# TEMPLE SHADOWS
# AT
# CEDAR HILLS
## CAPITAL RESERVE STUDY


Beginning Period: January 1, 2016
Ending: December 31, 2016

Prepared By:

YKL Consulting

Report Number: 11-03-02
Site Inspection Date: October 29th, 2011
Report Submittal Date: November 3rd, 2011
Revision Date March 8th, 2016

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# 1.0 Executive Summary

## 1.1 Overview

Temple Shadows HOA was visited by consultants from YKL Consulting on October 29th, 2011. Rich Wells of TPM property management instructed YKL personnel as to which assets were to be included as part of the reserve fund. At the time of the site visit a physical assessment of major community components was completed and components were quantified, logged, and photographed. Temple Shadows is a 40 unit PUD (Planned Unit Development) community built in one phase. The community common area property includes private lanes, landscaped common area, playground area, automated gate, and clubhouse with pool. This report was revised with updated financial information and maintenance dates for the year 2016.

## 1.2 Major Expenditure Milestones

The major future expenses for the community are re-roofing the clubhouse, maintaining and replacing the fencing, and private road maintenance. The exteriors of the individual units are the responsibility of the homeowner and do not need to be included in the study. Private road maintenance consists of 2" asphalt overlays every 20 years and slurry seals every 5 years. This is a major expense and the first milestone for the reserve fund savings plan. 2021 is the date used for when the entire community will need to apply a 2" asphalt overlay on the private roads. The 6' high PVC vinyl fence has a life span of around 25 years, at which time it will need to be replaced. This is planned to occur in 2026 and is the second milestone in the reserve study. These two milestones drive the financial analysis and are the major dates for expenditures from the fund. These components are the most expensive to replace, and as such, should be maintained in a manner that ensures full useful life from the components. Premature wear and failure will add a significant burden to the HOA finances. It is recommended that a hazardous concrete replacement program be started, with specific areas of concrete replaced within the next five years. A minimal cost of $15,000 and recommended cost of $20,000 is budgeted in 2017 for this item.

## 1.3 Capital Reserve Account Savings Recommendations

A savings plan is recommended based on a high estimate of component costs. The current reserve balance as of January 2016 is $94,627. It is recommended that the HOA budget be modified to include **$60/unit per month charge through the end of 2016. Starting in 2017 the monthly amount increases at an annual rate of 5% through 2021. Starting 2022, the amount remains static at $80/unit per month.** These amounts are dependent on constant savings and inflation rates, and as such a revised study should be completed every three to six years to confirm conditions have not changed significantly. A lower amount was calculated assuming lower replacement costs and inflation. This is shown in Section 5.0, summary and recommendations. If the reserve fund does not meet the minimum expenditures needed, then a situation will arise where special assessments, deferred maintenance, and lower property values are inevitable.

**Table 1.3.1 –** Summary of initial conditions, assumptions, and recommendations.

| Description | Value |
|---|---|
| Current Reserve Account Balance | $94,627 |
| Current Monthly Unit Contribution to Capital Reserve Fund | $50.65 |
| Assumed Earned Interest | 0.9% |
| Assumed Rate of Inflation | 3.5% |
| Recommended Monthly Unit Charge to Reserve Account for 2016 | $60.00 |
| Recommended Monthly Unit Charge to Reserve Account for 2017 | $63.00 |
| Recommended Monthly Unit Charge to Reserve Account for 2018 | $66.15 |
| Recommended Monthly Unit Charge to Reserve Account for 2019 | $69.46 |
| Recommended Monthly Unit Charge to Reserve Account for 2020 | $72.93 |
| Recommended Monthly Unit Charge to Reserve Account for 2021 | $76.58 |
| Recommended Monthly Unit Charge to Reserve Account for 2022 | $80.00 |

## 2.0 Purpose of Capital Reserve Study

This capital reserve study has been prepared to provide guidance necessary to adequately prepare the Home Owners Association (HOA) to meet financial obligations associated with maintenance, repair, and replacement of common area components. Ideally, these financial obligations are met using resources that have been set aside as part of a reserve fund. Following the recommendations of the reserve study will help prevent a financial assessment of unit owners beyond the required HOA fees. The HOA board has fiduciary duty to manage and plan for these obligations while also balancing HOA membership fees and long-term property value. The reserve study helps facilitate this responsibility.

Many states have laws that require HOA's perform reserve studies. Utah Legislative bill SB278, passed March 2010, amended the Condominium Ownership Act (Utah Code 57-8-7.5) and the Community Association Act (Utah Code 57-8a-211) to require the following within the state of Utah:

• Conduct a reserve analysis every six years.

*(2) (a) (i) ... cause a reserve analysis to be conducted no less frequently than every six years .. .*

• Conduct a reserve analysis before July 1, 2012.

*(2) (a) (ii) .. .if no reserve analysis has been conducted since March 1, 2008, cause a reserve analysis to be conducted before July 1,2012...*

• Update a reserve analysis every three years.

*(2) (b) ...update a previously conducted reserve analysis no less frequently than every three years.*

In addition to the legal requirements, a properly prepared reserve study will benefit the community by aiding property management and boards in making budget and reserve account decisions based on solid analysis and information. It has been found that in-house reserve calculations done by the developer may not accurately reflect any changes that may have taken place during construction. These have generally been found to be inadequate, and have, at times, resulted in untimely assessments of unit owners.

This capital 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.

The Board should be careful about deviating from reserve study recommendations. A reserve study recommends a funding plan that steers the HOA away from special assessments. If the board decides to fund reserves less than recommended, the risk of special assessments grows.

If a special assessment is needed due to underfunding, a case could be made that the board did not fulfill its fiduciary duty and be held personally liable. Just as importantly, past owners who have sold will not have paid their fair share. Unless there is a compelling reason to deviate, the board should follow the recommendations of this study.

This reserve study was based on an evaluation of the HOA's repair and replacement obligations of existing components. Determination of costs and timing of repairs/replacements along with determination of available reserve capital form the base line for projected future costs.

These components are found by means of a physical analysis (Section 3.0) and funding analysis (Section 4.0). The physical analysis consists of a site visit to observe the existing condition of the HOA common components. A list of pertinent components was compiled and assessed according to age and condition, as discussed hereafter. Based on this assessment, it is possible to estimate the replacement costs.

According to the association funding goals, and the existing financial store, contributions are recommended such that the reserve account can be fully funded. The account is considered "fully funded" when all financial obligations can be met, without forcing an assessment on unit owners.

# 3.0 Physical Analysis

## 3.1 Site Visit

Temple Shadows HOA was visited by consultants from YKL Consulting on October 29th, 2011. Rich Wells of TPM property management instructed YKL personnel as to which assets were to be included as part of the property management operating reserve and those to be included as part of the capital reserve fund. At the time of the site visit a physical assessment of major community components was completed, and components were quantified and logged. Also, photographs depicting current the condition of these items were taken. These photographs are included in Section 10 for reference. This report was revised with updated financial information and maintenance dates in 2016.

## 3.2 Component Criteria

The components assessed in this study must meet four general criteria. First, the components must be under the jurisdiction of the HOA – or common property. Second, the component must meet a minimum cost threshold. Costs required for small, regular maintenance on daily, weekly, or monthly basis, are assumed to be met with funds set aside for routine property care; the HOA operating account. Third, the component must have limited lifecycle. This study forecasts expenses over 30 years, thus lifecycles estimated beyond the study period would be excluded. Finally, the component must have predictable life duration. Damage to components associated with settlement, fire, earthquakes, flooding, or misuse is not considered predictable, or measurable. Generally a cost for repair of this type of damage (except flooding) is covered by an HOA insurance policy. Flood damage is the responsibility of the individual homeowners insurance policy.

## 3.3 Determining Useful Life and Remaining Useful Life of Assets

The projected useful life of a component is determined by manufacturers' recommendations, current age and condition, and our experience with the item. Generally the manufacturer of a product will provide guidelines for its estimated functional duration. In order to provide a meaningful estimate of remaining useful life of an asset, it is crucial to know its age. Construction of Temple Shadows HOA was single phase project. The community was built in 2001. Information provided to YKL combined with construction dates allowed us to estimate

existing life spans. During the site visit each component was observed and assessed. This assessment provides us with the ability to modify the manufacturers' useful life recommendation to reflect current conditions. Some components may have experienced overuse, requiring a reduction in the useful life, while others may have been underused, allowing an increase in their life. Thus, the actual age of the item may or may not represent its current condition. It is important to recognize the determination of useful life and remaining useful life is subjective.

Where a component necessitates specialized services beyond the expertise of the preparers of this report, including items that are not easily observable, is encountered, the appropriate service provider, familiar with such items, was contacted to supplement this study with accurate and representative information.

### 3.4 Estimating Replacement Costs of Assets

Determining the replacement cost of assets accurately is accomplished in several ways. The current cost associated with repairing or replacing an asset can be found from local vendors, manufacturers, or contractors. Also, comparisons can be made to other common interest developments of similar size and geographic location. Finally, estimates can be made using resources prepared in collaborative effort by construction industry professionals.

Once the current repair or replacement cost of each asset is finalized, it must be adjusted for future costs. Future costs incorporate inflation, account for some market variability, and represent the anticipated cost of the asset at the end of its useful life when it is scheduled for repair or replacement.

### 3.5 Maintenance Assumptions

Based on the site visit, the preparers of this report have made every effort to account for the current condition, and projected future condition of the subject components. However, we must assume the components will be properly maintained and cared for as per manufacturer's recommendations.

# 4.0 Funding Analysis

## 4.1 Funding Goals

Ultimately, the funding goals must be derived by the board elected by the HOA members. It is likely that full funding of the reserve account will require several years. This report documents the current projected reserve status over the next 30 years, as well as the projected reserve status over the next 30 years for minimum and maximum recommended funding option.

## 4.2 Capital Reserve Fund Income

Income for the reserve fund is a function of monthly HOA fees paid by unit owners as well as interest paid on the account balance. The funding analysis was performed using both the present HOA fee rates, and recommended HOA fee rates, with associated after-tax interest income. The post-tax interest rate used for the analysis was 0.9%. Additionally, a rate of 3.5% was used to account for inflation in the high cost scenario; a rate of 2.5% was used in the low cost scenario. As of January 2016, the capital reserve balance was $94,627.

## 4.3 Projected Expenditures and Reserve Fund Needs

Projected expenditures and reserve fund needs are included in Table 4.3.1. Table 4.3.2 tabulates the estimated expenditures per component per life cycle. The total anticipated expenditure per component over the study period has also been included. For components that have multiple recurrences over the study period the component life cycle is multiplied by the anticipated number of recurrences.

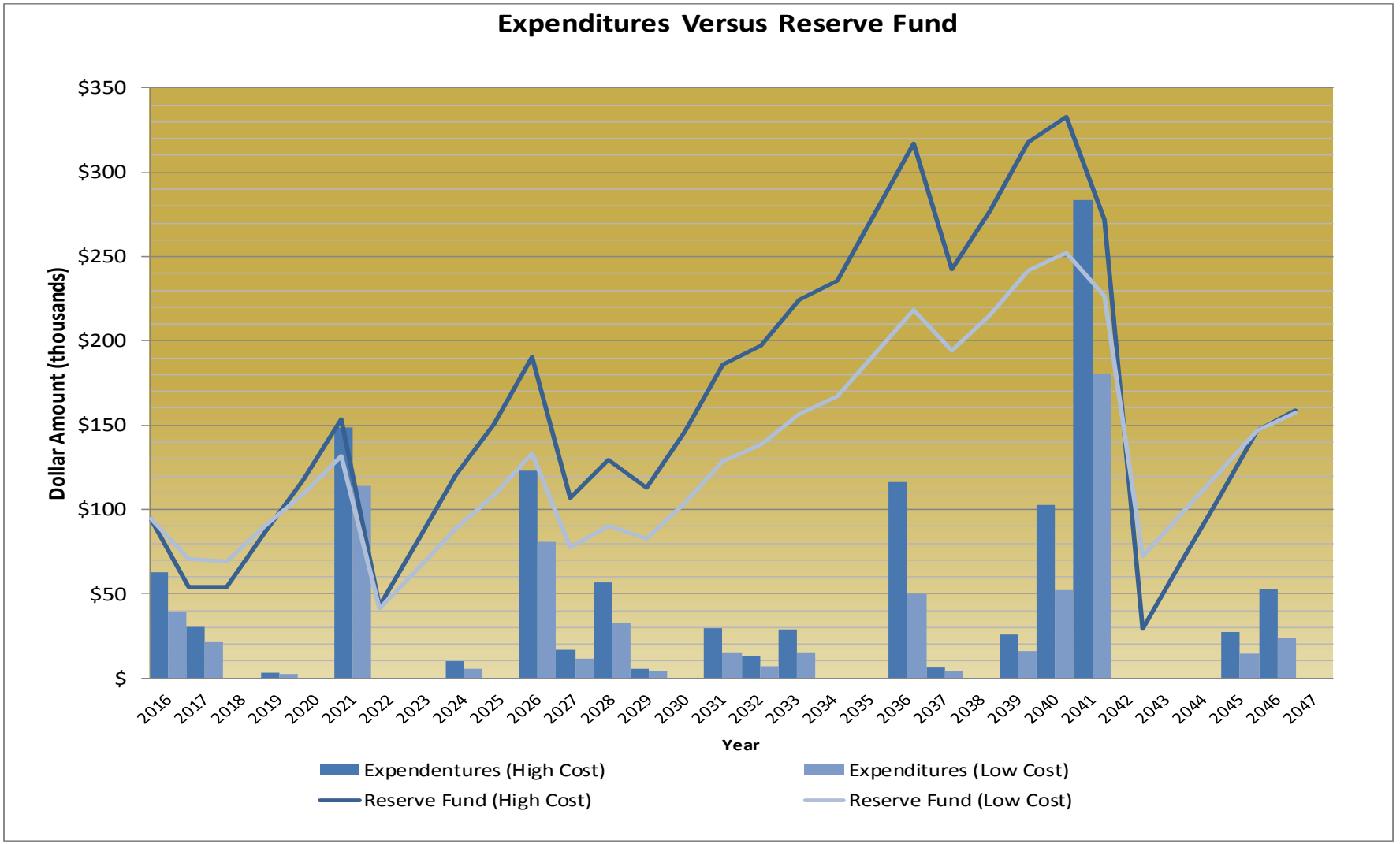
**Table 4.3.1 –** List of components and corresponding data used in the analysis.

| Component Name | Useful Life | Year New | Remaining Life | Low Cost ($) | High Cost ($) | Unit | Quantity | Recurrence |
|---|---|---|---|---|---|---|---|---|
| Asphalt - 2" Overlay | 20 | 2001 | 5 | 1.15 | 1.25 | sf | 54580 | 2 |
| Asphalt - Slurry Seal | 5 | 2011 | 0 | 0.10 | 0.15 | sf | 54580 | 7 |
| Concrete - Repair/Replace | 30 | 1987 | 1 | 15,000 | 20,000 | ls | 1 | 1 |
| Exterior Repaint | 12 | 2004 | 0 | 2.75 | 3.25 | sf | 1936 | 3 |
| Roof – Ceramic Tiles | 35 | 2001 | 20 | 6.00 | 12.00 | sf | 3250 | 1 |
| Roof Drain Gutters | 30 | 2001 | 15 | 5.00 | 7.00 | lf | 304 | 1 |
| 6’ High PVC Vinyl Fence | 25 | 2001 | 10 | 25.00 | 33.00 | lf | 1777 | 1 |
| Automatic Gate | 20 | 2001 | 5 | 4,000 | 5,000 | ea | 1 | 2 |
| Light Poles | 25 | 2001 | 10 | 752.00 | 952.00 | ea | 10 | 1 |
| Interior Repaint | 12 | 2004 | 0 | 1.00 | 1.25 | sf | 1400 | 3 |
| Carpet Replacement | 12 | 2004 | 0 | 3.50 | 4.50 | sf | 672 | 3 |
| Air Conditioning Unit Replace | 18 | 2001 | 3 | 2,500 | 3,000 | ea | 1 | 2 |
| Furnace Unit Replacement | 20 | 2001 | 5 | 2,000 | 2,500 | ea | 1 | 2 |
| Hot Water Heater Replacement | 12 | 2005 | 1 | 500 | 600 | ea | 1 | 3 |
| Furniture Replacement | 12 | 2009 | 5 | 7000 | 10,000 | ls | 1 | 3 |
| Kitchen Renovation | 20 | 2001 | 5 | 8000 | 12,000 | ls | 1 | 2 |
| Restroom Renovation | 20 | 2001 | 5 | 8000 | 12,000 | ls | 1 | 2 |
| Pool Heater | 12 | 2015 | 11 | 3000 | 4000 | ea | 2 | 2 |
| Pool Sand Filter | 12 | 2015 | 11 | 1400 | 1800 | ea | 2 | 2 |
| Pool Pumps | 8 | 2008 | 0 | 500.00 | 700.00 | ea | 3 | 4 |
| Automated Chemical Dispenser | 10 | 2006 | 0 | 2000 | 3500 | ea | 1 | 4 |
| Pool Resurfacing | 12 | 2004 | 0 | 8.00 | 11.00 | sf | 1002 | 3 |
| Hot Tub Resurfacing | 8 | 2008 | 0 | 8.00 | 11.00 | sf | 198 | 4 |
| Pool Cover | 12 | 2004 | 0 | 350.00 | 620.00 | ea | 1 | 3 |
| Automated Pool Cover Housing | 12 | 2005 | 1 | 2500 | 3000 | ea | 1 | 3 |
| Pool Furniture | 8 | 2008 | 0 | 1500 | 3000 | ls | 1 | 4 |
| Non-Slip Textured Surface | 12 | 2004 | 0 | 2.50 | 5.50 | sf | 2616 | 3 |
| Playground Equipment | 16 | 2001 | 1 | 3000 | 6000 | ls | 1 | 2 |
| Tennis Court | 5 | 2011 | 0 | 3500 | 7000 | ls | 1 | 7 |

**Table 4.3.2 –** Component cost per recurrence in present dollars; the total for the study period in present dollars; includes anticipated expenditure years.

| Component Name | Low Cost/Recurrence | Total Component Low Cost/Study | High Cost/Recurrence | Total Component High Cost/Study | Expenditure Years | | | |
|---|---|---|---|---|---|---|---|---|
| Asphalt - 2" Overlay | 62,727 | 125,534 | 68,225 | 136,450 | 2021 | 2041 | | |
| Asphalt - Slurry Seal | 5,458 | 38,206 | 8,187 | 57,309 | 2016 | 2021 | 2026 | 2031 |
| Concrete - Repair/Replace | 15,000 | 15,000 | 20,000 | 20,000 | 2017 | | | |
| Exterior Repaint | 5,324 | 15,972 | 6,292 | 18,876 | 2016 | 2028 | 2040 | |
| Roof – Ceramic Tiles | 19,500 | 19,500 | 39,000 | 39,000 | 2036 | | | |
| Roof Drain Gutters | 1,520 | 1,520 | 2,128 | 2,128 | 2031 | | | |
| 6’ High PVC Vinyl Privacy Fence | 44,425 | 44,425 | 58,641 | 58,641 | 2026 | | | |
| Automatic Gate | 4,000 | 8,000 | 5,000 | 10,000 | 2021 | 2041 | | |
| Light Poles | 7,520 | 7,520 | 9,520 | 9,520 | 2026 | | | |
| Interior Repaint | 1,400 | 4,200 | 1,750 | 5,250 | 2016 | 2028 | 2040 | |
| Carpet Replacement | 2,352 | 7,056 | 3,024 | 9,072 | 2016 | 2028 | 2040 | |
| Air Conditioning Unit Replacement | 2,500 | 5,000 | 3,000 | 6,000 | 2019 | 2037 | | |
| Furnace Unit Replacement | 2,000 | 4,000 | 2,500 | 5,000 | 2021 | 2041 | | |
| Hot Water Heater Replacement | 500 | 1,500 | 600 | 1,800 | 2017 | 2029 | 2041 | |
| Furniture Replacement | 7,000 | 21,000 | 10,000 | 30,000 | 2021 | 2033 | 2045 | |
| Kitchen Renovation | 8,000 | 16,000 | 12,000 | 24,000 | 2021 | 2041 | | |
| Restroom Renovation | 8,000 | 16,000 | 12,000 | 24,000 | 2021 | 2041 | | |
| Pool Heater | 6,000 | 12,000 | 8,000 | 16,000 | 2027 | 2039 | | |
| Pool Sand Filter | 2,800 | 5,600 | 3,600 | 7,200 | 2027 | 2039 | | |
| Pool Pumps | 1,500 | 6,000 | 2,100 | 8,400 | 2016 | 2024 | 2032 | 2040 |
| Pool Automated Chemical Dispenser | 2,000 | 8,000 | 3,500 | 14,000 | 2016 | 2026 | 2036 | 2046 |
| Pool Resurfacing | 8,016 | 24,048 | 11,022 | 33,066 | 2016 | 2028 | 2040 | |
| Hot Tub Resurfacing | 1,584 | 6,336 | 2,178 | 8,712 | 2016 | 2024 | 2032 | 2040 |
| Pool Cover | 350 | 1,050 | 620 | 1,860 | 2016 | 2028 | 2040 | |
| Automated Pool Cover Housing | 2,500 | 7,500 | 3,000 | 9,000 | 2017 | 2029 | 2041 | |
| Pool Furniture | 1,500 | 6,000 | 3,000 | 12,000 | 2016 | 2024 | 2032 | 2040 |
| Non-Slip Textured Surface | 6,540 | 19,620 | 14,388 | 43,164 | 2016 | 2028 | 2040 | |
| Playground Equipment | 3,500 | 6,000 | 6,000 | 12,000 | 2017 | 2033 | | |
| Tennis Court | 3,500 | 24,500 | 7,000 | 49,000 | 2016 | 2021 | 2026 | 2031 |

**Figure 4.3.1 -** Graphical representation of expenditures over the thirty year reserve study period. Expenditures vs. reserve fund balance for high and low component costs. The light and dark blue bar columns represent anticipated expenditures based on the lowest cost scenario, and the highest cost scenario. The corresponding light and dark blue lines indicates the reserve fund balance for the low and high funding, according to the allotments recommended in section 5.2



# 5.0 Summary and Recommendations

## 5.1 Current Reserve Fund Status

At the time of this report, the balance in the reserve account for Temple Shadows HOA is $94.627. This is reflected in Figure 5.1.1, which demonstrates the current projected reserve fund versus low and high expenditures, assuming a minimal contribution of $25 per unit per month. It is important to note that when the first **major** component (Private Road Maintenance) is scheduled to be done, in 2021, the reserve fund will be depleted. Either a large special assessment of several thousand dollars per unit will be required, or the buildings will continue to age without needed maintenance.

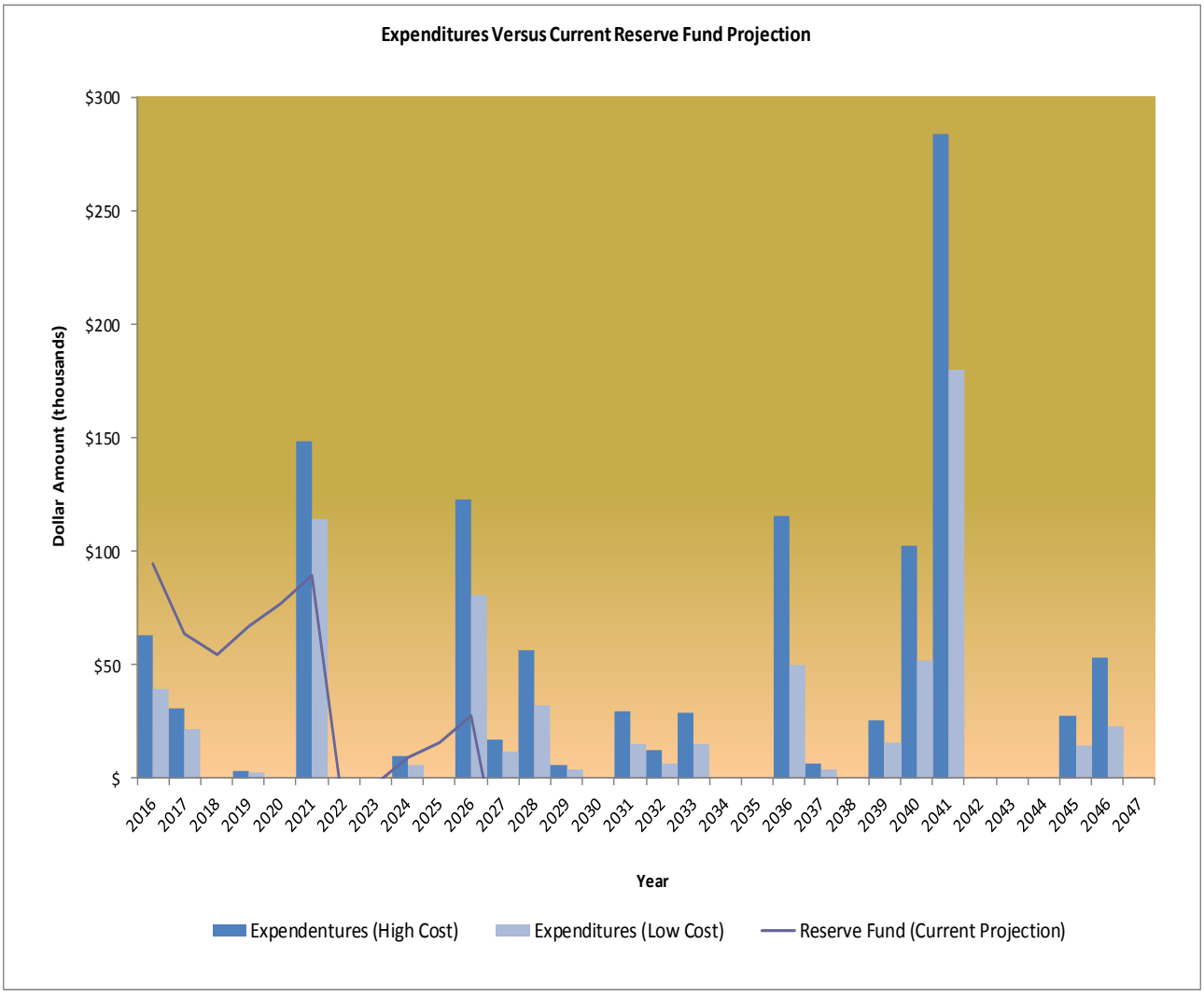



**Figure 5.1.1 –** Expenditures versus current reserve fund projection.

## 5.2 Recommended Funding Adjustments

The reserve fund balances shown in Figure 4.3.1 are achieved by adhering to the following recommended monthly unit costs:

**Table 5.2.1 –** Recommended monthly unit charge for low and high component replacement and repair costs.

| Year | Monthly Unit Cost (low) | Monthly Unit Cost (high) |
|---|---|---|
| **2016** | $40.00 | $60.00 |
| **2017** | $41.20 | $63.00 |
| **2018** | $42.44 | $66.15 |
| **2019** | $43.71 | $69.46 |
| **2020** | $45.02 | $72.93 |
| **2021** | $46.37 | $76.58 |
| **2022** | $47.76 | $80.00 |
| **2023** | $49.19 | $80.00 |
| **2024** | $50.00 | $80.00 |
| **2025** | $50.00 | $80.00 |
| **2026** | $50.00 | $80.00 |
| **2027** | $50.00 | $80.00 |
| **2028** | $50.00 | $80.00 |
| **2029** | $50.00 | $80.00 |
| **2030** | $50.00 | $80.00 |
| **2031** | $50.00 | $80.00 |

| Year | Monthly Unit Cost (low) | Monthly Unit Cost (high) |
|---|---|---|
| **2032** | $50.00 | $80.00 |
| **2033** | $50.00 | $80.00 |
| **2034** | $50.00 | $80.00 |
| **2035** | $50.00 | $80.00 |
| **2036** | $50.00 | $80.00 |
| **2037** | $50.00 | $80.00 |
| **2038** | $50.00 | $80.00 |
| **2039** | $50.00 | $80.00 |
| **2040** | $50.00 | $80.00 |
| **2041** | $50.00 | $80.00 |
| **2042** | $50.00 | $80.00 |
| **2043** | $50.00 | $80.00 |
| **2044** | $50.00 | $80.00 |
| **2045** | $50.00 | $80.00 |
| **2046** | $50.00 | $80.00 |
| **2047** | $50.00 | $80.00 |

Table 5.2.1 tabulates the recommended monthly unit contributions to the reserve fund. The low cost recommendation starts at $40 per unit monthly for 2016, with a 3% annual increase until 2023. Starting 2024 the monthly unit charge remains static at $50. The high cost recommendation, and the preferred findings of this report, starts at $60 for per unit monthly for 2016. Starting 2017, the cost increases at an annual rate of 5%. In 2022 the rate remains static. It is assumed that this study will be updated at a minimum of every three years, so actual inflation

and savings rates can be recalculated, along with a revision of construction costs and repair/replacement dates.

It should be noted that the capital demand on the reserve fund represents the *future dollar* cost. To put this in perspective, a dollar in 1986 is equal to $2.27 today, or today's dollar equals 44 cents in terms of 1986 currency. Therefore, while the recommended values 20 to 30 years out may seem unreasonably high, it is prudent to keep in mind that the contribution in *present dollar* value is likely close to 40 percent of the tabulated value.

## 6.0 Statement of Limitations

Every effort has been made to correctly predict component expenses over the analysis period, according to the reliability and accuracy of the information provided by manufactures, vendors, and contractors; however, due to the unique unpredictable nature of the future economic climate, the projected values and recommendations included in this study are strictly estimated representations of the true values. The more distant the year, the lower the probability the values are accurate. The model is sensitive to initial expenses – especially when inflated over 30 years – thus, depending on the economic climate, the recommended required HOA fees may need to be adjusted up or down.

The more often this report is updated, the better the fund/expense balance is met. In order to provide the greatest balance between meeting the expense demands of the association, and reducing the required monthly HOA fees, we recommend updating this report every other year. If this is not possible, an update of this report should be done *at least* every 6 years. YKL Consulting will be available to provide updates of this report, upon request, for a reduced fee.

YKL Consulting has relied on Temple Shadows HOA to disclose current pertinent financial status of the association. Assumptions regarding interest earned and inflation have been made according to the current financial trends and rates. Component and material quantities were determined by observation during the site visit by YKL associates, as noted in the photographic inventory. Inspection during the site visit was strictly for budgetary purposes. Intrusive or damaging tests were not performed.

YKL Consulting has no present or prospective interest in the property that is the subject of this reserve study, and has no personal interest or bias with respect to the parties involved. The preparers also have no bias with respect to the property that is the subject in this report or to the parties involved with the contract realizing this assignment.

We appreciate the opportunity to be of service to Temple Shadows HOA. Contact us with questions regarding the content of this report, or regarding other services we provide.

Best Regards,

Shaun H. Young, B.S. P.E.

Ryan C. Kump, M.S. P.E.

## 7.0 Author Credentials

*Shaun H. Young BS, P.E.:*

Shaun graduated from the University of Utah with a bachelor's degree in Civil Engineering. He works for a local commercial and residential land development firm since graduation. His main areas of expertise are in site design, hydraulic analysis, hydrology, traffic analysis, government entitlements, site development cost estimates, land surveying, and project management. Shaun is the current past-president for the board of directors for his HOA; which consists of 228 residential units.

*Mobile: 801-502-9437*

*Email: shaun@yklconsulting.com*

*Ryan C. Kump, MS, P.E.:*

A 2005 University of Utah master's degree graduate in Civil Engineering, Ryan has worked as a professional engineer for over ten years. His in-depth experience with city codes and regulations gives him insight as to public vs. private property rights and responsibilities. He has managed multi-million dollar construction projects and understands the costs and needs of infrastructure, particularly as it applies to roadways and utilities. Ryan has also served as HOA Board President of The Heights at Quarry Bend community.

*Mobile: 801-598-6196*

*Email: ryan@yklconsulting.com*

## 8.0 Appendix A – Terms and Definitions[1]

**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

[1] Definitions documented by the National Reserve Study Association

**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

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

**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.

**Capital 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.

**Capital 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.

# 9.0 Appendix B – Tabulated Inventory

**Figure 5.2.1 –** Tabulated component inventory.

| Category | Component | Component Name |
|---|---|---|
| Drive Materials | 1001 | Asphalt - 2" Overlay |
| Drive Materials | 1002 | Asphalt - Slurry Seal |
| Drive Materials | 1003 | Concrete - Repair/Replace |
| Residential Building | 2001 | Exterior Repaint |
| Residential Building | 2002 | Roof – Ceramic Tiles |
| Residential Building | 2003 | Roof Drain Gutters |
| Common Development Items | 3001 | Mailboxes - Replace |
| Common Development Items | 3002 | 6’ High PVC Vinyl Privacy Fence |
| Common Development Items | 3003 | Wrought Iron Fencing |
| Common Development Items | 3004 | Automatic Gate |
| Common Development Items | 3005 | Light Poles |
| Clubhouse | 4001 | Interior Repaint |
| Clubhouse | 4002 | Carpet Replacement |
| Clubhouse | 4003 | Air Conditioning Unit Replacement |
| Clubhouse | 4004 | Furnace Unit Replacement |
| Clubhouse | 4005 | Hot Water Heater Replacement |
| Clubhouse | 4006 | Furniture Replacement |
| Clubhouse | 4007 | Kitchen Renovation |
| Clubhouse | 4008 | Restroom Renovation |
| Pool | 5001 | Heater |
| Pool | 5002 | Sand Filter |
| Pool | 5003 | Pumps |
| Pool | 5004 | Automated Chemical Dispenser |
| Pool | 5005 | Pool Resurfacing |
| Pool | 5006 | Hot Tub Resurfacing |
| Pool | 5007 | Pool Cover |
| Pool | 5008 | Pool Cover Housing |
| Pool | 5009 | Furniture |
| Pool | 5010 | Non-Slip Textured Surface |
| Outdoor Recreation Equipment | 6001 | Playground Equipment |
| Outdoor Recreation Equipment | 6002 | Playground Groundcover |
| Outdoor Recreation Equipment | 6003 | Tennis Court |

# 10.0 Appendix C - Photographic Inventory

| | | | |
|---|---|---|---|
| Component Name: | 2” Asphalt Overlay | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Drive Materials 1001 | Photograph By: | Shaun Young |

Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 20 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 5 | years |

Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 68,225 |
| Low Replacement Cost: | $ 62,767 |

Quantity Breakdown

| Item | Quantity | Unit |
|---|---|---|
| Private Roads & Parking | 54,580 | Sq. Ft. |

General Description

The asphalt appeared to be in adequate condition with areas containing minor cracking. No alligator cracking or longitudinal cracks wider than ¼ inch were observed during the walk through. An asphalt overlay is recommended every 15 to 20 years. Without an overlay, the road will eventually break apart, requiring a total reconstruction. Settling was observed throughout the community. This is typically caused by improper compaction of the base course or inadequate pavement sections. An overlay is recommended in these areas to prolong the life of the asphalt.

Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Asphalt Slurry Seal | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Drive Materials 1002 | Photograph By: | Shaun Young |

Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 5 | years |
| Age of Component: | 5 | years |
| Remaining Component Life: | 0 | years |

Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 8,187 |
| Low Replacement Cost: | $ 5,458 |

Quantity Breakdown

| Item | Quantity | Unit |
|---|---|---|
| Private Roads & Parking | 54,580 | Sq. Ft. |

General Description

The asphalt appeared to be in adequate condition with areas showing minor cracking. A slurry seal is recommended within the next two years. Slurry seal will help protect the asphalt from degradation by sealing cracks, preventing water seepage and damage. It also rejuvenates the surface and renews the oils, keeping the asphalt from becoming overly brittle. It appears that maintenance has been performed on the asphalt in the form of crack sealing.

Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Concrete Repair/Replace | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Drive Materials 1003 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | N/A | years |
| Age of Component: | N/A | years |
| Remaining Component Life: | N/A | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $20,000 |
| Low Replacement Cost: | $15,000 |

## Quantity Breakdown

| Location | Quantity | Unit |
|---|---|---|

## General Description

Minor cracking and chipping were noticed at the time of the inspection. Concrete panels should be repaired and or replaced when there are 3 or more cracks that extend the full depth of the slab or if there is spalling that covers more than 25% of the panel. Protruding edges should be ground down to prevent further damage and to prevent any safety hazards. The onsite concrete flatwork was generally in good condition at the time of inspection. Utility companies should be notified to replace severely damaged concrete collars around valves and manholes.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Exterior Painting | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Residential Building 2001 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 12 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 6,292 |
| Low Replacement Cost: | $ 5,324 |

## Quantity Breakdown

| Unit Types | Quantity | Units |
|---|---|---|
| Clubhouse & Pool House | 1,936 | |

## General Description

The clubhouse and pool house only require paint on half of the exterior because of the rock facade. The paint appears to be in good condition and does not require immediate attention. It is estimated that the exterior will not need painting for at least 5 years.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Roof – Ceramic Tiles | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Residential Building 2002 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 35 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 20 | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 39,000 |
| Low Replacement Cost: | $ 19,500 |

## Quantity Breakdown

| Item | Quantity | Unit |
|---|---|---|
| Clubhouse & Pool House | | |
| Concrete/Clay tile roofing | 3,250 | Sq. Ft. |

## General Description

The clubhouse and pool house are roofed with either a concrete or clay tile roof. This material is said to last for at least 50 years. A common issue however is the underlayment. The underlayment may last only up to 20 years. If leaks are observed the tiles may need to be taken down and a new underlayment be placed. This report assumes that's the underlayment was installed properly and will need replacing at the same time as the tiles.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Roof Drains/Gutters | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Residential Building 2003 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 30 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 15 | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 2,128 |
| Low Replacement Cost: | $ 1,520 |

## Quantity Breakdown

| Item | Quantity | Units |
|---|---|---|
| Rain Gutters | 304 | LF |

## General Description

A visual inspection of the rain gutters and down spouts shows that they appear to be in functional condition. No immediate repairs are necessary as of the date of the inspection.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | 6’ High PVC Vinyl Fencing | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Common Development 3002 | Photograph By: | Shaun Young |


## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 25 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 10 | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 58,641 |
| Low Replacement Cost: | $ 44,425 |

## Quantity Breakdown

| Location | Quantity | Unit |
|---|---|---|
| Perimeter of Pool | 139 | LF |
| Property Perimeter | 1,638 | LF |

## General Description

6-foot high privacy vinyl fence. Visual inspection of the fences appeared to be in relatively new condition. Upon visual inspection no major damage or cracking was found.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Automatic Gate | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Common Development 3004 | Photograph By: | Shaun Young |


## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 20 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 15 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 5,000 |
| Low Repair Cost: | $ 4,000 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Automated Entry Gate | 1 | Each |

## General Description

The automatic gate appears to be in good working condition. YKL was able to test the function of the gate at the time of observation. It is assumed that the gate is mechanically sound.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Light Poles | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Common Development 3005 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 25 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 10 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 9,520 |
| Low Repair Cost: | $ 7,520 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Street Light Poles | 10 | Each |

## General Description

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Interior Paint | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Clubhouse 4001 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 12 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 1,750 |
| Low Replacement Cost: | $ 1,400 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Interior Paint | 1,400 | Sq. Ft |

## General Description

The interior paint of the clubhouse appears to be in as new condition. The clubhouse is approximately 10 years old; however, due to condition of the paint a new coat isn't recommended for at least 5 years.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Carpet Replacement | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Clubhouse 4002 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 12 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 3,024 |
| Low Repair Cost: | $ 2,352 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Clubhouse Carpet | 672 | Sq. Ft. |

## General Description

The overall integrity of the carpet is sound; however, many stains were observed. This is typical of most public areas.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Clubhouse AC Units | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Clubhouse 4003 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 18 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 3 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 3,000 |
| Low Repair Cost: | $ 2,500 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Air Conditioning Units | 1 | Each |

## General Description

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Clubhouse Furnace | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Clubhouse 4004 | Photograph By: | Shaun Young |



## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 20 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 5 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 2,500 |
| Low Repair Cost: | $ 2,000 |

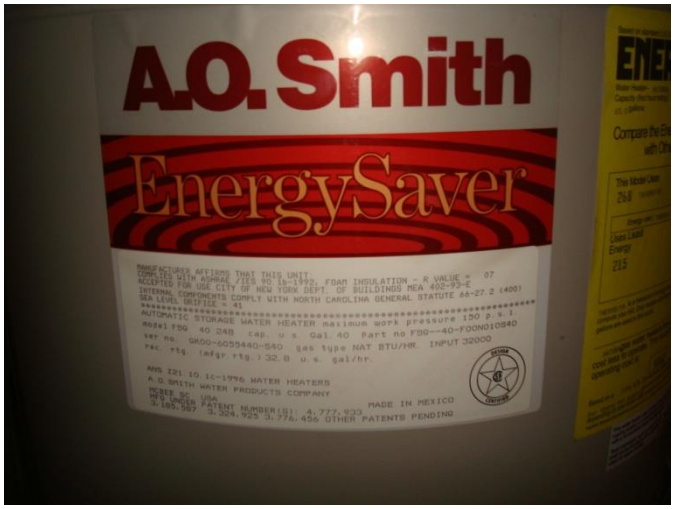
## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Furnace Units | 1 | Each |

## General Description

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Hot Water Heater | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Clubhouse 4005 | Photograph By: | Shaun Young |




## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 11 | years |
| Remaining Component Life: | 1 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 600 |
| Low Repair Cost: | $ 500 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Hot Water Heater | 1 | Each |

## General Description

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Clubhouse Furniture | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Clubhouse 4006 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 7 | years |
| Remaining Component Life: | 5 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 10,000 |
| Low Repair Cost: | $ 7,000 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Clubhouse Furniture | 1 | Each |

## General Description

An allowance was used in the analysis for the clubhouse furniture. The furniture should be replaced as needed. The existing furniture appears to be in good condition with little to no visible damage.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Kitchen Renovation | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Clubhouse 4007 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 20 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 5 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 12,000 |
| Low Repair Cost: | $ 8,000 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Kitchen Remodel | 1 | Each |

## General Description

An allowance was used in the analysis for the clubhouse Kitchen. This allowance includes kitchen appliances. The kitchen appears to be in relatively new condition with no visible damages or degradation.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Restroom Restoration | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Clubhouse 4010 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 20 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 5 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 12,000 |
| Low Repair Cost: | $ 8,000 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Restroom Restoration | 1 | LS |

## General Description

An allowance was used in the analysis for the multiple restrooms located within the clubhouse.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Pool Heater | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5001 | Photograph By: | Shaun Young |


## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 1 | years |
| Remaining Component Life: | 11 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 4,000 |
| Low Repair Cost: | $ 3,000 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Pool & Hot Tub Heater | 2 | Each. |

## General Description

The life expectancy of the pool heaters is 12 years with proper maintenance. It is recommended that the heaters be wiped down to help achieve the design life of the heaters.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Pool Sand Filter | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5002 | Photograph By: | Shaun Young |


## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 1 | years |
| Remaining Component Life: | 11 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 1,800 |
| Low Repair Cost: | $ 1,400 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Sand Filters | 2 | Each |

## General Description

A properly maintained sand filter is expected to have a design life of 12 years is properly maintained. The filters appear to be in good condition and properly maintained which will prolong the life of these units.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Pool Pump | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5003 | Photograph By: | Shaun Young |


## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 8 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 2,100 |
| Low Repair Cost: | $ 1,500 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Pool & Hot Tub Pumps | 3 | Each |

## General Description

The life expectancy of a pool pump is unpredictable. The pumps will need to be replaced as needed. The pumps are beyond warranty and may need to be replaced at anytime. It is recommended that the reserve be fully funded for this item in case of pump failure.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Pool Chemical Dispenser | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5004 | Photograph By: | Shaun Young |


## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 10 | years |
| Age of Component: | 10 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 3,500 |
| Low Repair Cost: | $ 2,000 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Pool Chlorinator | 1 | Each |

## General Description

The automated salt chlorinator is expected to have a design life of approximately 10 years. This unit appears to be in new condition and may not need replacement for many years. It is estimated to having 5 years of remaining service.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Pool Resurfacing | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5005 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 12 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 11,022 |
| Low Repair Cost: | $ 8,016 |

## Quantity Breakdown

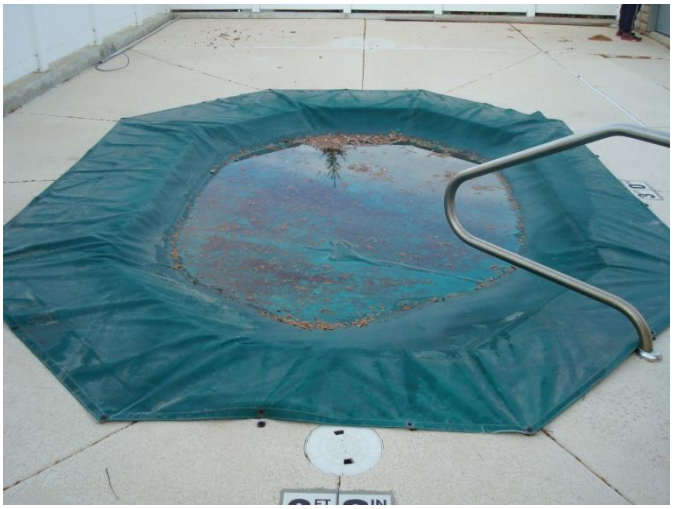
| Name | Quantity | Unit |
|---|---|---|
| Pool Resurfacing | 1,002 | Sq. Ft. |

## General Description

It is recommended that the pool be resurfaced when considerable amount of wear and/or chipping is observed. The pool was covered at time of visit so no observations could be made as to the condition of the surface.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Hot Tub Resurfacing | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5006 | Photograph By: | Shaun Young |



## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 8 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 2,178 |
| Low Repair Cost: | $ 1,584 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Hot Tub Resurfacing | 198 | Sq. Ft. |

## General Description

It is recommended that the hot tub be resurfaced when considerable amount of wear and/or chipping is observed. The hot tub was covered at time of walkthrough so no observation could be made in regards to the condition of the surface.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Pool Cover | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5007 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 12 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 620 |
| Low Repair Cost: | $ 350 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Pool & Hot Tub Cover | 1 | LS |

## General Description

The pool cover appears to be in good condition with no visible damage or degradation. The pool cover is expected to be replaced approximately every 12 years.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Automated Pool Cover Housing | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5008 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 11 | years |
| Remaining Component Life: | 1 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 3,000 |
| Low Repair Cost: | $ 2,500 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Automatic Pool Cover | 1 | Each |

## General Description

The pool cover housing appeared to be in good condition upon observation. The pool cover housing was not tested at time of visit. It is estimated that the housing will have a design life of approximately 8 years.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Pool Furniture | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5009 | Photograph By: | Shaun Young |


## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 8 | years |
| Age of Component: | 10 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 3,000 |
| Low Repair Cost: | $ 1,500 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Lounge Chairs and Tables | 1 | Each |

## General Description

An allowance was used in the analysis for the pool furniture. The furniture should be replaced as needed.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Non-Slip Ground Surfacing | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Pool 5010 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 12 | years |
| Age of Component: | 12 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Repair Cost: | $ 14,388 |
| Low Repair Cost: | $ 6,540 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Pool Sidewalk Non-Slip Surface | 2,616 | Sq. Ft. |

## General Description

The surface surrounding the pool has a non-slip coating. It is recommended to apply a special epoxy coating designed for pool applications as the surface wears.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Playground Equipment | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Recreation Equipment 6001 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 16 | years |
| Age of Component: | 15 | years |
| Remaining Component Life: | 1 | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 6,000 |
| Low Replacement Cost: | $ 3,000 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Playground Equipment | 1 | LS |

## General Description

Commercial grade playground equipment appeared to be in relatively good condition with little to no damage. The wood decking on the playground platform is in need of wood stain or at minimum a water sealer. This will prolong the life of the structure.

## Special Notes, Comments, and Considerations

The existing equipment is tagged by Playground Components of Salt Lake City. Exact replacements can be provided through said company.

| | | | |
|---|---|---|---|
| Component Name: | Playground Groundcover | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Recreation Equipment 6002 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 2 | years |
| Age of Component: | 2 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 740 |
| Low Replacement Cost: | $ 592 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Playground Mulch | 1,480 | Sq. Ft. |

## General Description

Playground covering consisted of wood mulch. Playground covering should be no less than 6 inches deep. The covering appeared to be degraded and is nearing the end of its design life. Replacement in the near future is recommended.

## Special Notes, Comments, and Considerations

| | | | |
|---|---|---|---|
| Component Name: | Tennis Court | Date of Photograph: | Saturday, October 29, 2011 |
| Component Number: | Recreation Equipment 6003 | Photograph By: | Shaun Young |

## Component Duration

| | | |
|---|---|---|
| Component Life Expectancy: | 5 | years |
| Age of Component: | 5 | years |
| Remaining Component Life: | 0 | years |

## Component Cost

| | |
|---|---|
| High Replacement Cost: | $ 7,000 |
| Low Replacement Cost: | $ 3,500 |

## Quantity Breakdown

| Name | Quantity | Unit |
|---|---|---|
| Tennis Court Resurfacing | 1 | Each |

## General Description

The tennis court surface appears to be in good condition. It is recommended that it be resurfaced every 5 years. Cost of resurfacing will vary considerably if any leveling is required.

## Special Notes, Comments, and Considerations