

Shady Hollow Townhomes Shady Hollow East and Shady Hollow West Boulder, CO 80304



Level 1 Reserve Analysis

Report Period – 01/01/15 – 12/31/15



Client Reference Number - 8978

Property Type – Townhomes

Number of Units – 60

Fiscal Year End – December 31

Final
Version

Date of Property Observation - July 17, 2014

Project Manager - Matthew Woytek

Main Contact Person - Mr. Michael Riedeman, Community Manager

Report was prepared on - Friday, October 24, 2014

Table of Contents

SECTION 1:

Introduction to Reserve Analysis	page 1
General Information and Answers to FAQ's	pages 2 - 3
Summary of Reserve Analysis	page 4

SECTION 2:

Physical Analysis (Photographic)	pages 1 - 43
---	--------------

SECTION 3:

Financial Analysis

a) Funding Summary	page 1
b) Percent Funded – Graph	page 2
c) Asset Inventory List	page 3
d) Significant Components Table	page 4
e) Significant Components – Graph	page 5
f) Yearly Summary Table	page 6
g) Yearly Contributions – Graph	page 7
h) Component Funding Information	page 8
i) Yearly Cash Flow Table	page 9
j) Projected Expenditures Year by Year – Graph	page 10
k) Projected Expenditures Year by Year	pages 11 - 12

SECTION 4:

Glossary of Terms and Definitions	pages 1 - 2
--	-------------

Introduction to the Reserve Analysis –

The elected officials of this association made a wise decision to invest in a Reserve Analysis to get a better understanding of the status of the Reserve funds. This Analysis will be a valuable tool to assist the Board of Directors in making the decision to which the dues are derived. Typically, the Reserve contribution makes up 15% - 40% of the association's total budget. Therefore, Reserves is considered to be a significant part of the overall monthly association payment.

Every association conducts its business within a budget. There are typically two main parts to this budget, Operating and Reserves. The Operating budget includes all expenses that are fixed on an annual basis. These would include management fees, maintenance fees, utilities, etc. The Reserves is primarily made up of Capital Replacement items such as asphalt, roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

The Reserve Analysis is also broken down into two different parts, the Physical Analysis and the Financial Analysis. The Physical Analysis is information regarding the physical status and replacement cost of major common area components that 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/Valuation Estimates will most likely vary from year to year. You can find this information in the **Asset Inventory Section** (Section 2) of this Reserve Analysis. The **Financial Analysis Section** is the evaluation of the association's Reserve balance, income, and expenses. This is made up of a finding of the clients current Reserve Fund Status (measured as Percent Funded) and a recommendation for an appropriate Reserve Allocation rate (also known as the Funding Plan). You can find this information in Section 3 (pages 1 – 13) of this Reserve Analysis.

The purpose of this Reserve Analysis is to provide an educated estimate as to what the Reserve Allocation needs to be. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample timing to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. This will also ensure the physical well being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to Special Assessments.

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at time of the observation. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have not been investigated in the preparation of this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgment of Aspen Reserve Specialties and should not be construed as a guarantee or assurance of predicting future events.

General Information and Answers to Frequently Asked Questions –

Why is it important to perform a Reserve Study?

As previously mentioned, the Reserve allocation makes up a significant portion of the total monthly dues. This report provides the essential information that is needed to guide the Board of Directors in establishing the budget in order to run the daily operations of your association. It is suggested that a third party professionally prepare a Reserve Study since there is no vested interest in the property. Also, a professional knows what to look for and how to properly develop an accurate and reliable component list.

Now that we have “it”, what do we do with “it”?

Hopefully, you will not look at this report and think it is too cumbersome to understand. Our intention is to make this Reserve Analysis very easy to read and understand. Please take the time to review it carefully and make sure the “main ingredients” (asset information) are complete and accurate. If there are any inaccuracies, please inform us immediately so we may revise the report.

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

The Reserve Study should be readily available for Real Estate agents, brokerage firms, and lending institutions for potential future homeowners. As the importance of Reserves becomes more of a household term, people are requesting homeowners associations to reveal the strength of the Reserve fund prior to purchasing a condominium or townhome.

How often do we update or review “it”?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Analysis should be reviewed *each year before* the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Aging rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the content of the Reserve Analysis. Therefore, this analysis should be reviewed annually, and a property observation should be conducted at least once every three years.

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 states. The State of Colorado currently requires all associations to adopt a Reserve policy, but does not currently enforce a Reserve Study is completed. Despite enacting this current law, the chances are also very good the documents of the association require the association to have a Reserve fund established. This may not mean a Reserve Analysis is required, but how are you going to know there are enough funds in the account if you don't have the proper information? Hypothetically, some associations look at the Reserve fund and think \$50,000 is a lot of money and they are in good shape. What they don't know is the roof will need to be replaced within 5 years, and the cost of the roof is going to exceed \$75,000. So while \$50,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.

What makes an asset a “Reserve” item versus an “Operating” item?

A “Reserve” asset is an item that is the responsibility of the association to maintain, has a limited Useful Life, predictable Remaining Useful Life expectancies, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold cost. An “operating” expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an “operating” expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a Reserve expense.

The GREY area 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, then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a Reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a Reserve component.

The Property Observation –

The Property Observation was conducted following a review of the documents that were established by the developer identifying all common area assets. In some cases, the Board of Directors at some point may have revised the documents. In either case, the most current set of documents was reviewed prior to inspecting the property. In addition, common area assets may have been reported to Aspen Reserve Specialties by the client, or by other parties.

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

The Reserve Fund Analysis –

We projected the starting balance from taking the most recent balance statement, adding expected Reserve contributions for the rest of the year, and subtracting any pending projects for the rest of the year. We compared this number to the ideal Reserve Balance and arrived at the Percent funded level. Measures of strength are as follows:

0% - 30% Funded – Is considered to be a “weak” financial position. Associations that fall into this category are subject to Special Assessments and deferred maintenance, which could lead to lower property values. If the association is in this position, actions should be taken to improve the financial strength of the Reserve Fund.

31% - 69% Funded – The majority of associations are considered to be in this “fair” financial position. While this doesn’t represent financial strength and stability, the likelihood of Special Assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the Reserve fund.

70% - 99% Funded – This indicates financial strength of a Reserve fund and every attempt to maintain this level should be a goal of the association.

100% Funded – This is the ideal amount of Reserve funding. This means that the association has the exact amount of funds in the Reserve account that should be at any given time.

Summary of Shady Hollow Townhomes - Association ID # - 08978

Projected Starting Balance as of January 1, 2015 -	\$253,364
Ideal Reserve Balance as of January 1, 2015 -	\$532,163
Percent Funded as of January 1, 2015 -	48%
Recommended Reserve Allocation (per month) -	\$7,490
Minimum Reserve Allocation (per month) -	\$6,800
Recommended Special Assessments -	\$0

Information to complete this Reserve Analysis was gathered during a property observation of the common area elements on July 17, 2014. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representatives (Community Manager). To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property contains 60 townhome units within 8 buildings that were originally constructed over 40 years ago in the early 1970's. Common area amenities the association is responsible to maintain include building exterior surfaces, private drives, carports, a pool and spa, an irrigation system and landscaping. Please refer to pages 11 thru 13 of the Financial Analysis section for a list of when components are scheduled to be addressed.

In comparing the projected balance of \$253,364 versus the ideal Reserve Balance of \$532,163, we find the association Reserve fund to be in an average financial position at this point in time (approximately 48% funded of ideal). Despite this position, as a result of the information contained in this report, we find the current budgeted Reserve allocation (\$3,300 per month) to be less than adequate in maintaining the strength of the Reserve fund to prepare for future projects. Therefore, we are recommending an increase of the Reserve contribution to \$7,490 (representing an increase of \$69.83 per unit) per month effective immediately with nominal annual increases of 3.50% - 4.50% thereafter to help offset the effects of inflation. By following the recommendation, the plan will maintain the Reserve account in a positive manner, while gradually increasing to a fully funded position within the thirty-year period.

In the percent Funded graph, you will see we have also provided a "minimum Reserve contribution" of \$6,800 per month. If the Reserve contribution falls below this rate, then the Reserve fund will fall into a situation where Special Assessments, deferred maintenance, and lower property values are possible at some point in the future. The minimum Reserve allocation follows the "threshold" theory of Reserve funding where the, 'percent funded' status is not allowed to dip below 30% funded at any point during the thirty-year period.

This was provided for one purpose only, to show the association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money (approximately \$11.50 on average per unit per month in this case) to the Reserve fund to only stay above a certain threshold. As you can see, the difference between the two scenarios is considered to be minimal, and based on the risk, we strongly suggest the recommended Reserve Allocation is followed.

Comp #: 103 Flat Roof - Replace (East)

Picture Unavailable

Picture Unavailable

Observations:

- EPDM roofing has a typical life expectancy of 18 - 20 years depending on levels of maintenance and care.
- There were reports of the new roofing having some minor problems but the original contractor has been very agreeable with repairing the roofing under warranty.
- Due to the height of the buildings, we were not able to observe the roofing but the material is relatively new and no reports of overt failure or other major problems were report; expect to replace roofing within the next 12 - 14 years.
- We have split roof replacement into 2 phases to help ease budgeting concerns.

Location: Building roofs

General Notes:

Quantity: Approx. (223) squares

mailbox kiosk - 1 square
 2969-2951 - 52 squares
 2909-2949 - 74 squares
 2971-2999 - 52 squares
 2998-2988 - 44 squares

Life Expectancy: 20 Remaining Life: 13

Best Cost: \$178,400
\$800/square; Esitmate to replace

Worst Cost: \$189,550
\$850/square; Higher estimate for more labor

Source of Information: Client provided cost information



Comp #: 103 Flat Roof - Replace (West)

Picture Unavailable

Picture Unavailable

Observations:

- EPDM roofing has a typical life expectancy of 18 - 20 years depending on levels of maintenance and care.
- There were reports of the new roofing having some minor problems but the original contractor has been very agreeable with repairing the roofing under warranty.
- Due to the height of the buildings, we were not able to observe the roofing but the material is relatively new and no reports of overt failure or other major problems were report; expect to replace roofing within the next 12 - 14 years.
- We have split roof replacement into 2 phases to help ease budgeting concerns.

Location: Building roofs

General Notes:

Quantity: Approx. (213) squares

mailbox kiosk - 1 square
 2986-2960 - 81 squares
 2958-2956 - 15 squares
 2952-2940 - 37 squares
 2936-2900 - 79 squares

Life Expectancy: 20 Remaining Life: 12

Best Cost: \$170,400
\$800/square; Esitmate to replace

Worst Cost: \$181,050
\$850/square; Higher estimate for more labor

Source of Information: Cost Database



Comp #: 104 Flat Roof - Replace (West carports)



Observations:

- The carports on the West side of the property are reported to be original structures and appear in poor condition in terms of aesthetics and do not match the architectural style of the new carports on the East side.
- The roofing was showing signs of rust and oxidation, however, due to our recommendation to completely reconstruct the carports to match the East side carports, we do not recommend replacing roofs at this time.
- The remaining useful life noted below is based on the assumption that the structures will be replaced in FY 2015.

Location: Carport roofs

Quantity: Approx. 42 squares

Life Expectancy: 20 *Remaining Life:* 20

Best Cost: \$14,700
\$350/square; Estimate to replace

Worst Cost: \$15,750
\$375/square; Higher estimate for more labor

Source of Information: Cost Database

General Notes:

Empty rectangular box for general notes.

Comp #: 104 Flat Roof - Replace (East carports)



Observations:

- Roofing on the carports appeared in good condition at time of observation with no signs of major problems.
- These carports were installed approximately 5 years ago and the roofing is a heavy gauge metal deck with EPDM membrane roofing that should have an approximate useful life of 18 - 20 years.
- Reserve funding is for the roofs only as the carport structures should have an indefinite life expectancy if properly maintained.

Location: Carport roofs

General Notes:

Quantity: Approx. 38 squares

Life Expectancy: 20 Remaining Life: 15

Best Cost: \$13,300
\$350/square; Estimate to replace

Worst Cost: \$14,250
\$375/square; Higher estimate for more labor

Source of Information: Cost Database

Empty rectangular box for general notes.

Comp #: 106 Tile Roof - Replace



Observations:

- At time of observation, there were no signs of material failure or other overt signs of damage.
- The tile will not likely need to be completely replaced however, eventually, the underlayment will fail and need to be replaced.
- This project is labor intensive and complete underlayment replacement should be planned every 35 - 40 years.

Location: Unit building roofs

Quantity: Approx. 61 squares

Life Expectancy: 40 Remaining Life: 10

Best Cost: \$30,500

\$500/square; Estimate to replace underlayment

Worst Cost: \$33,550

\$550/square; Higher estimate for some replacement

Source of Information: Cost Database

General Notes:

- pool building - 11 squares
- 2969-2951 - 6 squares
- 2909-2949 - 9 squares
- 2971-2999 - 6 squares
- 2998-2988 - 5 squares
- 2986-2960 - 9 squares
- 2958-2956 - 2 squares
- 2952-2940 - 4 squares
- 2936-2900 - 9 squares



Comp #: 120 Gutters/Downspouts - Replace



Observations:

- It was reported that there were some minor issues with blocked and/or poorly sloped lines at time of preparing this report.
- Make minor repairs to the rain gutters and downspouts on an as needed basis while reserving to completely replace every 20 years.

Location: Building roof perimeter

Quantity: Approx. 3,855 LF

Life Expectancy: 20 Remaining Life: 12

Best Cost: \$20,250
\$5.25/LF; Estimate to replace

Worst Cost: \$23,150
\$6.00/LF: Higher estimate for larger lines

Source of Information: Cost Database

General Notes:

pool building - r/g - 30 LF, d/s - 15 LF
 2969-2951 - r/g - 100 LF, d/s - 275 LF
 2909-2949 - r/g - 140 LF, d/s - 395 LF
 2971-2999 - r/g - 100 LF, d/s - 275 LF
 2998-2988 - r/g - 85 LF, - d/s - 235 LF
 2986-2960 - r/g - 150 LF, d/s - 430 LF
 2958-2956 - r/g - 30 LF, d/s - 80 LF
 2952-2940 - r/g - 70 LF, d/s - 200 LF
 2936-2900 - r/g - 145 LF, d/s - 430 LF

r/g - 850 LF
 d/s - 3,005 LF

Comp #: 201 Stucco Surfaces - Repaint (East)



Observations:

- Stucco was dry, discolored and many areas of mis-matched and faded paint were apparent.
- It was reported that the stucco has never been painted since time of construction; it is recommended to repaint stucco at least every 12 years to maintain appearance and to protect the material from direct contact with the elements.
- To maintain appearance and function, expect to repaint every 12 years.

Location: Throughout community

General Notes:

Quantity: (30) units

Life Expectancy: 12 Remaining Life: 0

Best Cost: \$26,250
\$875/unit; Estimate to repaint unit buildings

Worst Cost: \$29,400
\$980/unit; Higher estimate for more prep work

Source of Information: Cost Database

mailbox kiosks - 200 GSF
 2969-2951 - 6,380 GSF
 2909-2949 - 9,115 GSF
 2971-2999 - 6,380 GSF
 2998-2988 - 5,470 GSF

Comp #: 201 Stucco Surfaces - Repaint (West)



Observations:

- Stucco was dry, discolored and many areas of mis-matched and faded paint were apparent.
- It was reported that the stucco has never been painted since time of construction; it is recommended to repaint stucco at least every 12 years to maintain appearance and to protect the material from direct contact with the elements.
- To maintain appearance and function, expect to repaint every 12 years.

Location: Throughout community

General Notes:

Quantity: (30) units

Life Expectancy: 12 Remaining Life: 1

Best Cost: \$26,250

\$875/unit; Estimate to repaint unit buildings

Worst Cost: \$29,400

\$980/unit; Higher estimate for more prep work

Source of Information: Cost Database

mailbox kiosks - 200 GSF
 pool building - 1,350 GSF
 2986-2960 - 10,030 GSF
 2958-2956 - 1,825 GSF
 2952-2940 - 4,560 GSF
 2936-2900 - 10,000 GSF

Comp #: 204 Exterior Wood Surfaces - Repaint



Observations:

- Wood surfaces throughout the property appeared in good condition with no signs of overt damage or unusual deterioration.
- It was reported that all the wood surfaces were repainted within the last 1 - 2 years.
- In order to protect the wood materials and to ensure a proper appearance, we recommend repainting every 5 - 7 years.

Location: Throughout community

Quantity: (60) units

Life Expectancy: 7 Remaining Life: 5

Best Cost: \$33,000

Estimate to repaint wood trim/siding

Worst Cost: \$36,000

Higher estimate for more prep work

Source of Information: Client provided cost information

General Notes:

mailbox kiosk - siding - 150 GSF
 2969-2951 - 3,150 GSF
 2909-2949 - 4,500 GSF
 2971-2999 - 3,150 GSF
 2998-2988 - 2,700 GSF
 pool building - 30 GSF
 2986-2960 - 4,950 GSF
 2958-2956 - 900 GSF
 2952-2940 - 2,250 GSF
 2936-2900 - 4,950 GSF

 Total - 26,730



Comp #: 209 Perimeter Fencing - Replace



Observations:

- The fence was dry and in need of stain as soon as possible.
- The fence should be pre-stained when installed in 2015, therefore, the remaining useful life of fence staining is programmed to occur 4 years after fence replacement.
- In order to maximize the useful life of the fence material, we recommend restaining every 3 - 4 years.

Location: West perimeter

Quantity: Approx. 465 LF

Life Expectancy: 4 *Remaining Life:* 0

Best Cost: \$1,525

\$3.25/LF per side: Estimate to restain fence

Worst Cost: \$1,875

\$4.00/LF; Higher estimate for more prep work

Source of Information: Cost Database

General Notes:

[Empty rectangular box for general notes]

Comp #: 401 Asphalt - Major Overlay (East)



Observations:

- This line item is for major replacement of asphalt pavement or a roto mill and resurfacing, the decision regarding which applications and products to use is ultimately up to the BOD and include but are not limited to: double chip seal, mill and overlay, cape seal, hot chip seal or complete reconstruction.
- The costs of these projects vary depending on the product chosen, we have provided an average cost for major replacement or substantial application of a new surface
- Research your options and consult a reputable contractor prior to deciding on a product for street/parking resurfacing.

Location: Property drives

General Notes:

Quantity: Approx. 20,600 GSF

Life Expectancy: 25 Remaining Life: 19

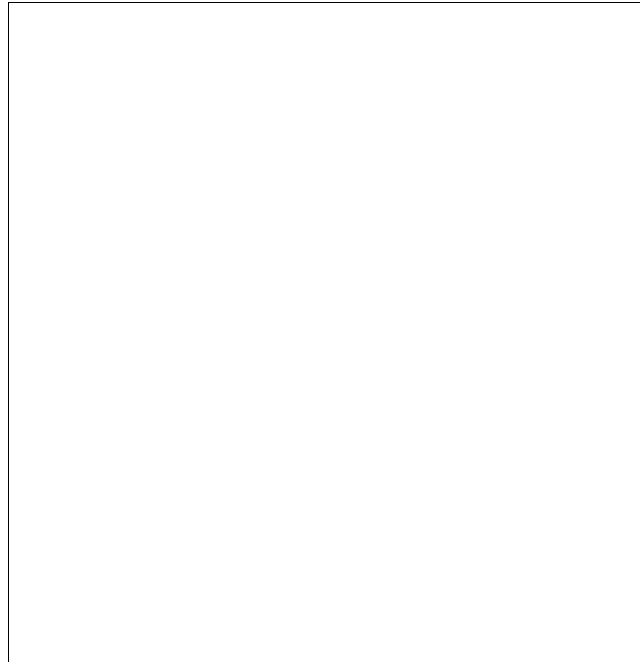
Best Cost: \$21,650

\$1.05/GSF; Estimate for major resurfacing

Worst Cost: \$27,800

\$1.35/GSF; Higher estimate for more repairs

Source of Information: Cost Database



Comp #: 401 Asphalt - Major Overlay (West)



Observations:

- This line item is for major replacement of asphalt pavement or a roto mill and resurfacing, the decision regarding which applications and products to use is ultimately up to the BOD and include but are not limited to: double chip seal, mill and overlay, cape seal, hot chip seal or complete reconstruction.
- The costs of these projects vary depending on the product chosen, we have provided an average cost for major replacement or substantial application of a new surface
- Research your options and consult a reputable contractor prior to deciding on a product for street/parking resurfacing.

Location: Property drives

General Notes:

Quantity: Approx. 17,865 GSF

Life Expectancy: 25 **Remaining Life:** 9

Best Cost: \$18,750

\$1.05/GSF; Estimate for major resurfacing

Worst Cost: \$24,125

\$1.35/GSF; Higher estimate for more repairs

Source of Information: Cost Database



Comp #: 402 Asphalt - Surface Application



Observations:

- Surface treatments are used to extend the useful life of asphalt and to help maintain aesthetics; there are a broad range of products to choose from so we recommend consulting a reputable contractor for your community's needs.
- The recommendation is an allowance for the mid range surface treatments that are available in today's market.
- Expect to seal coat, chip seal or slurry seal your asphalt every 4 - 5 years, as the asphalt ages it may be necessary to adjust the frequency and or cost of these projects.

Location: Property drives

Quantity: Approx. 38,465 GSF

Life Expectancy: 5 Remaining Life: 4

Best Cost: \$13,475

\$.35/GSF; Estimate for surface treatment

Worst Cost: \$15,400

\$.40/GSF; Higher est. includes repairs/crack fill

Source of Information: Cost Database

General Notes:

East Shady Hollow - 20,600 GSF
 West Shady Hollow - 17,865 GSF



Comp #: 403 Concrete - Repair/Replace



Observations:

- It is unlikely that all concrete will fail and need to be replaced at the same time, therefore, we recommend reserving to replace approximately 10% of the area (835 GSF) every 5 years.
- Coordinate this project with other concrete and/or asphalt projects for best cost estimates based on quantity of work.

Location: Property drives

Quantity: Approx. 8,325 GSF

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

Best Cost: \$7,100

Allowance to replace 10% of area every 5 yrs.

Worst Cost: \$7,725

Higher allowance for more repairs

Source of Information: Cost Database

General Notes:

East Shady Hollow -
 drive - 3,650 GSF
 curb/gutter - 1,870 GSF
 West Shady Hollow -
 drive - 845 GSF
 curb/gutter - 1,960 GSF

Comp #: 503 Doors - Replace



Observations:

- Doors appeared to be in good condition at time of observation with no signs of problems and no reported issues.
- Due to the low quantity of doors on the property, we do not recommend reserving for complete replacement.
- Replace doors individually on an as needed basis using operating funds.

Location: Pool building

Quantity: (4) 3x7 doors

Life Expectancy: N/A Remaining Life:

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

NOTE: The left side of the double doors requires repainting, it appears there was some moisture has worked its way behind the paint on the door.

Comp #: 508 Carports - Replace (West)



Observations:

- These carports are original from time of construction and appear outdated especially when compared to the newer style of carport installed on the East side of the property.
- In order to maintain curb appeal and a consistent appearance on the property, we recommend reserving to replace these carports as soon as possible.
- The "99" year useful life indicates this line item as a one-time expense as we do not expect these will require complete replacement in the future.

Location: West Shady Hollow

General Notes:

Quantity: (3) carports

Life Expectancy: 99 Remaining Life: 0

Best Cost: \$100,000

Estimate to replace carports similar to E side

Worst Cost: \$120,000

Higher estimate

Source of Information: Research with contractor

Comp #: 601 Concrete Sidewalks/Decks - Repair



Observations:

- Similar to other concrete assets within the community, it is unlikely that all will fail at the same time, therefore, we recommend reserving to replace approximately 10% of the total area (1,485 GSF) every 5 years.
- Coordinate this project with other concrete and/or asphalt projects for best cost estimates based on quantity of work.

Location: Throughout community

Quantity: Approx. 14,820 GSF

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

Best Cost: \$12,250

Allowance to repair 10% of area every 4 years

Worst Cost: \$14,100

Higher allowance for more repairs

Source of Information: Cost Database

General Notes:

sidewalks/stoops - 13,640 GSF
 pool deck - 1,180 GSF



Comp #: 607 Wood Deck - Major Repairs



Observations:

- The majority of decks on site appeared in good condition with some decks that were replaced with all new material.
- We do not expect the association will reach the point where all decking will require replacement at one time, therefore, we recommend reserving an allowance to make major repairs to decking every 4 years.
- It appears the association paints the decking as opposed to staining, costs for repainting decks is included with component #204 of this report.

Location: Throughout property

Quantity: Approx. 5,825 GSF

Life Expectancy: 4 Remaining Life: 3

Best Cost: \$7,300

Allowance for major repairs to community decking

Worst Cost: \$8,000

Higher allowance for more repairs/replacement

Source of Information: Cost Database

General Notes:

- pool building - 85 GSF
- 2969-2951 - 680 GSF
- 2909-2949 - 970 GSF
- 2971-2999 - 680 GSF
- 2998-2988 - 585 GSF
- 2986-2960 - 1,070 GSF
- 2958-2956 - 195 GSF
- 2952-2940 - 490 GSF
- 2936-2900 - 1,070 GSF

NOTE:

All new decks @ 2930, 2926, and 2920
 raised decks w/stairs - 2910, 2908, 2990, 2904, 2902, 2900,
 2921, 2919, 2909



Comp #: 611 Balconies - Major Repairs



Observations:

- Due to privacy concerns and the height of the balconies, we were unable to observe conditions of the balconies.
- There were no reports of problems with the balconies at time of preparing this report.
- Similar to property decking, it is unlikely that all balconies will fail and require replacement, therefore, we recommend reserving an allowance to make major repairs to balconies every 8 - 10 years.

Location: Unit building upper floor

Quantity: Approx. 2,285 GSF

Life Expectancy: 10 Remaining Life: 5

Best Cost: \$17,000

Allowance for balcony major repairs

Worst Cost: \$18,550

Higher allowance for more needed repairs

Source of Information: Cost Database

General Notes:

- 2969-2951 - 270 GSF
- 2909-2949 - 390 GSF
- 2971-2999 - 270 GSF
- 2998-2988 - 230 GSF
- 2986-2960 - 425 GSF
- 2958-2956 - 80 GSF
- 2952-2940 - 195 GSF
- 2936-2900 - 425 GSF



Comp #: 801 Monuments - Rebuild



Observations:

- This line item is for periodic updates of the entry monuments and the surrounding area (landscaping, resulting irrigation redesign, re-positioning, etc.)
- In order to ensure that the community has an appropriate and current appearance, we recommend reserving for significant refurbishment to the monuments every 18 - 20 years.

Location: Community entrance

Quantity: (2) monuments

Life Expectancy: 20 Remaining Life: 3

Best Cost: \$15,000

Allowance for general repairs

Worst Cost: \$16,650

Higher allowance for more renovations costs

Source of Information: Cost Database

General Notes:

- (1) monument - "Shady Hollow East" stucco - 120 GSF
- (1) monument - "Shady Hollow West" stucco - 120 GSF
- (1) column - stucco - 60 GSF

Comp #: 803 Mailboxes - Replace



Observations:

- Mailboxes appear to be fairly new and are in good condition at time of observation.
- Due to these boxes being mostly protected from the elements, we expect a useful life of approximately 20 years.
- Make minor repairs between replacement cycles on an as needed basis using operating funds.
- Costs include removal and replacement.

Location: Mailbox kiosks

Quantity: (12) ass't mailboxes

Life Expectancy: 20 Remaining Life: 15

Best Cost: \$3,000

Estimate to replace

Worst Cost: \$3,300

Higher estimate for better quality

Source of Information: Cost Database

General Notes:

- (4) 6 box CBU's - \$270/unit
- (4) 7 box CBU's - \$270/unit
- (2) 4 box CBU's - \$270/unit
- (2) letter boxes - \$230/unit

Comp #: 804 Mail Box Kiosks - Replace



Observations:

- The mailbox kiosks have been well maintained and complete replacement is unlikely.
- Stucco and siding repairs and painting are included with other line items in this report.
- No separate reserve designation is necessary for this component at this time.

Location: Community entrances

Quantity: (2) kiosks

Life Expectancy: N/A *Remaining Life:*

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

mailbox kiosks - roof - 2 squares stucco - 400 GSF siding - 145 GSF (4) spot lights

Comp #: 1001 Wood Fencing - Replace



Observations:

- Fencing throughout the property appeared to be different ages and some small areas of fencing was undergoing replacement at time of observation.
- In order to ensure that the unit fencing continues to appear in good condition, we recommend reserving to partially replace every 6 - 8 years.

Location: Throughout community

Quantity: Approx. 665 LF

Life Expectancy: 8 Remaining Life: 5

Best Cost: \$8,000

Allowance for partial replacement

Worst Cost: \$9,100

Higher allowance for more needed replacement

Source of Information: Cost Database

General Notes:

common areas - 25 LF
east side trash enclosure - 10 LF
west side trash enclosure - 40 LF
2969-2951 - 70 LF
2909-2949 - 100 LF
2971-2999 - 70 LF
2998-2988 - 60 LF
2986-2960 - 110 LF
2958-2956 - 20 LF
2952-2940 - 50 LF
2936-2900 - 110 LF



Comp #: 1001 Perimeter Fencing - Replace



Observations:

- West perimeter fence appeared in poor condition with dry and damaged wood apparent in several areas.
- In order to restore appearance and function, we recommend replacing this fiscal year (2015).
- To maximize the life expectancy of this fence, restrain every 3-4 years while reserving to completely replace every 20 years.

Location: West perimeter

Quantity: Approx. 465 LF

Life Expectancy: 20 Remaining Life: 0

Best Cost: \$10,250
\$22/LF; Estimate to replace

Worst Cost: \$11,625
\$25/LF; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

[Empty rectangular box for general notes]

Comp #: 1002 Pool Fence - Major Repairs



Observations:

- The pool fence interior surfaces appeared in better condition than the exterior, however, the problems with the exterior surfaces appeared to be superficial (needing to be painted).
- This line item is for periodic major repairs to the pool enclosure every 5 - 6 years.
- Paint the pool fence at same time as unit building repainting, no separate reserve funding necessary for repainting at this time.

Location: Pool perimeter

Quantity: See general notes

Life Expectancy: 6 Remaining Life: 3

Best Cost: \$2,500

Allowance for major repairs to the pool fence

Worst Cost: \$3,000

Higher allowance for more needed repairs

Source of Information: Cost Database

General Notes:

Pool fence -
 (2) wrought iron gates (3x4)
 wrought iron fence - 25 LF
 stucco wall - 985 GSF

Comp #: 1010 Trash Enclosures - Replace



Observations:

- Under normal conditions and with proper maintenance, we do not expect that the trash enclosures will need to be completely replaced.
- Funding on this line item is for gate replacement only; due to rubbish company's tendency to be very rough with trash enclosure gates, we recommend reserving to replace the gates every 6 years.

Location: Common areas

Quantity: (4) gates

Life Expectancy: 6 Remaining Life: 5

Best Cost: \$2,450

Estimate to replace gates and hardware

Worst Cost: \$2,700

Higher estimate for better quality

Source of Information: Cost Database

General Notes:

East side -
 stucco - 315 GSF
 gates -
 (1) 5' gate, (2) 7' gates

West side - (constructed of fence see comp #1001)
 gates -
 (1) 6' gate



Comp #: 1101 Pool - Resurface



Observations:

- The pool can be recoated, however, the repainting/resurfacing of fiberglass pools is very costly and only has a life expectancy of 4 - 5 years in a best case scenario.
- Due to the location of the pool and the fact that it is protected from the harshest UV rays in the late afternoon, we expect that the pool will not have any major issues in the foreseeable future.
- If deterioration rates change over time, we can add funding for resurfacing or shell replacement in future updates of this report.

Location: Pool

Quantity: Approx. 1,045 GSF

Life Expectancy: N/A *Remaining Life:*

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Comp #: 1102 Spa - Replace



Observations:

- This hot tub is considered to be at or near the top-of-the-line according to a local supplier.
- The supplier recommended an approximate life expectancy of 20 years if properly maintained.
- Replace parts and continue to maintain at a high level using operating funds while reserving to completely replace every 18 - 20 years.

Location: Pool deck

Quantity: (1) spa

Life Expectancy: 20 **Remaining Life:** 18

Best Cost: \$6,800

Estimate to replace

Worst Cost: \$7,200

Higher estimate for upgraded model

Source of Information: Research with local supplier

General Notes:

(1) 8'x8' California Cooperage Hot Tub

Comp #: 1105 Pool Heater - Replace

Picture Unavailable

Picture Unavailable

Observations:

- At time of observation we were unable to access the pool equipment room, therefore, we conducted research with the pool maintenance contractor for our information in this report.
- It was reported that the pool heater was in fair to poor condition, nearing the end of its life expectancy.
- Expect to replace this pool heater within the next 1 -2 seasons.
- the typical useful life of this type of boiler is between 10 and 12 years.

Location: Pool equipment room

General Notes:

Quantity: (1) boiler

Life Expectancy: 12 *Remaining Life:* 2

Best Cost: \$3,500
\$3,500/heater; Estimate to replace

Worst Cost: \$4,000
\$4,000/heater; Higher estimate for more efficiency

Source of Information: Cost Database

Empty rectangular box for general notes.



Comp #: 1108 Pool Filter - Replace

Picture Unavailable

Picture Unavailable

Observations:

- At time of observation we were unable to access the pool equipment room, therefore, we conducted research with the pool maintenance contractor for our information in this report.
- This type of filter has a long life expectancy with proper maintenance and care.
- Expect to replace pool sand filters every 18 - 20 years under normal conditions.

Location: Pool equipment room

General Notes:

Quantity: (1) sand filter

Life Expectancy: 20 *Remaining Life:* 5

Best Cost: \$1,500
\$1200/filter; Estimate to replace

Worst Cost: \$2,000
\$1500/filter; Higher estimate

Source of Information: Research with contractor

Empty box for General Notes.



Comp #: 1111 Pool Pump - Replace

Picture Unavailable

Picture Unavailable

Observations:

- At time of observation we were unable to access the pool equipment room, therefore, we conducted research with the pool maintenance contractor for our information in this report.
- It was reported that the pool pump has been serviced multiple times over the past 2 - 3 years which indicates that replacement is imminent.
- In order to save operational costs and repair/replacement frequency, the contractor recommended that the HOA replace the pump with a modernized/self adjusting pump (similar to an Intelliflo™ pool pump).
- Expect to replace this pool pump every 10 - 12 years depending on levels of maintenance and demand.

Location: Pool equipment room

General Notes:

Quantity: (1) pool pump

Life Expectancy: 12 Remaining Life: 2

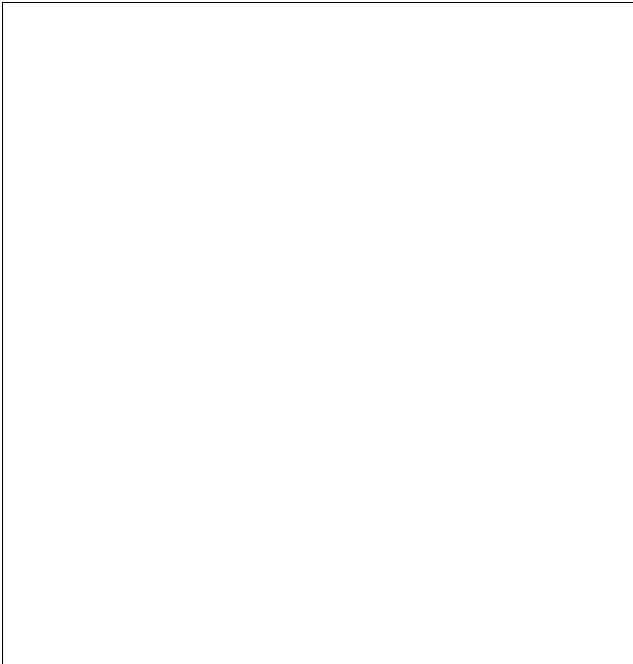
Best Cost: \$2,000

Estimate to replace with high efficiency pump

Worst Cost: \$2,400

Higher estimate for additional plumbing/parts

Source of Information: Research with contractor



Comp #: 1113 Pool Cover - Replace

Picture Unavailable

Picture Unavailable

Observations:

- At time of observation we were unable to access the pool mechanical room and there were no reports of a pool cover having issues while preparing this report.
- We assume there is a pool cover for the Winter months, however, this line item can be removed if one does not exist.
- Expect to replace pool covers every 10 - 12 years in this environment.

Location: Pool equipment room

General Notes:

Quantity: Approx. 480 GSF

pool cover - 480 GSF

Life Expectancy: 12 Remaining Life: 6

Best Cost: \$2,300

\$4.75/GSF; Estimate to replace

Worst Cost: \$2,525

\$5.25/GSF; Higher estimate for better quality

Source of Information: Cost database



Comp #: 1121 Pool Furniture - Replace



Observations:

- The current level of pool furnishings on site can be replaced with similar pieces from local retailers and can still be matched at this time.
- Due to the low quantity and relatively low cost of individual replacement, we do not recommend reserving for complete replacement at this time.

Location: Pool deck

Quantity: Approx. (24) pieces

Life Expectancy: N/A Remaining Life:

Best Cost: \$0

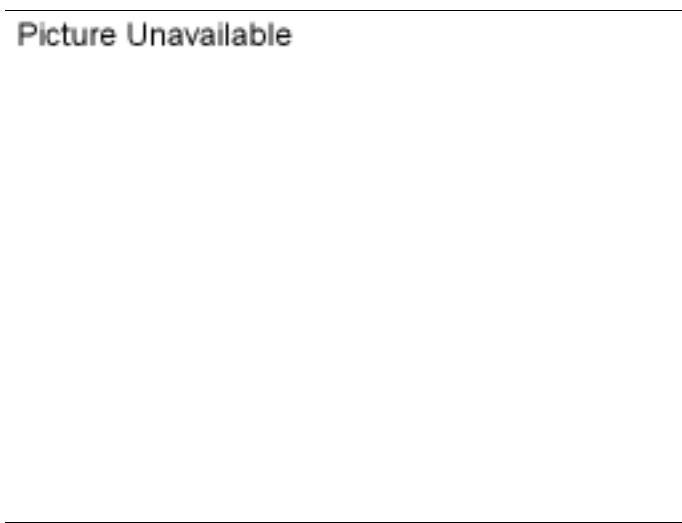
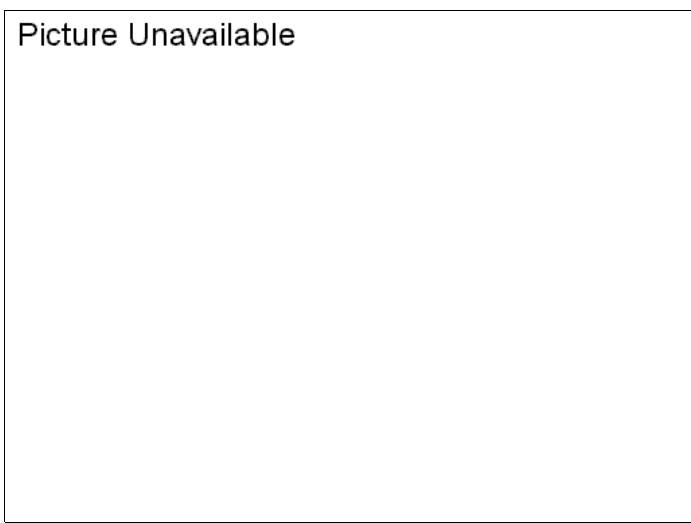
Worst Cost: \$0

Source of Information:

General Notes:

(18) chairs
(6) chaise lounge

Comp #: 1309 Bike Loops - Replace



Observations:

- Due to the low quantity and relatively low replacement cost, we do not recommend reserving for replacement at this time.
- Replace on an as needed basis using operating funds.

Location: East side mailbox kiosk

Quantity: (1) loop

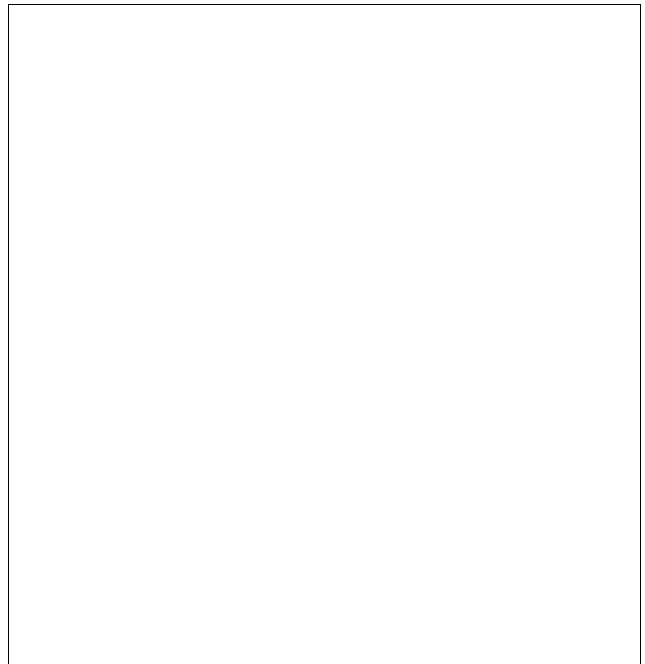
Life Expectancy: N/A Remaining Life:

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:



Comp #: 1602 Exterior Wall Mount - Replace



Observations:

- Lighting appeared aged and types of fixtures differed from unit to unit; in order to re-establish a consistent and attractive appearance throughout the community, we recommend reserving to replace all fixtures at the same time.
- Expect to replace exterior fixtures every 16 years to ensure a safe and attractive appearance.

Location: Unit building egress/balconies

Quantity: Approx. (170) fixtures

Life Expectancy: 16 Remaining Life: 0

Best Cost: \$21,250
\$125/light; Estimate to replace

Worst Cost: \$25,500
\$150/light; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

- 2969-2951 - (20) fixtures
- 2909-2949 - (29) fixtures
- 2971-2999 - (20) fixtures
- 2998-2988 - (17) fixtures
- 2986-2960 - (31) fixtures
- 2958-2956 - (6) fixtures
- 2952-2940 - (14) fixtures
- 2936-2900 - (31) fixtures

Comp #: 1604 Pole Lights - Replace



Observations:

- Pole lights appear to be well maintained and there were no signs of damaged or faded globes.
- The globe lights are slightly dated in appearance, however, based on the overall good condition of the fixtures we have deferred replacement so the association can get maximum life out of the fixtures.
- Under normal conditions and with proper maintenance, expect to replace/update the fixtures every 18 - 20 years.

Location: Throughout community

Quantity: Approx. (39) fixtures

Life Expectancy: 20 Remaining Life: 6

Best Cost: \$9,750
\$250/fixture; Estimate to replace with similar

Worst Cost: \$12,675
\$325/light; Higher estimate for different fixture

Source of Information: Cost Database

General Notes:

common areas - (34) fixtures
pool area - (5) globe lights

Comp #: 1608 Misc. Lighting - Replace



Observations:

- Due to the low individual replacement cost and the ability to match existing fixtures with new, we do not recommend reserving to replace all fixtures at the same time.
- Replace these fixtures on an as needed basis using operating funds.

Location: Throughout property

Quantity: Approx. (10) fixtures

Life Expectancy: N/A *Remaining Life:*

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

East side carports - (10) fluorescent

Comp #: 1701 Irrigation System - Rebuild



Observations:

- It was reported upon review of the draft report that the irrigation system is in need of complete replacement.
- The costs below were reported during a phone conversation with the client.
- If the new system is properly maintained, expect a useful life of approximately 30 years under normal conditions.

Location: **Throughout community**

Quantity: **Moderate sized system**

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

Best Cost: **\$76,000**

Allowance for major repairs

Worst Cost: **\$84,000**

Higher allowance for more repairs

Source of Information: Estimates received by client

General Notes:

Comp #: 1703 Irrigation Controllers - Replace



Observations:

- Expect to replace irrigation controllers every 10 - 12 years if properly maintained and under normal conditions.
- Funding is for replacement with evapotranspirative controllers as these are more efficient and can be controlled remotely by landscaping experts, saving the association irrigation water costs.

Location: Pool house

Quantity: Approx. (4) controller

Life Expectancy: 12 Remaining Life: 5

Best Cost: \$10,000
\$2500/controller; Estimate to replace

Worst Cost: \$12,000
\$3000/controller; Higher estimate for better qual.

Source of Information: Cost Database

General Notes:

(4) Hunter ICC controller

Comp #: 1706 Backflow Devices - Replace



Picture Unavailable

Observations:

- Due to the ability to rebuild and replace these devices for a relatively low cost and the fact that failure of the device is wildly unpredictable, we do not recommend reserving for replacement.
- Repair and/or replace these devices on an as needed basis using operating funds.

Location: Common areas

Quantity: (1) device

Life Expectancy: N/A *Remaining Life:*

Best Cost: \$0

Worst Cost: \$0

Source of Information:

General Notes:

Comp #: 1801 Landscaping - Refurbish



Observations:

- This line item, similar to irrigation repairs, is for projects that lie outside the scope of routine maintenance.
- In order to preserve an attractive curb appeal and to maintain the health of the plants and shrubs, we recommend reserving for refurbishment projects every 3 - 4 years.
- This line item is for cyclical refurbishment and should not be considered as complete landscaping replacement.

Location: **Throughout community**

General Notes:

Quantity: **Moderate area**

Life Expectancy: **3** *Remaining Life:* **2**

Best Cost: **\$12,000**

Allowance for landscape refurbishment/updating

Worst Cost: **\$13,450**

Higher allowance for more projects

Source of Information: Research with contractor

Comp #: 1813 Breeze Paths - Replenish



Observations:

- The material on these paths should be replenished every 2 - 3 years to maintain a sure and attractive walking surface.
- Due to the low quantity of material, however, this can be done on an as needed basis using operating funds; no reserve funding necessary for this component at this time.

Location: **Common areas**

Quantity: **Approx. 350 GSF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

General Notes:

Source of Information:

Comp #: 1904 Storage Shed - Replace



Observations:

- The shed appeared in fair to poor condition at time of observation and replacement should be expected within the next 2 - 3 years to restore appearance and security.
- According to Tuff Shed, this shed should have a typical useful life of approximately 25 years if properly maintained.

Location: East side parking lot

Quantity: (1) 9x10 shed

Life Expectancy: 25 Remaining Life: 3

Best Cost: \$2,250
Estimate to replace with similar shed

Worst Cost: \$2,475
Higher estimate for more options

Source of Information: tuffshed.com

General Notes:

[Empty rectangular box for general notes]

Funding Summary For Shady Hollow Townhomes

Beginning Assumptions

Financial Information Source	Research With Client
# of units	60
Fiscal Year End	December 31, 2015
Monthly Dues from 2014 budget	\$15,300.00
Monthly Reserve Allocation from 2014 Budget	\$3,300.00
Projected Starting Reserve Balance (as of 1/1/2015)	\$253,364
Reserve Balance: Average Per Unit	\$4,223
Ideal Starting Reserve Balance (as of 1/1/2015)	\$532,163
Ideal Reserve Balance: Average Per Unit	\$8,869

Economic Factors

Past 20 year Average Inflation Rate (Based on CCI)	4.50%
Current Average Interest Rate	1.00%

Current Reserve Status

Current Balance as a % of Ideal Balance	48%
---	-----

Recommendations for 2015 Fiscal Year

Monthly Reserve Allocation	\$7,490
Per Unit	\$124.83
Minimum Monthly Reserve Allocation	\$6,800
Per Unit	\$113.33
Primary Annual Increases	3.50%
# of Years	15
Secondary Annual Increases	4.50%
# of Years	15
Special Assessment	\$0
Per Unit	\$0

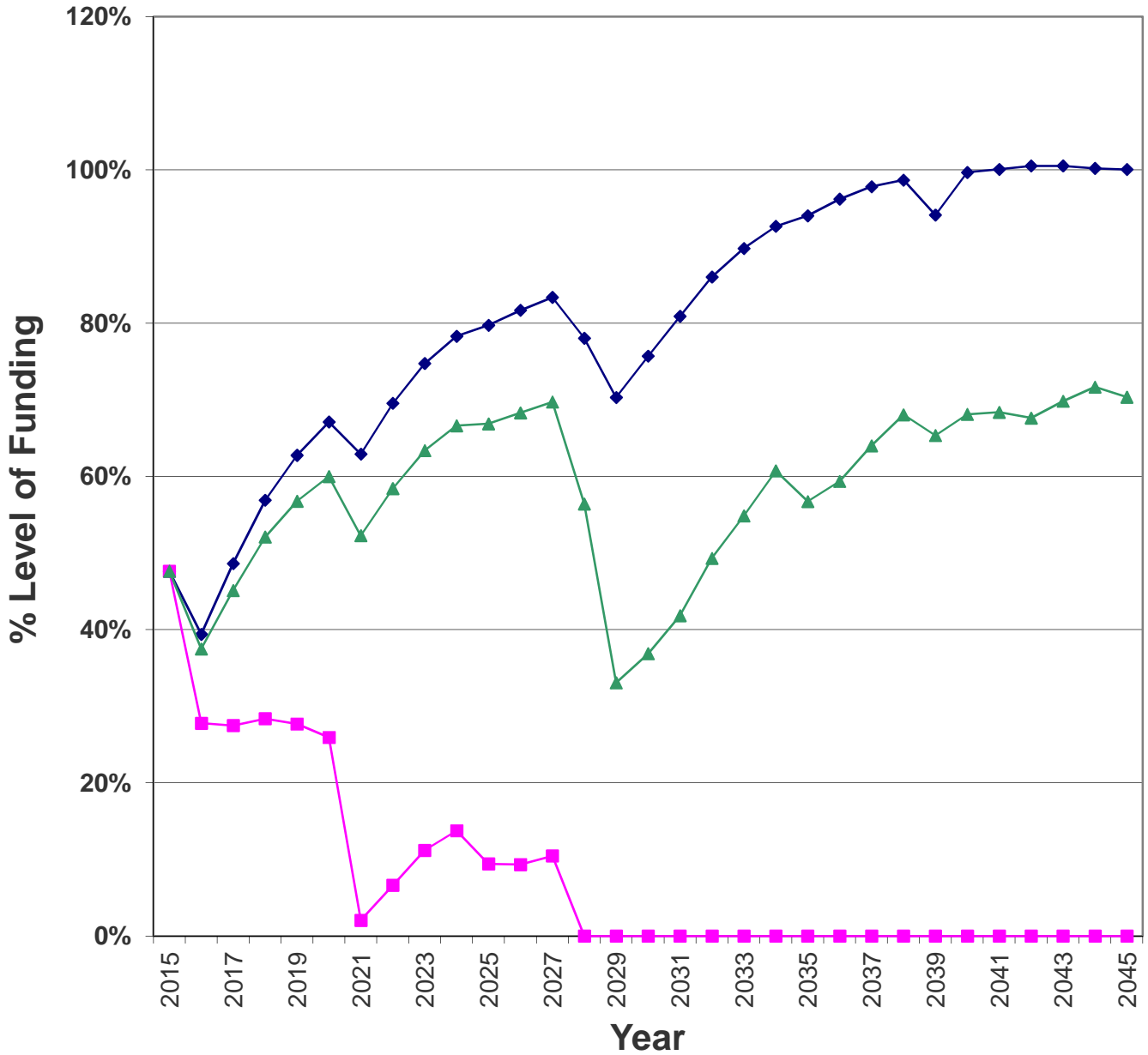
Changes From Prior Year (2014 to 2015)

Increase/Decrease to Reserve Allocation	\$4,190
as Percentage	127%
Per Unit	\$69.83

Percent Funded Graph For Shady Hollow Townhomes

Percent Funded

- ◆ Recommended
- Monthly Reserve Allocation from 2014 Budget
- ▲ Minimum



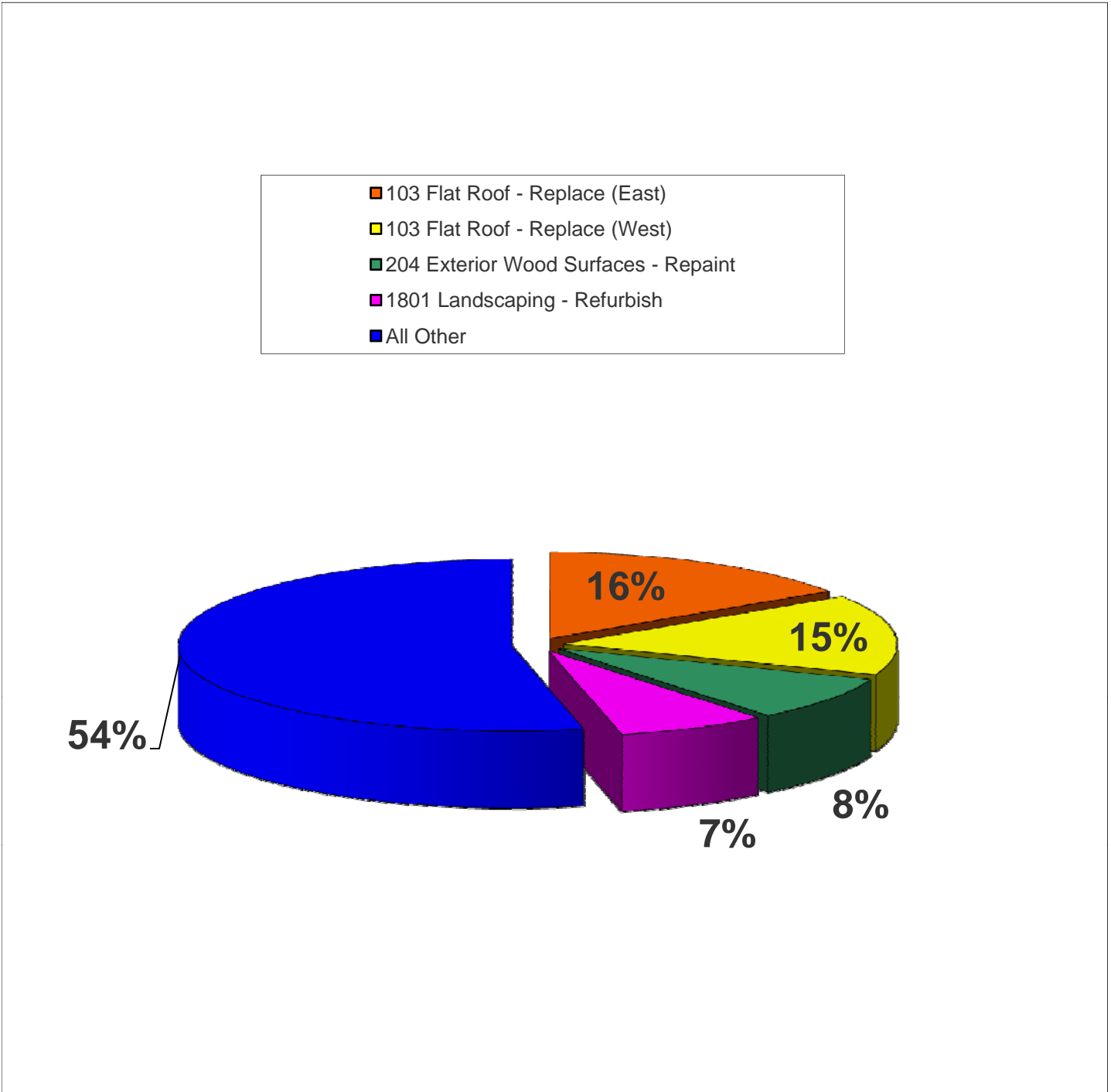
Component Inventory for Shady Hollow Townhomes

Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	103	Flat Roof - Replace (East)	20	13	\$178,400	\$189,550
	103	Flat Roof - Replace (West)	20	12	\$170,400	\$181,050
	104	Flat Roof - Replace (West carports)	20	20	\$14,700	\$15,750
	104	Flat Roof - Replace (East carports)	20	15	\$13,300	\$14,250
	106	Tile Roof - Replace	40	10	\$30,500	\$33,550
	120	Gutters/Downspouts - Replace	20	12	\$20,250	\$23,150
Painted Surfaces	201	Stucco Surfaces - Repaint (East)	12	0	\$26,250	\$29,400
	201	Stucco Surfaces - Repaint (West)	12	1	\$26,250	\$29,400
	204	Exterior Wood Surfaces - Repaint	7	5	\$33,000	\$36,000
	209	Perimeter Fencing - Replace	4	0	\$1,525	\$1,875
Drive Materials	401	Asphalt - Major Overlay (East)	25	19	\$21,650	\$27,800
	401	Asphalt - Major Overlay (West)	25	9	\$18,750	\$24,125
	402	Asphalt - Surface Application	5	4	\$13,475	\$15,400
	403	Concrete - Repair/Replace	5	4	\$7,100	\$7,725
Property Access	503	Doors - Replace	N/A		\$0	\$0
	508	Carports - Replace (West)	99	0	\$100,000	\$120,000
Decking	601	Concrete Sidewalks/Decks - Repair	5	4	\$12,250	\$14,100
	607	Wood Deck - Major Repairs	4	3	\$7,300	\$8,000
	611	Balconies - Major Repairs	10	5	\$17,000	\$18,550
Prop. Identification	801	Monuments - Rebuild	20	3	\$15,000	\$16,650
	803	Mailboxes - Replace	20	15	\$3,000	\$3,300
	804	Mail Box Kiosks - Replace	N/A		\$0	\$0
Fencing/Walls	1001	Wood Fencing - Replace	8	5	\$8,000	\$9,100
	1001	Perimeter Fencing - Replace	20	0	\$10,250	\$11,625
	1002	Pool Fence - Major Repairs	6	3	\$2,500	\$3,000
	1010	Trash Enclosures - Replace	6	5	\$2,450	\$2,700
Pool/Spa	1101	Pool - Resurface	N/A		\$0	\$0
	1102	Spa - Replace	20	18	\$6,800	\$7,200
	1105	Pool Heater - Replace	12	2	\$3,500	\$4,000
	1108	Pool Filter - Replace	20	5	\$1,500	\$2,000
	1111	Pool Pump - Replace	12	2	\$2,000	\$2,400
	1113	Pool Cover - Replace	12	6	\$2,300	\$2,525
	1121	Pool Furniture - Replace	N/A		\$0	\$0
Recreation Equip.	1309	Bike Loops - Replace	N/A		\$0	\$0
Light Fixtures	1602	Exterior Wall Mount - Replace	16	0	\$21,250	\$25,500
	1604	Pole Lights - Replace	20	6	\$9,750	\$12,675
	1608	Misc. Lighting - Replace	N/A		\$0	\$0
Irrig. System	1701	Irrigation System - Rebuild	30	5	\$76,000	\$84,000
	1703	Irrigation Controllers - Replace	12	5	\$10,000	\$12,000
	1706	Backflow Devices - Replace	N/A		\$0	\$0
Landscaping	1801	Landscaping - Refurbish	3	2	\$12,000	\$13,450
	1813	Breeze Paths - Replenish	N/A		\$0	\$0
Maintenance Equip	1904	Storage Shed - Replace	25	3	\$2,250	\$2,475

Significant Components For Shady Hollow Townhomes

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance:	
					(Curr Cost/UL) As \$	As %
103	Flat Roof - Replace (East)	20	13	\$183,975	\$9,199	15.7565%
103	Flat Roof - Replace (West)	20	12	\$175,725	\$8,786	15.0500%
104	Flat Roof - Replace (East carports)	20	15	\$13,775	\$689	1.1798%
104	Flat Roof - Replace (West carports)	20	20	\$15,225	\$761	1.3039%
106	Tile Roof - Replace	40	10	\$32,025	\$801	1.3714%
120	Gutters/Downspouts - Replace	20	12	\$21,700	\$1,085	1.8585%
201	Stucco Surfaces - Repaint (East)	12	0	\$27,825	\$2,319	3.9718%
201	Stucco Surfaces - Repaint (West)	12	1	\$27,825	\$2,319	3.9718%
204	Exterior Wood Surfaces - Repaint	7	5	\$34,500	\$4,929	8.4422%
209	Perimeter Fencing - Replace	4	0	\$1,700	\$425	0.7280%
401	Asphalt - Major Overlay (East)	25	19	\$24,725	\$989	1.6941%
401	Asphalt - Major Overlay (West)	25	9	\$21,438	\$858	1.4688%
402	Asphalt - Surface Application	5	4	\$14,438	\$2,888	4.9460%
403	Concrete - Repair/Replace	5	4	\$7,413	\$1,483	2.5394%
508	Carports - Replace (West)	99	0	\$110,000	\$0	0.0000%
601	Concrete Sidewalks/Decks - Repair	5	4	\$13,175	\$2,635	4.5135%
607	Wood Deck - Major Repairs	4	3	\$7,650	\$1,913	3.2759%
611	Balconies - Major Repairs	10	5	\$17,775	\$1,778	3.0447%
801	Monuments - Rebuild	20	3	\$15,825	\$791	1.3553%
803	Mailboxes - Replace	20	15	\$3,150	\$158	0.2698%
1001	Perimeter Fencing - Replace	20	0	\$10,938	\$547	0.9367%
1001	Wood Fencing - Replace	8	5	\$8,550	\$1,069	1.8307%
1002	Pool Fence - Major Repairs	6	3	\$2,750	\$458	0.7851%
1010	Trash Enclosures - Replace	6	5	\$2,575	\$429	0.7351%
1102	Spa - Replace	20	18	\$7,000	\$350	0.5995%
1105	Pool Heater - Replace	12	2	\$3,750	\$313	0.5353%
1108	Pool Filter - Replace	20	5	\$1,750	\$88	0.1499%
1111	Pool Pump - Replace	12	2	\$2,200	\$183	0.3140%
1113	Pool Cover - Replace	12	6	\$2,413	\$201	0.3444%
1602	Exterior Wall Mount - Replace	16	0	\$23,375	\$1,461	2.5024%
1604	Pole Lights - Replace	20	6	\$11,213	\$561	0.9603%
1701	Irrigation System - Rebuild	30	5	\$80,000	\$2,667	4.5677%
1703	Irrigation Controllers - Replace	12	5	\$11,000	\$917	1.5702%
1801	Landscaping - Refurbish	3	2	\$12,725	\$4,242	7.2656%
1904	Storage Shed - Replace	25	3	\$2,363	\$95	0.1619%

Significant Components Graph For Shady Hollow Townhomes



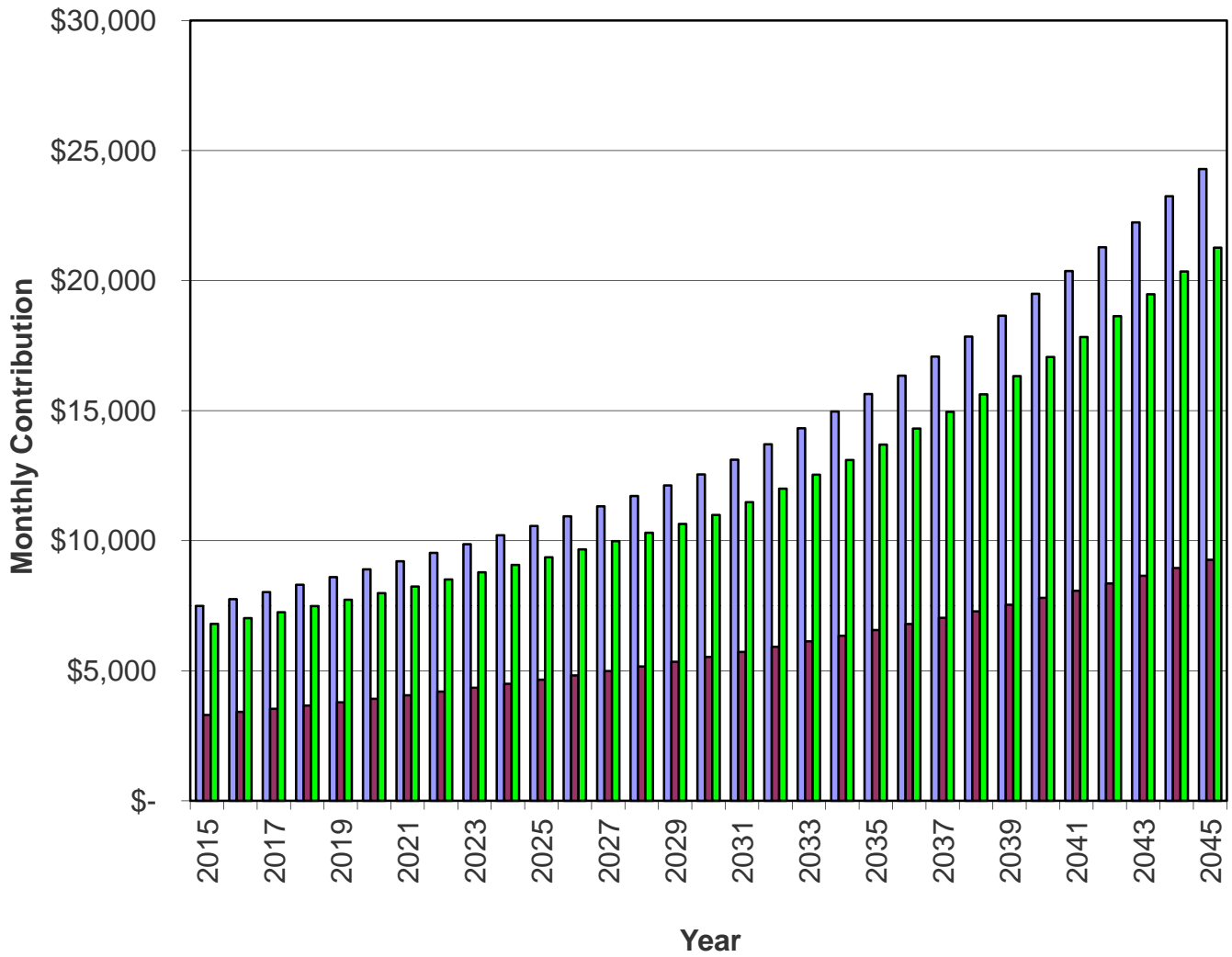
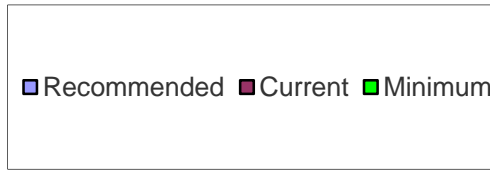
Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL)	
					As \$	As %
103	Flat Roof - Replace (East)	20	13	\$183,975	\$9,199	16%
103	Flat Roof - Replace (West)	20	12	\$175,725	\$8,786	15%
204	Exterior Wood Surfaces - Repaint	7	5	\$34,500	\$4,929	8%
1801	Landscaping - Refurbish	3	2	\$12,725	\$4,242	7%
All Other	See Expanded Table on Page 4 For Additional Breakdown				\$31,225	53%

Yearly Summary For Shady Hollow Townhomes

Fiscal Year	Start	Fully Funded Balance	Starting Reserve Balance	Percent Funded	Annual Reserve Contribs	Rec. Special Ass'mnt	Interest Income	Reserve Expenses
2015		\$532,163	\$253,364	48%	\$89,880	\$0	\$2,124	\$173,838
2016		\$435,457	\$171,530	39%	\$93,026	\$0	\$2,044	\$29,077
2017		\$488,420	\$237,523	49%	\$96,282	\$0	\$2,767	\$20,394
2018		\$555,710	\$316,179	57%	\$99,652	\$0	\$3,513	\$32,623
2019		\$616,246	\$386,720	63%	\$103,139	\$0	\$4,183	\$43,795
2020		\$670,963	\$450,247	67%	\$106,749	\$0	\$4,002	\$210,449
2021		\$557,264	\$350,550	63%	\$110,485	\$0	\$3,987	\$17,743
2022		\$643,247	\$447,279	70%	\$114,352	\$0	\$5,015	\$10,411
2023		\$744,337	\$556,237	75%	\$118,355	\$0	\$6,079	\$20,514
2024		\$843,154	\$660,157	78%	\$122,497	\$0	\$6,805	\$87,995
2025		\$879,804	\$701,464	80%	\$126,785	\$0	\$7,434	\$49,734
2026		\$962,166	\$785,949	82%	\$131,222	\$0	\$8,368	\$37,244
2027		\$1,065,550	\$888,294	83%	\$135,815	\$0	\$7,379	\$443,388
2028		\$753,621	\$588,100	78%	\$140,568	\$0	\$4,653	\$390,503
2029		\$487,575	\$342,817	70%	\$145,488	\$0	\$3,675	\$99,449
2030		\$518,574	\$392,531	76%	\$150,580	\$0	\$4,261	\$87,281
2031		\$568,768	\$460,092	81%	\$157,356	\$0	\$5,158	\$50,711
2032		\$664,750	\$571,895	86%	\$164,438	\$0	\$6,292	\$55,582
2033		\$765,512	\$687,043	90%	\$171,837	\$0	\$7,661	\$20,787
2034		\$912,972	\$845,753	93%	\$179,570	\$0	\$8,217	\$235,171
2035		\$849,099	\$798,369	94%	\$187,651	\$0	\$8,471	\$97,885
2036		\$932,151	\$896,606	96%	\$196,095	\$0	\$9,849	\$28,479
2037		\$1,098,092	\$1,074,071	98%	\$204,919	\$0	\$11,819	\$0
2038		\$1,308,179	\$1,290,809	99%	\$214,140	\$0	\$13,507	\$106,715
2039		\$1,500,126	\$1,411,741	94%	\$223,777	\$0	\$14,374	\$185,647
2040		\$1,468,945	\$1,464,245	100%	\$233,847	\$0	\$15,170	\$142,307
2041		\$1,569,691	\$1,570,954	100%	\$244,370	\$0	\$15,993	\$202,220
2042		\$1,620,612	\$1,629,097	101%	\$255,366	\$0	\$17,477	\$34,133
2043		\$1,858,098	\$1,867,808	101%	\$266,858	\$0	\$20,034	\$13,933
2044		\$2,136,390	\$2,140,767	100%	\$278,867	\$0	\$21,649	\$250,435

Reserve Contributions For Shady Hollow Townhomes

Reserve Contributions



Component Funding Information For Shady Hollow Townhomes

ID	Component Name	Ave		Current	
		Current Cost	Ideal Balance	Fund Balance	Monthly
103	Flat Roof - Replace (East)	\$183,975	\$64,391	\$0	\$1,180.17
103	Flat Roof - Replace (West)	\$175,725	\$70,290	\$0	\$1,127.24
104	Flat Roof - Replace (East carports)	\$13,775	\$3,444	\$0	\$88.36
104	Flat Roof - Replace (West carports)	\$15,225	\$0	\$0	\$97.67
106	Tile Roof - Replace	\$32,025	\$24,019	\$0	\$102.72
120	Gutters/Downspouts - Replace	\$21,700	\$8,680	\$0	\$139.20
201	Stucco Surfaces - Repaint (East)	\$27,825	\$27,825	\$27,825	\$297.49
201	Stucco Surfaces - Repaint (West)	\$27,825	\$25,506	\$25,506	\$297.49
204	Exterior Wood Surfaces - Repaint	\$34,500	\$9,857	\$9,857	\$632.32
209	Perimeter Fencing - Replace	\$1,700	\$1,700	\$1,700	\$54.53
401	Asphalt - Major Overlay (East)	\$24,725	\$5,934	\$0	\$126.88
401	Asphalt - Major Overlay (West)	\$21,438	\$13,720	\$0	\$110.01
402	Asphalt - Surface Application	\$14,438	\$2,888	\$2,888	\$370.46
403	Concrete - Repair/Replace	\$7,413	\$1,483	\$1,483	\$190.20
508	Carports - Replace (West)	\$110,000	\$110,000	\$110,000	\$0.00
601	Concrete Sidewalks/Decks - Repair	\$13,175	\$2,635	\$2,635	\$338.06
607	Wood Deck - Major Repairs	\$7,650	\$1,913	\$1,913	\$245.37
611	Balconies - Major Repairs	\$17,775	\$8,888	\$8,888	\$228.05
801	Monuments - Rebuild	\$15,825	\$13,451	\$13,451	\$101.51
803	Mailboxes - Replace	\$3,150	\$788	\$0	\$20.21
1001	Perimeter Fencing - Replace	\$10,938	\$10,938	\$10,938	\$70.16
1001	Wood Fencing - Replace	\$8,550	\$3,206	\$253	\$137.12
1002	Pool Fence - Major Repairs	\$2,750	\$1,375	\$1,375	\$58.80
1010	Trash Enclosures - Replace	\$2,575	\$429	\$0	\$55.06
1102	Spa - Replace	\$7,000	\$700	\$0	\$44.90
1105	Pool Heater - Replace	\$3,750	\$3,125	\$3,125	\$40.09
1108	Pool Filter - Replace	\$1,750	\$1,313	\$0	\$11.23
1111	Pool Pump - Replace	\$2,200	\$1,833	\$1,833	\$23.52
1113	Pool Cover - Replace	\$2,413	\$1,206	\$0	\$25.79
1602	Exterior Wall Mount - Replace	\$23,375	\$23,375	\$23,375	\$187.43
1604	Pole Lights - Replace	\$11,213	\$7,849	\$0	\$71.93
1701	Irrigation System - Rebuild	\$80,000	\$66,667	\$0	\$342.12
1703	Irrigation Controllers - Replace	\$11,000	\$6,417	\$0	\$117.60
1801	Landscaping - Refurbish	\$12,725	\$4,242	\$4,242	\$544.19
1904	Storage Shed - Replace	\$2,363	\$2,079	\$2,079	\$12.12

Yearly Cash Flow For Shady Hollow Townhomes

Year	2015	2016	2017	2018	2019
Starting Balance	\$253,364	\$171,530	\$237,523	\$316,179	\$386,720
<i>Reserve Income</i>	\$89,880	\$93,026	\$96,282	\$99,652	\$103,139
<i>Interest Earnings</i>	\$2,124	\$2,044	\$2,767	\$3,513	\$4,183
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$345,368	\$266,600	\$336,572	\$419,343	\$494,043
Reserve Expenditures	\$173,838	\$29,077	\$20,394	\$32,623	\$43,795
Ending Balance	\$171,530	\$237,523	\$316,179	\$386,720	\$450,247

Year	2020	2021	2022	2023	2024
Starting Balance	\$450,247	\$350,550	\$447,279	\$556,237	\$660,157
<i>Reserve Income</i>	\$106,749	\$110,485	\$114,352	\$118,355	\$122,497
<i>Interest Earnings</i>	\$4,002	\$3,987	\$5,015	\$6,079	\$6,805
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$560,999	\$465,023	\$566,647	\$680,671	\$789,460
Reserve Expenditures	\$210,449	\$17,743	\$10,411	\$20,514	\$87,995
Ending Balance	\$350,550	\$447,279	\$556,237	\$660,157	\$701,464

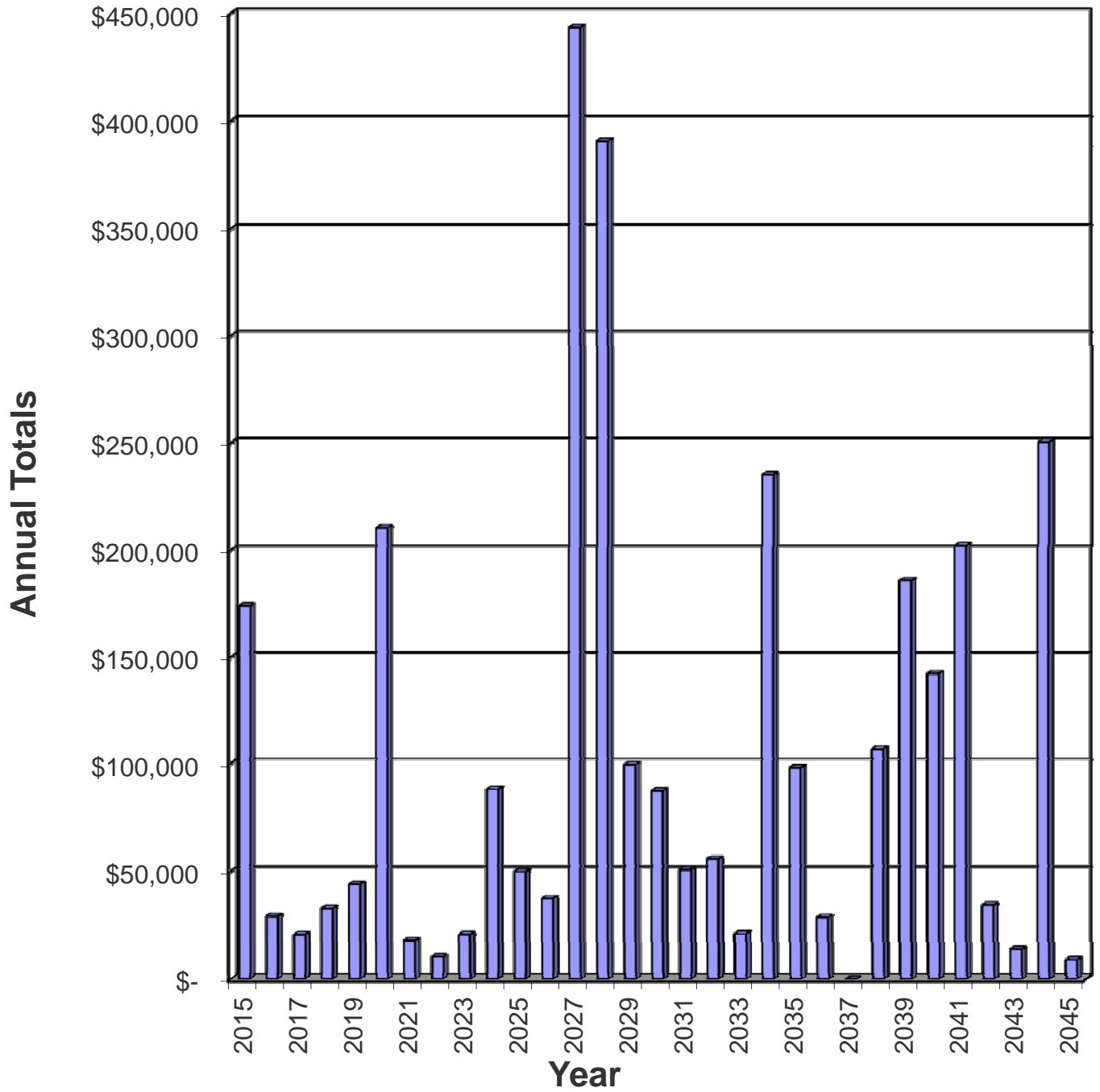
Year	2025	2026	2027	2028	2029
Starting Balance	\$701,464	\$785,949	\$888,294	\$588,100	\$342,817
<i>Reserve Income</i>	\$126,785	\$131,222	\$135,815	\$140,568	\$145,488
<i>Interest Earnings</i>	\$7,434	\$8,368	\$7,379	\$4,653	\$3,675
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$835,683	\$925,539	\$1,031,488	\$733,321	\$491,981
Reserve Expenditures	\$49,734	\$37,244	\$443,388	\$390,503	\$99,449
Ending Balance	\$785,949	\$888,294	\$588,100	\$342,817	\$392,531

Year	2030	2031	2032	2033	2034
Starting Balance	\$392,531	\$460,092	\$571,895	\$687,043	\$845,753
<i>Reserve Income</i>	\$150,580	\$157,356	\$164,438	\$171,837	\$179,570
<i>Interest Earnings</i>	\$4,261	\$5,158	\$6,292	\$7,661	\$8,217
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$547,373	\$622,606	\$742,624	\$866,540	\$1,033,540
Reserve Expenditures	\$87,281	\$50,711	\$55,582	\$20,787	\$235,171
Ending Balance	\$460,092	\$571,895	\$687,043	\$845,753	\$798,369

Year	2035	2036	2037	2038	2039
Starting Balance	\$798,369	\$896,606	\$1,074,071	\$1,290,809	\$1,411,741
<i>Reserve Income</i>	\$187,651	\$196,095	\$204,919	\$214,140	\$223,777
<i>Interest Earnings</i>	\$8,471	\$9,849	\$11,819	\$13,507	\$14,374
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$994,491	\$1,102,550	\$1,290,809	\$1,518,457	\$1,649,892
Reserve Expenditures	\$97,885	\$28,479	\$0	\$106,715	\$185,647
Ending Balance	\$896,606	\$1,074,071	\$1,290,809	\$1,411,741	\$1,464,245

Year	2040	2041	2042	2043	2044
Starting Balance	\$1,464,245	\$1,570,954	\$1,629,097	\$1,867,808	\$2,140,767
<i>Reserve Income</i>	\$233,847	\$244,370	\$255,366	\$266,858	\$278,867
<i>Interest Earnings</i>	\$15,170	\$15,993	\$17,477	\$20,034	\$21,649
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,713,262	\$1,831,317	\$1,901,940	\$2,154,700	\$2,441,282
Reserve Expenditures	\$142,307	\$202,220	\$34,133	\$13,933	\$250,435
Ending Balance	\$1,570,954	\$1,629,097	\$1,867,808	\$2,140,767	\$2,190,848

Reserve Expenditures



Projected Reserve Expenditures For Shady Hollow Townhomes

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2015	201	Stucco Surfaces - Repaint (East)	\$27,825	
	209	Perimeter Fencing - Replace	\$1,700	
	508	Carports - Replace (West)	\$110,000	
	1001	Perimeter Fencing - Replace	\$10,938	
	1602	Exterior Wall Mount - Replace	\$23,375	\$173,838
2016	201	Stucco Surfaces - Repaint (West)	\$29,077	\$29,077
2017	1105	Pool Heater - Replace	\$4,095	
	1111	Pool Pump - Replace	\$2,402	
	1801	Landscaping - Refurbish	\$13,896	\$20,394
2018	607	Wood Deck - Major Repairs	\$8,730	
	801	Monuments - Rebuild	\$18,059	
	1002	Pool Fence - Major Repairs	\$3,138	
	1904	Storage Shed - Replace	\$2,696	\$32,623
2019	209	Perimeter Fencing - Replace	\$2,027	
	402	Asphalt - Surface Application	\$17,217	
	403	Concrete - Repair/Replace	\$8,840	
	601	Concrete Sidewalks/Decks - Repair	\$15,711	\$43,795
2020	204	Exterior Wood Surfaces - Repaint	\$42,993	
	611	Balconies - Major Repairs	\$22,151	
	1001	Wood Fencing - Replace	\$10,655	
	1010	Trash Enclosures - Replace	\$3,209	
	1108	Pool Filter - Replace	\$2,181	
	1701	Irrigation System - Rebuild	\$99,695	
	1703	Irrigation Controllers - Replace	\$13,708	
	1801	Landscaping - Refurbish	\$15,858	\$210,449
2021	1113	Pool Cover - Replace	\$3,142	
	1604	Pole Lights - Replace	\$14,602	\$17,743
2022	607	Wood Deck - Major Repairs	\$10,411	\$10,411
2023	209	Perimeter Fencing - Replace	\$2,418	
	1801	Landscaping - Refurbish	\$18,096	\$20,514
2024	401	Asphalt - Major Overlay (West)	\$31,858	
	402	Asphalt - Surface Application	\$21,455	
	403	Concrete - Repair/Replace	\$11,016	
	601	Concrete Sidewalks/Decks - Repair	\$19,579	
	1002	Pool Fence - Major Repairs	\$4,087	\$87,995
2025	106	Tile Roof - Replace	\$49,734	\$49,734
2026	607	Wood Deck - Major Repairs	\$12,415	
	1010	Trash Enclosures - Replace	\$4,179	
	1801	Landscaping - Refurbish	\$20,651	\$37,244
2027	103	Flat Roof - Replace (West)	\$298,009	
	120	Gutters/Downspouts - Replace	\$36,801	
	201	Stucco Surfaces - Repaint (East)	\$47,188	
	204	Exterior Wood Surfaces - Repaint	\$58,508	
	209	Perimeter Fencing - Replace	\$2,883	\$443,388
2028	103	Flat Roof - Replace (East)	\$326,040	
	201	Stucco Surfaces - Repaint (West)	\$49,311	
	1001	Wood Fencing - Replace	\$15,152	\$390,503
2029	402	Asphalt - Surface Application	\$26,737	
	403	Concrete - Repair/Replace	\$13,728	
	601	Concrete Sidewalks/Decks - Repair	\$24,399	
	1105	Pool Heater - Replace	\$6,945	
	1111	Pool Pump - Replace	\$4,074	
	1801	Landscaping - Refurbish	\$23,566	\$99,449

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2030	104	Flat Roof - Replace (East carports)	\$26,659	
	607	Wood Deck - Major Repairs	\$14,805	
	611	Balconies - Major Repairs	\$34,400	
	803	Mailboxes - Replace	\$6,096	
	1002	Pool Fence - Major Repairs	\$5,322	\$87,281
2031	209	Perimeter Fencing - Replace	\$3,438	
	1602	Exterior Wall Mount - Replace	\$47,273	\$50,711
2032	1010	Trash Enclosures - Replace	\$5,442	
	1703	Irrigation Controllers - Replace	\$23,247	
	1801	Landscaping - Refurbish	\$26,893	\$55,582
2033	1102	Spa - Replace	\$15,459	
	1113	Pool Cover - Replace	\$5,328	\$20,787
2034	204	Exterior Wood Surfaces - Repaint	\$79,621	
	401	Asphalt - Major Overlay (East)	\$57,062	
	402	Asphalt - Surface Application	\$33,320	
	403	Concrete - Repair/Replace	\$17,107	
	601	Concrete Sidewalks/Decks - Repair	\$30,406	
	607	Wood Deck - Major Repairs	\$17,655	\$235,171
2035	104	Flat Roof - Replace (West carports)	\$36,718	
	209	Perimeter Fencing - Replace	\$4,100	
	1001	Perimeter Fencing - Replace	\$26,378	
	1801	Landscaping - Refurbish	\$30,689	\$97,885
2036	1001	Wood Fencing - Replace	\$21,548	
	1002	Pool Fence - Major Repairs	\$6,931	\$28,479
2037		No Expenditures Projected		\$0
2038	607	Wood Deck - Major Repairs	\$21,054	
	801	Monuments - Rebuild	\$43,553	
	1010	Trash Enclosures - Replace	\$7,087	
	1801	Landscaping - Refurbish	\$35,021	\$106,715
2039	201	Stucco Surfaces - Repaint (East)	\$80,025	
	209	Perimeter Fencing - Replace	\$4,889	
	402	Asphalt - Surface Application	\$41,522	
	403	Concrete - Repair/Replace	\$21,318	
	601	Concrete Sidewalks/Decks - Repair	\$37,891	\$185,647
2040	201	Stucco Surfaces - Repaint (West)	\$83,626	
	611	Balconies - Major Repairs	\$53,422	
	1108	Pool Filter - Replace	\$5,260	\$142,307
2041	204	Exterior Wood Surfaces - Repaint	\$108,353	
	1105	Pool Heater - Replace	\$11,778	
	1111	Pool Pump - Replace	\$6,909	
	1604	Pole Lights - Replace	\$35,215	
	1801	Landscaping - Refurbish	\$39,965	\$202,220
2042	607	Wood Deck - Major Repairs	\$25,107	
	1002	Pool Fence - Major Repairs	\$9,026	\$34,133
2043	209	Perimeter Fencing - Replace	\$5,830	
	1904	Storage Shed - Replace	\$8,103	\$13,933
2044	402	Asphalt - Surface Application	\$51,745	
	403	Concrete - Repair/Replace	\$26,567	
	601	Concrete Sidewalks/Decks - Repair	\$47,220	
	1001	Wood Fencing - Replace	\$30,644	
	1010	Trash Enclosures - Replace	\$9,229	
	1703	Irrigation Controllers - Replace	\$39,424	
	1801	Landscaping - Refurbish	\$45,607	\$250,435
2045	1113	Pool Cover - Replace	\$9,036	\$9,036

Glossary of Commonly used Words and Phrases (provided by the National Reserve Study Standards of the Community Associations Institute)

Asset or Component – 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.

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 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. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

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 expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

Component Full Funding – When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

Fully Fund Balance (aka – Ideal Balance) – An indicator against which 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. This number is calculated for each component, and then summed together for an association total.

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

Fund Status – The status of the Reserve Fund as compared to an established benchmark, such as percent funding.

Funding Goals – Independent of 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. Depending on the threshold, this may be more or less conservative than the “Component Fully Funding” method.

Funding Plan – An associations plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Funding Principles –

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- 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 of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the Component Inventory, 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 initial year have “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 in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

Reserve Provider – An individual that prepares Reserve Studies. Also known as **Aspen Reserve Specialties**.

Reserve Study – A budget-planning tool that 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. Special Assessments are often regulated by governing documents or local statutes.

Surplus – An actual (or projected) Reserve Balance that is greater than the Fully Funded Balance.

Useful Life (UL) – Also known as “Life Expectancy”, or “Depreciable Life”. 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 or installation.