	$8,300	$8,500
	403	Concrete - Repair/Replace	10	3	$4,000	$6,000
Decking	606	Wood Balcony Surfaces - Repaint	8	0	$4,000	$5,600
Mechanical Equip.	707	Elevator - Modernize	30	6	$30,000	$50,000
	709	Elevator Cab - Remodel	20	2	$7,000	$11,000
Prop. Identification	801	Monument Signs - Replace	N/A		$0	$0
	803	Mailboxes - Replace	N/A		$0	$0
Fencing	1003	Chain Link Fencing - Replace	40	15	$8,000	$10,000
	1011	Retaining Wall - Repair/Replace	N/A		$0	$0
	1090	Metal Railing - Replace	50	25	$75,000	$95,000
Recreation Equip.	1307	Benches - Replace	15	0	$1,200	$1,600
Light Fixtures	1602	Exterior Light Fixtures - Replace	20	7	$16,800	$25,200
	1609	Street Light Fixtures - Replace	20	0	$5,250	$8,750
	1690	Garage Lights - Replace	N/A		$0	$0
Landscaping	1812	Landscaping & Irrigation System - Renov	20	13	$15,000	$25,000

Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
106	Tile Roofs - 2021 - Underlayment Repla	25	1	$67,000	$2,680	8.6159%
106	Tile Roofs - 2023 - Underlayment Repla	25	3	$67,000	$2,680	8.6159%
106	Tile Roofs - 2025 - Underlayment Repla	25	5	$67,000	$2,680	8.6159%
106	Tile Roofs - 2027 - Underlayment Repla	25	7	$67,550	$2,702	8.6867%
120	Rain Gutters/Downspouts - Replace	30	5	$20,640	$688	2.2119%
201	Stucco Surfaces - Repair/Repaint	15	13	$36,000	$2,400	7.7158%
203	Garage Ceilings - Repair/Repaint	12	0	$45,100	$3,758	12.0827%
204	Doors - Repaint	10	3	$14,400	$1,440	4.6295%
212	Balcony & Common Area Railing - Repa	10	3	$21,285	$2,129	6.8429%
401	Asphalt - Major Rehab	30	9	$43,400	$1,447	4.6509%
402	Asphalt - Seal Coat	7	1	$8,400	$1,200	3.8579%
403	Concrete - Repair/Replace	10	3	$5,000	$500	1.6074%
606	Wood Balcony Surfaces - Repaint	8	0	$4,800	$600	1.9289%
707	Elevator - Modernize	30	6	$40,000	$1,333	4.2865%
709	Elevator Cab - Remodel	20	2	$9,000	$450	1.4467%
1003	Chain Link Fencing - Replace	40	15	$9,000	$225	0.7234%
1090	Metal Railing - Replace	50	25	$85,000	$1,700	5.4653%
1307	Benches - Replace	15	0	$1,400	$93	0.3001%
1602	Exterior Light Fixtures - Replace	20	7	$21,000	$1,050	3.3756%
1609	Street Light Fixtures - Replace	20	0	$7,000	$350	1.1252%
1812	Landscaping & Irrigation System - Renc	20	13	$20,000	$1,000	3.2149%

Significant Components - Graph

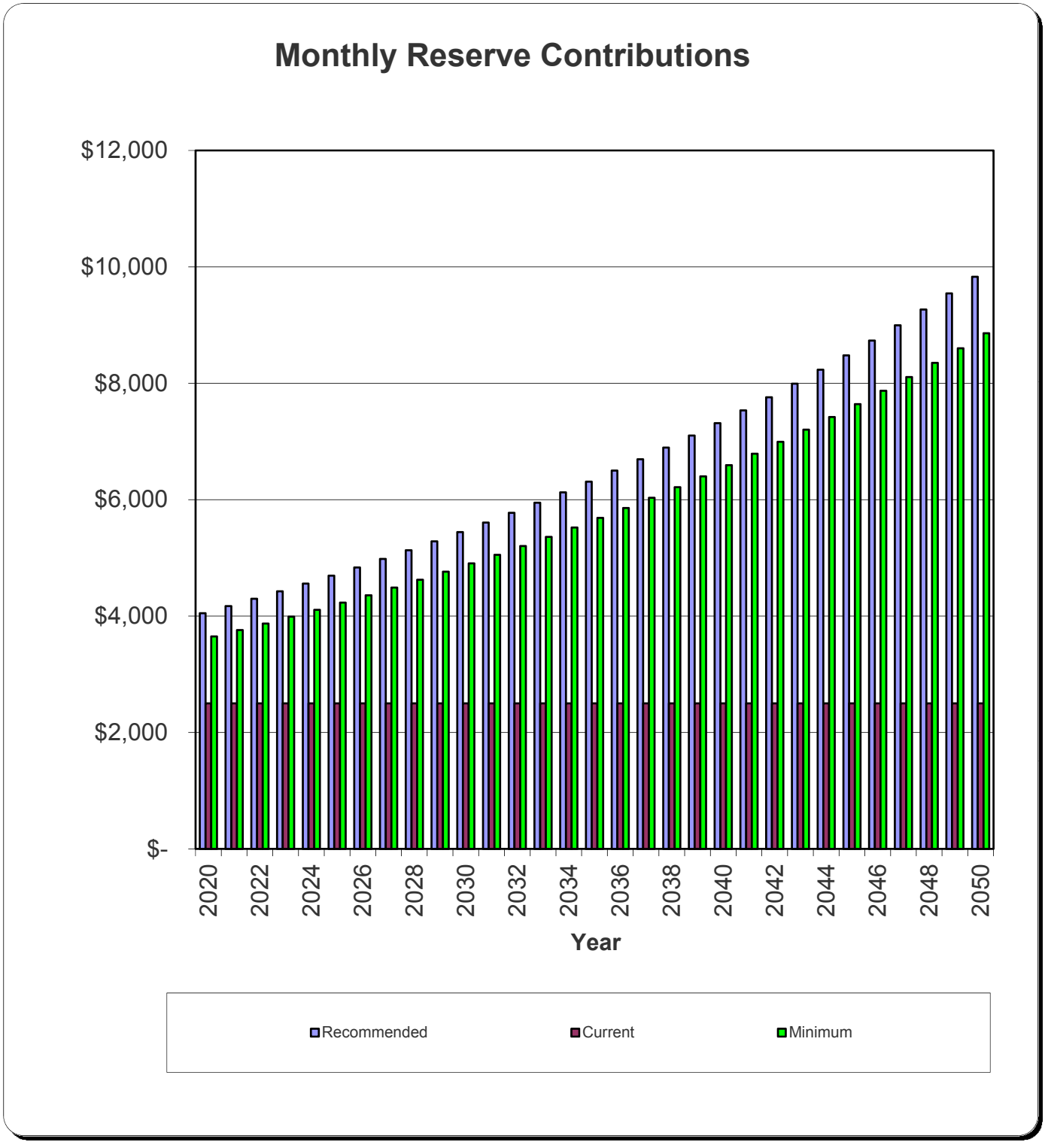


ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
203	Garage Ceilings - Repair/Repaint	12	0	$45,100	$3,758	12%
106	Tile Roofs - 2027 - Underlayment Repl	25	7	$67,550	$2,702	9%
106	Tile Roofs - 2021 - Underlayment Repl	25	1	$67,000	$2,680	9%
106	Tile Roofs - 2023 - Underlayment Repl	25	3	$67,000	$2,680	8%
All Other	See Expanded Table For Breakdown				$19,285	62%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2020	$480,751	$178,327	37%	$48,600	$174	$58,300	$168,801
2021	$467,162	$168,801	36%	$50,058	$155	$77,662	$141,352
2022	$434,185	$141,352	33%	$51,560	$162	$9,548	$183,526
2023	$471,365	$183,526	39%	$53,107	$151	$117,670	$119,113
2024	$399,315	$119,113	30%	$54,700	$147	$0	$173,959
2025	$447,354	$173,959	39%	$56,341	$151	$101,599	$128,853
2026	$393,269	$128,853	33%	$58,031	$134	$47,762	$139,256
2027	$394,127	$139,256	35%	$59,772	$115	$108,905	$90,237
2028	$333,182	$90,237	27%	$61,565	$113	$16,721	$135,193
2029	$366,539	$135,193	37%	$63,412	$139	$56,627	$142,117
2030	$361,012	$142,117	39%	$65,314	$175	$0	$207,606
2031	$414,900	$207,606	50%	$67,274	$241	$0	$275,121
2032	$471,695	$275,121	58%	$69,292	$278	$64,302	$280,389
2033	$465,294	$280,389	60%	$71,371	$245	$141,985	$210,020
2034	$380,058	$210,020	55%	$73,512	$247	$0	$283,779
2035	$439,920	$283,779	65%	$75,717	$307	$29,290	$330,513
2036	$472,864	$330,513	70%	$77,989	$366	$7,703	$401,165
2037	$530,528	$401,165	76%	$80,328	$442	$0	$481,935
2038	$599,399	$481,935	80%	$82,738	$524	$0	$565,197
2039	$671,924	$565,197	84%	$85,220	$608	$0	$651,025
2040	$748,261	$651,025	87%	$87,777	$689	$12,643	$726,848
2041	$815,551	$726,848	89%	$90,410	$772	$0	$818,031
2042	$899,619	$818,031	91%	$93,123	$848	$33,340	$878,662
2043	$953,655	$878,662	92%	$95,916	$887	$80,295	$895,170
2044	$962,791	$895,170	93%	$98,794	$894	$101,436	$893,421
2045	$952,323	$893,421	94%	$101,758	$856	$177,971	$818,064
2046	$864,663	$818,064	95%	$104,810	$799	$144,492	$779,181
2047	$810,870	$779,181	96%	$107,955	$810	$46,647	$841,299
2048	$858,316	$841,299	98%	$111,193	$779	$235,657	$717,615
2049	$714,641	$717,615	100%	$114,529	$765	$19,795	$813,114

Reserve Contributions - Graph



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
106	Tile Roofs - 2021 - Underlayment Replace	25	1	Approx 13,400 Sq.ft.	$67,000	$64,320	$64,320	$348.95
106	Tile Roofs - 2023 - Underlayment Replace	25	3	Approx 13,400 Sq.ft.	$67,000	$58,960	$40,407	$348.95
106	Tile Roofs - 2025 - Underlayment Replace	25	5	Approx 13,400 Sq.ft.	$67,000	$53,600	$0	$348.95
106	Tile Roofs - 2027 - Underlayment Replace	25	7	Approx 13,510 Sq.ft.	$67,550	$48,636	$0	$351.81
120	Rain Gutters/Downspouts - Replace	30	5	Approx 3,440 Linear ft.	$20,640	$17,200	$0	$89.58
201	Stucco Surfaces - Repair/Repaint	15	13	Approx 32,000 Sq.ft.	$36,000	$4,800	$0	$312.49
203	Garage Ceilings - Repair/Repaint	12	0	Approx 32,800 Sq.ft.	$45,100	$45,100	$45,100	$489.35
204	Doors - Repaint	10	3	(128) Doors	$14,400	$10,080	$0	$187.49
212	Balcony & Common Area Railing - Repaint	10	3	Approx 1,935 Linear ft.	$21,285	$14,900	$0	$277.14
401	Asphalt - Major Rehab	30	9	Approx 24,800 Sq.ft.	$43,400	$30,380	$0	$188.36
402	Asphalt - Seal Coat	7	1	Approx 24,800 Sq.ft.	$8,400	$7,200	$7,200	$156.24
403	Concrete - Repair/Replace	10	3	Extensive Sq.ft.	$5,000	$3,500	$0	$65.10
606	Wood Balcony Surfaces - Repaint	8	0	(32) Balconies	$4,800	$4,800	$4,800	$78.12
707	Elevator - Modernize	30	6	(1) Elevator	$40,000	$32,000	$0	$173.60
709	Elevator Cab - Remodel	20	2	(1) Elevator	$9,000	$8,100	$8,100	$58.59
1003	Chain Link Fencing - Replace	40	15	Approx 236 Linear ft.	$9,000	$5,625	$0	$29.30
1090	Metal Railing - Replace	50	25	Approx 1,935 Linear ft.	$85,000	$42,500	$0	$221.35
1307	Benches - Replace	15	0	(2) Benches	$1,400	$1,400	$1,400	$12.15
1602	Exterior Light Fixtures - Replace	20	7	(168) Fixtures	$21,000	$13,650	$0	$136.71
1609	Street Light Fixtures - Replace	20	0	(7) Fixtures	$7,000	$7,000	$7,000	$45.57
1812	Landscaping & Irrigation System - Renovate	20	13	Extensive Sq.ft.	$20,000	$7,000	$0	$130.20
					$659,975	$480,751	$178,327	$4,050

Current Fund Balance as a percentage of Ideal Balance: 37%

Yearly Cash Flow

Year	2020	2021	2022	2023	2024
Starting Balance	$178,327	$168,801	$141,352	$183,526	$119,113
Reserve Income	$48,600	$50,058	$51,560	$53,107	$54,700
Interest Earnings	$174	$155	$162	$151	$147
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$227,101	$219,014	$193,074	$236,784	$173,959
Reserve Expenditures	$58,300	$77,662	$9,548	$117,670	$0
Ending Balance	$168,801	$141,352	$183,526	$119,113	$173,959

Year	2025	2026	2027	2028	2029
Starting Balance	$173,959	$128,853	$139,256	$90,237	$135,193
Reserve Income	$56,341	$58,031	$59,772	$61,565	$63,412
Interest Earnings	$151	$134	$115	$113	$139
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$230,452	$187,018	$199,142	$151,915	$198,744
Reserve Expenditures	$101,599	$47,762	$108,905	$16,721	$56,627
Ending Balance	$128,853	$139,256	$90,237	$135,193	$142,117

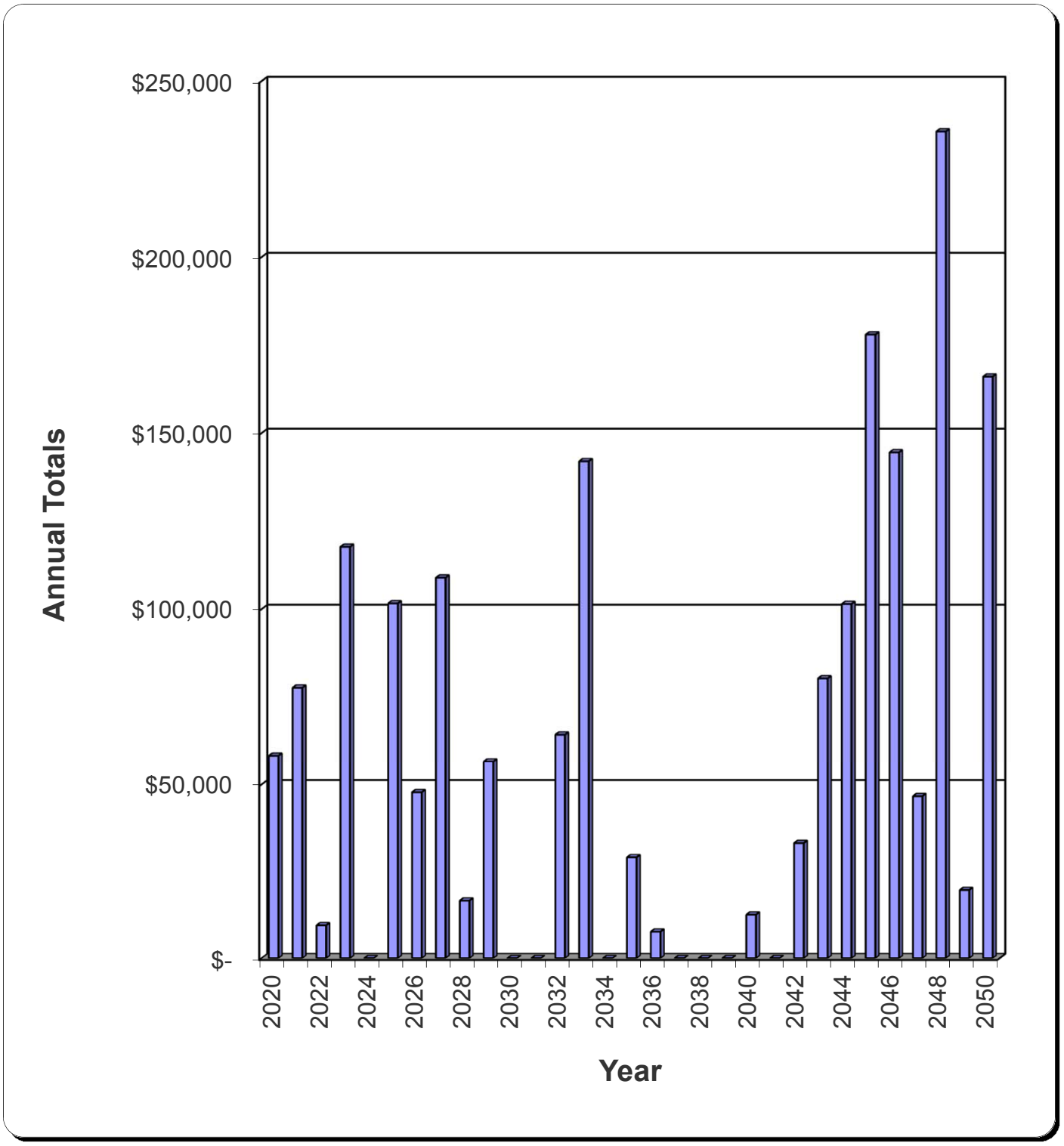
Year	2030	2031	2032	2033	2034
Starting Balance	$142,117	$207,606	$275,121	$280,389	$210,020
Reserve Income	$65,314	$67,274	$69,292	$71,371	$73,512
Interest Earnings	$175	$241	$278	$245	$247
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$207,606	$275,121	$344,691	$352,005	$283,779
Reserve Expenditures	$0	$0	$64,302	$141,985	$0
Ending Balance	$207,606	$275,121	$280,389	$210,020	$283,779

Year	2035	2036	2037	2038	2039
Starting Balance	$283,779	$330,513	$401,165	$481,935	$565,197
Reserve Income	$75,717	$77,989	$80,328	$82,738	$85,220
Interest Earnings	$307	$366	$442	$524	$608
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$359,803	$408,868	$481,935	$565,197	$651,025
Reserve Expenditures	$29,290	$7,703	$0	$0	$0
Ending Balance	$330,513	$401,165	$481,935	$565,197	$651,025

Year	2040	2041	2042	2043	2044
Starting Balance	$651,025	$726,848	$818,031	$878,662	$895,170
Reserve Income	$87,777	$90,410	$93,123	$95,916	$98,794
Interest Earnings	$689	$772	$848	$887	$894
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$739,491	$818,031	$912,002	$975,465	$994,858
Reserve Expenditures	$12,643	$0	$33,340	$80,295	$101,436
Ending Balance	$726,848	$818,031	$878,662	$895,170	$893,421

Year	2045	2046	2047	2048	2049
Starting Balance	$893,421	$818,064	$779,181	$841,299	$717,615
Reserve Income	$101,758	$104,810	$107,955	$111,193	$114,529
Interest Earnings	$856	$799	$810	$779	$765
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$996,035	$923,672	$887,946	$953,271	$832,909
Reserve Expenditures	$177,971	$144,492	$46,647	$235,657	$19,795
Ending Balance	$818,064	$779,181	$841,299	$717,615	$813,114

Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2020	203	Garage Ceilings - Repair/Repaint	$45,100	
	606	Wood Balcony Surfaces - Repaint	$4,800	
	1307	Benches - Replace	$1,400	
	1609	Street Light Fixtures - Replace	$7,000	$58,300
2021	106	Tile Roofs - 2021 - Underlayment Replace	$69,010	
	402	Asphalt - Seal Coat	$8,652	$77,662
2022	709	Elevator Cab - Remodel	$9,548	$9,548
2023	106	Tile Roofs - 2023 - Underlayment Replace	$73,213	
	204	Doors - Repaint	$15,735	
	212	Balcony & Common Area Railing - Repaint	$23,259	
	403	Concrete - Repair/Replace	$5,464	$117,670
2024		No Expenditures Projected		$0
2025	106	Tile Roofs - 2025 - Underlayment Replace	$77,671	
	120	Rain Gutters/Downspouts - Replace	$23,927	$101,599
2026	707	Elevator - Modernize	$47,762	$47,762
2027	106	Tile Roofs - 2027 - Underlayment Replace	$83,078	
	1602	Exterior Light Fixtures - Replace	$25,827	$108,905
2028	402	Asphalt - Seal Coat	$10,641	
	606	Wood Balcony Surfaces - Repaint	$6,080	$16,721
2029	401	Asphalt - Major Rehab	$56,627	$56,627
2030		No Expenditures Projected		$0
2031		No Expenditures Projected		$0
2032	203	Garage Ceilings - Repair/Repaint	$64,302	$64,302
2033	201	Stucco Surfaces - Repair/Repaint	$52,867	
	204	Doors - Repaint	$21,147	
	212	Balcony & Common Area Railing - Repaint	$31,258	
	403	Concrete - Repair/Replace	$7,343	
	1812	Landscaping & Irrigation System - Renovate	$29,371	$141,985
2034		No Expenditures Projected		$0
2035	402	Asphalt - Seal Coat	$13,087	
	1003	Chain Link Fencing - Replace	$14,022	
	1307	Benches - Replace	$2,181	$29,290
2036	606	Wood Balcony Surfaces - Repaint	$7,703	$7,703
2037		No Expenditures Projected		$0
2038		No Expenditures Projected		$0
2039		No Expenditures Projected		$0
2040	1609	Street Light Fixtures - Replace	$12,643	$12,643
2041		No Expenditures Projected		$0
2042	402	Asphalt - Seal Coat	$16,095	
	709	Elevator Cab - Remodel	$17,245	$33,340
2043	204	Doors - Repaint	$28,420	
	212	Balcony & Common Area Railing - Repaint	$42,008	
	403	Concrete - Repair/Replace	$9,868	$80,295
2044	203	Garage Ceilings - Repair/Repaint	$91,679	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	606	Wood Balcony Surfaces - Repaint	$9,757	$101,436
2045	1090	Metal Railing - Replace	$177,971	$177,971
2046	106	Tile Roofs - 2021 - Underlayment Replace	$144,492	$144,492
2047	1602	Exterior Light Fixtures - Replace	$46,647	$46,647
2048	106	Tile Roofs - 2023 - Underlayment Replace	$153,291	
	201	Stucco Surfaces - Repair/Repaint	$82,365	$235,657
2049	402	Asphalt - Seal Coat	$19,795	$19,795

Component Evaluation

Comp #: 106 Tile Roofs - 2021 - Underlayment Replace

Location: **Building Roofs**

Quantity: **Approx 13,400 Sq.ft.**

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

Best Cost: **$60,300**

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

Worst Cost: **$73,700**

$5.50/Sq.ft.; Higher estimate

Source of Information: CSL Costs Database

General Notes:

Observations:

The tile roof is in good condition. Research with the client reveals leaking issues. Although the tile portion of this roofing system has an extended useful life of 50 - 100 years or more, we recommend funding to replace the underlayment approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 106 Tile Roofs - 2023 - Underlayment Replace

Location: **Building Roofs**

Quantity: **Approx 13,400 Sq.ft.**

Life Expectancy: **25** *Remaining Life:* **3**

Best Cost: **$60,300**

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

Worst Cost: **$73,700**

$5.50/Sq.ft.; Higher estimate

Source of Information: CSL Costs Database

General Notes:

Observations:

The tile roof is in good condition. Research with the client reveals leaking issues. Although the tile portion of this roofing system has an extended useful life of 50 - 100 years or more, we recommend funding to replace the underlayment approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 106 Tile Roofs - 2025 - Underlayment Replace

Location: **Building Roofs**

Quantity: **Approx 13,400 Sq.ft.**

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

Best Cost: **$60,300**

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

Worst Cost: **$73,700**

$5.50/Sq.ft.; Higher estimate

Source of Information: CSL Costs Database

General Notes:

Observations:

The tile roof is in good condition. Research with the client reveals leaking issues. Although the tile portion of this roofing system has an extended useful life of 50 - 100 years or more, we recommend funding to replace the underlayment approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 106 Tile Roofs - 2027 - Underlayment Replace

Location: **Building Roofs**

Quantity: **Approx 13,510 Sq.ft.**

Life Expectancy: **25** *Remaining Life:* **7**

Best Cost: **$60,795**

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

Worst Cost: **$74,305**

$5.50/Sq.ft.; Higher estimate

Source of Information: CSL Costs Database

General Notes:

Observations:

The tile roof is in good condition. Research with the client reveals leaking issues. Although the tile portion of this roofing system has an extended useful life of 50 - 100 years or more, we recommend funding to replace the underlayment approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 120 Rain Gutters/Downspouts - Replace

Location: **Building Roofs**

Quantity: **Approx 3,440 Linear ft.**

Life Expectancy: **30** *Remaining Life:* **5**

Best Cost: **$18,920**

$5.50/Linear ft.; Estimate to replace

Worst Cost: **$22,360**

$6.50/Linear ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The rain gutters and downspouts are in fair condition. We recommend funding to replace this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 201 Stucco Surfaces - Repair/Repaint

Location: **Building Exteriors**

Quantity: **Approx 32,000 Sq.ft.**

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

Best Cost: **$32,000**

$1.00/Sq.ft.; Estimate to repair/repaint

Worst Cost: **$40,000**

$1.25/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 203 Garage Ceilings - Repair/Repaint

Location: **Building Garages**

Quantity: **Approx 32,800 Sq.ft.**

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

Best Cost: **$41,000**

$1.25/Sq.ft.; Estimate to repair/repaint

Worst Cost: **$49,200**

$1.50/Sq.ft.; Higher estimate

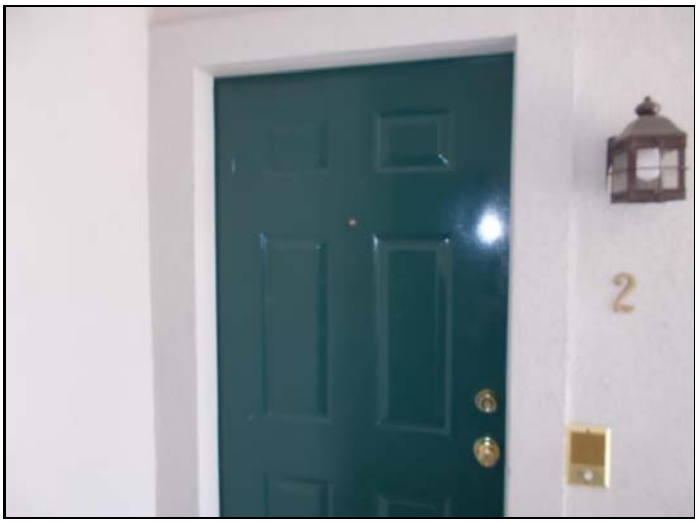
Source of Information: CSL Cost Database

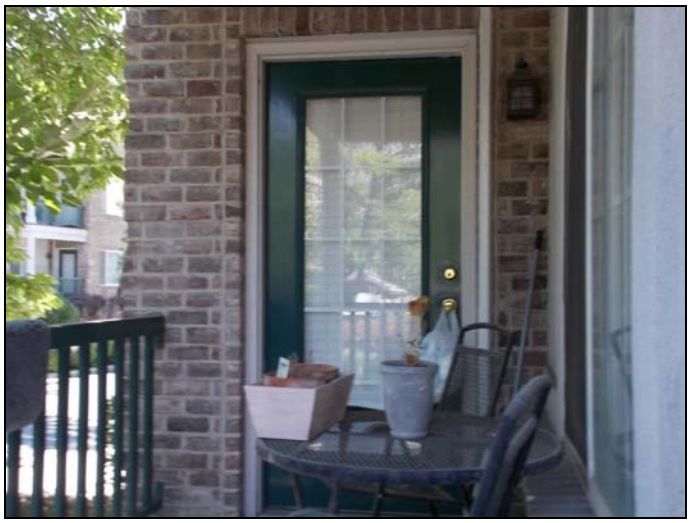
General Notes:

Observations:

The painted garage ceilings are in fair to poor condition. We recommend funding to repair/repaint this component approximately every 10 - 12 years. Remaining life based on current condition.

Comp #: 204 Doors - Repaint





Location: **Unit Doors**

Quantity: **(128) Doors**

Life Expectancy: **10** *Remaining Life:* **3**

Best Cost: **$12,800**
$100/Door; Estimate to repaint

Worst Cost: **$16,000**
$125/Door; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

(64) - Balcony
(64) - Front

(128) - Total Doors

Observations:

The painted door surfaces are in good condition. We recommend funding to repaint this component approximately every 8 - 10 years. Remaining life based on average condition.

Comp #: 212 Balcony & Common Area Railing - Repaint

Location: **Balcony Railing**

Quantity: **Approx 1,935 Linear ft.**

Life Expectancy: **10** *Remaining Life:* **3**

Best Cost: **$19,350**

$10/Linear ft.; Estimate to repaint

Worst Cost: **$23,220**

$12/Linear ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The painted metal railing surfaces are in fair condition. We recommend funding to paint this component approximately every 8 - 10 years. Remaining life based on current condition.

Comp #: 401 Asphalt - Major Rehab

Location: **Community Parking Areas & Streets**

Quantity: **Approx 24,800 Sq.ft.**

Life Expectancy: **30** *Remaining Life:* **9**

Best Cost: **$37,200**

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

Worst Cost: **$49,600**

$2.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The asphalt surfaces are in fair condition. We recommend funding for a major rehab of this component approximately every 25 - 30 years. Remaining life based on current condition.

Comp #: 402 Asphalt - Seal Coat

Location: **Community Parking Areas & Streets**

Quantity: **Approx 24,800 Sq.ft.**

Life Expectancy: **7** *Remaining Life:* **1**

Best Cost: **$8,300**
Estimate for seal coat

Worst Cost: **$8,500**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The asphalt seal coat is in fair condition. Typically we recommend asphalt surfaces should be sealed every 3 - 5 years, but due to the use of the new HA5 product from Holbrook Asphalt, we are setting the useful life at 7 years. Remaining life based on current age.

Comp #: 403 Concrete - Repair/Replace

Location: **Curb, Gutter, Drive Areas & Sidewalks**

Quantity: **Extensive Sq.ft.**

Life Expectancy: **10** *Remaining Life:* **3**

Best Cost: **$4,000**
Allowance to repair/replace

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

Source of Information: CSL Costs Database

General Notes:

Observations:

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

Comp #: 606 Wood Balcony Surfaces - Repaint

Location: **Upper Balconies**

Quantity: **(32) Balconies**

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

Best Cost: **$4,000**

$125/Balcony; Estimate to repaint

Worst Cost: **$5,600**

$175/Balcony; Higher estimate

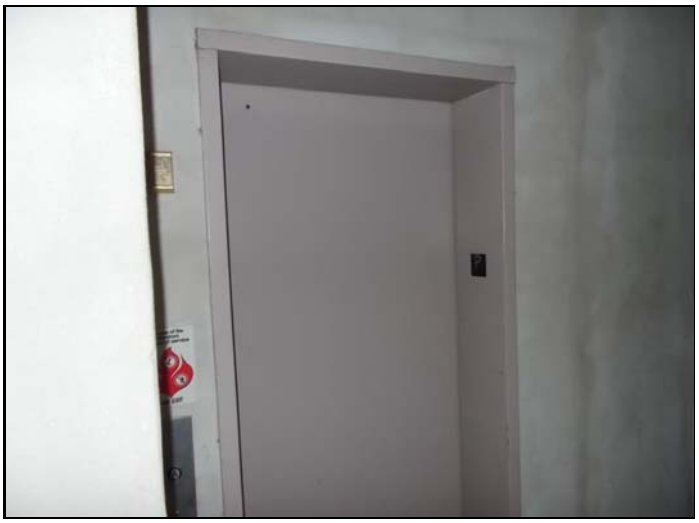
Source of Information: CSL Cost Database

General Notes:

Observations:

Unable to inspect the top of this component at the time of the inspection. We recommend this component be painted approximately every 8 - 10 years. Remaining life based on current age.

Comp #: 707 Elevator - Modernize



Location: **Building South of North Entrance**

Quantity: **(1) Elevator**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **$30,000**
Estimate to modernize

Worst Cost: **$50,000**
Higher estimate

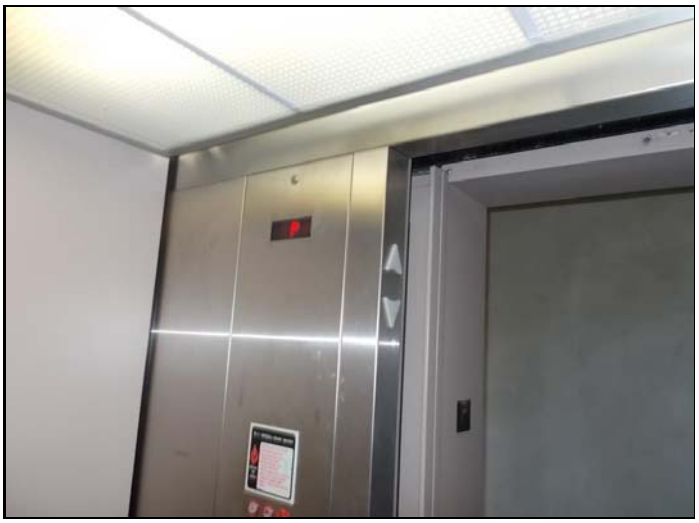
Source of Information: CSL Cost Database

General Notes:

Observations:

The elevator is in working condition. We recommend funding to modernize this component approximately every 25 - 30 years. Modernization consists of controller replacement, door package upgrade, and control panel replacement. Remaining life based on current age.

Comp #: 709 Elevator Cab - Remodel



Location: **Building South of North Entrance**

Quantity: **(1) Elevator**

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

Best Cost: **$7,000**
Estimate to remodel

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

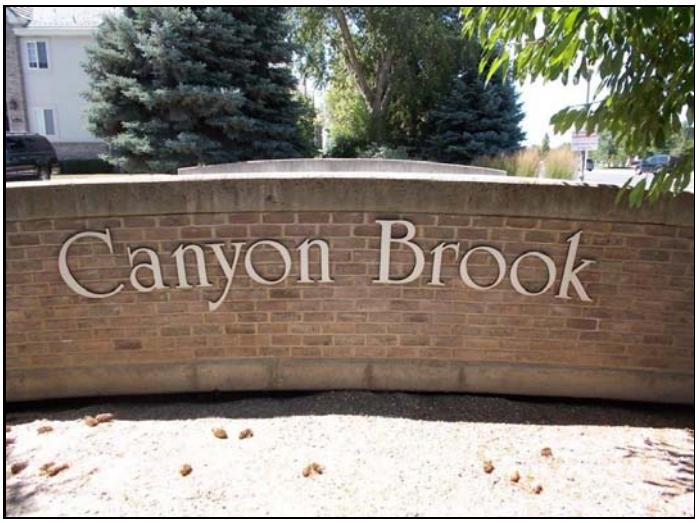
Source of Information: CSL Cost Database

General Notes:

Observations:

The elevator cab is in fair condition. We recommend funding to remodel this component approximately every 15 - 20 years. Remaining life based on current condition.

Comp #: 801 Monument Signs - Replace



Location: **North Entrance Bridge**

Quantity: **(22) Letters**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Due to the minimal cost associated with replacing these letters, reserve funding is not appropriate. Replace as necessary as an operating expense. No reserve funding necessary.

Comp #: 803 Mailboxes - Replace

Location: **North Entrance**

Quantity: **(4) Clusters**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

The mailboxes are in good condition. Typically these mailboxes are owned and maintained by the postal service. No reserve funding necessary.

Comp #: 1003 Chain Link Fencing - Replace

Location: **Dumpster Enclosures & North Perimeter**

Quantity: **Approx 236 Linear ft.**

Life Expectancy: **40** *Remaining Life:* **15**

Best Cost: **$8,000**
Estimate to replace

Worst Cost: **$10,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

36 Linear ft. - Dumpster Enclosures
200 Linear ft. - North Perimeter

236 Linear ft. - Total

Observations:

The chain link fencing is in good condition. We recommend funding to replace this component approximately every 30 - 40 years. Remaining life based on current age.

Comp #: 1011 Retaining Wall - Repair/Replace

Location: **Common Area**

Quantity: **Extensive Linear ft.**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

The retaining wall appears to be in good condition. This component has an extended useful life. Make repairs as necessary as an operating expense. No reserve funding necessary.

Comp #: 1090 Metal Railing - Replace

Location: **Balconies, Common Area & Stairwells**

Quantity: **Approx 1,935 Linear ft.**

Life Expectancy: **50** *Remaining Life:* **25**

Best Cost: **$75,000**
Estimate to replace

Worst Cost: **$95,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The metal railing is in good condition. We recommend funding to replace this component approximately every 40 - 50 years. Remaining life based on current age.

Comp #: 1307 Benches - Replace

Location: **Common Area**

Quantity: **(2) Benches**

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

Best Cost: **$1,200**

$600/Bench; Estimate to replace

Worst Cost: **$1,600**

$800/Bench; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The benches are in poor condition. We recommend funding to replace this component approximately every 10 - 15 years. Remaining life based on current age.

Comp #: 1602 Exterior Light Fixtures - Replace

Location: **Residential Buildings**

Quantity: **(168) Fixtures**

Life Expectancy: **20** *Remaining Life:* **7**

Best Cost: **$16,800**

$100/Fixture; Estimate to replace

Worst Cost: **$25,200**

$150/Fixture; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The exterior light fixtures are in good to fair condition. We recommend funding to replace this component approximately every 16 years to maintain appearance and function. Remaining life based on current age.

Comp #: 1609 Street Light Fixtures - Replace

Location: **Common Area**

Quantity: **(7) Fixtures**

Life Expectancy: **20** *Remaining Life:* **0**

Best Cost: **$5,250**

$750/Fixture; Estimate to replace

Worst Cost: **$8,750**

$1,250/Fixture; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1690 Garage Lights - Replace

Location: **Parking Garages**

Quantity: **(88) Fixtures**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

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

Comp #: 1812 Landscaping & Irrigation System - Renovate

Location: **Common Area**

Quantity: **Extensive Sq.ft.**

Life Expectancy: **20** *Remaining Life:* **13**

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

Worst Cost: **$25,000**
Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The landscaping and irrigation system are in good condition. We recommend funding for an allowance to renovate the landscaping and irrigation system approximately every 20 years. Remaining life based on current age.

Glossary of Commonly Used Words And Phrases

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

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

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

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

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

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

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

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

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

FFB = Current Cost * Effective Age / Useful Life

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

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

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

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

Funding Principles –

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

GSF - Gross Square Feet

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

LF - Linear Feet

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

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

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

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

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

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

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

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

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