

## Old Sweetbriar Farm



2022 Reserve Study Prepared for:

Old Sweetbriar Farm Home Owners Association  
Sweetbriar Lane  
Troutdale, Oregon 97060

CBS: 21-080.00

Level III RS - Draft

10/5/2022

**CERTA**

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The logo for CERTA, featuring the word "CERTA" in a bold, sans-serif font. The letter "A" has a red underline.

## Property Descriptions

Association Information:	Management Service:	Reserve Study Preparer:
Old Sweetbriar Farm Home Owners Association	Community Association Partners, LLC	Certa Building Solutions
Attn: Board of Directors	Ms. Kristin Morrow	Justin Barnhart CAI-RS. 240
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Troutdale, Oregon 97060	Beaverton, Oregon 97005	Portland, OR 97215
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## Reserve Study Methodology

Certa Building Solutions was retained to provide Reserve Study Services in pursuant of **ORS100.175**. The purpose of this Reserve Study is provide an analysis of probable repairs, replacement, or major maintenance of those components which are commonly owned or maintained by the Association as outlined by the Association's Governing Documents. Typically, a study such as this, excludes maintenance or replacement of components which have a service life less than 3 years or greater than 30 years.

This Reserve Study's intended use is to establish a baseline for which the Association funds their Reserve Account. This baseline is determined by evaluating the Association's maintenance and replacement costs over a 30-year period based on average life-cycles and average industry costs and determining the appropriate contributions. Reserve Contributions are intended to be consistent and incremental in nature, to prevent unnecessary fluctuations in recommended Reserve Contributions.

This Reserve Study was developed based on a visual review of the subject site, buildings, and amenities by the Reserve Provider. No invasive or exploratory openings or performance testing was performed. We rely entirely on the client and their representative to express historical or ongoing performance concerns. This document was created with the intent of establishing reasonable budgets for the future replacement or significant maintenance of commonly owned assets over a 30 year period. The timelines and schedules are conceptual in nature. This report should not be misconstrued as a building envelope assessment or repair scope.

The purpose of the visual review is to establish the basis for the "Component Life and Cost Analysis", which is the mechanisms used to develop the 30-year study. The "Component Life and Cost Analysis" will contain a list of the components or systems organized into logical groups by the Reserve Provider. Each component will have an established rating (Good, Fair, Poor), an estimated service date (assumed date of installation), an EUL (Estimated Useful Life), RUL (Remaining Useful Life), and projected replacement year. For those component which fall into the "Reserve Study Schedule" an associated quantity and/or value is provided.

The "Reserve Study Schedule" is a product of all the info contained in the "Reserve Study Schedule". The Replacement Schedule illustrates the replacement time-line on a yearly basis. Use the Replacement Schedule as a tool when planning major rehabilitation or renewal projects, as it shows the replacement of systems which are interconnected or that would logically be replaced in the same year.

Pre-Study Statistics		Association Description	
Fiscal Year End Date	December 31	Last Reserve Study Performed	2021
Fiscal Year Start Date	January 1	Date of Physical Analysis	12/29/2021
Current Annual Reserve Allocation	\$7,704	Number of Residential Units:	358 Single Family Homes
Current Monthly Reserve Allocation	\$642.00	Number of Buildings:	0
Starting Reserve Account Balance	\$40,268	Year Incorporated:	1974
Financial Information Provided	10/5/2022		
Type of Study Performed This Year	Level III		

## 2023 Executive Summary & Reserve Study Recommendations

The Cash-flow Method was used in determining the "Minimum Reserve Contribution". This factor represented as an "Annual Contribution" by the Association and as a "Monthly Contribution" by the Individual Association member. Typically, a "Funding Percentage" level between 70%-100% is targeted; however, all associations are different, so we consider as many factors as possible when making this recommendation. The basis of this study assumes annual reserve contributions will increase annually by 5.00% to keep up with inflation.

Recommended Minimum Annual Reserve Contribution	\$19,487
Recommended Minimum Monthly Reserve Contribution	\$1,623.89
Estimated Reserve Contributions over 30 Years	\$1,263,191
Estimated Expenditures over 30 years	\$1,215,171
Estimated Interest Earned on Reserve Account	1.75%
Applied Inflation	5.00%

## 5-Year Funding Projections

Fiscal Year	Starting Reserve Balance	Recommended Reserve Contributions	Recommended Monthly Reserve Contributions	Annual Reserve Expenses	Starting Funding Percentage	Projected Year End Balance
2023	\$40,268	\$19,486.74	\$1,623.89	\$23,800.00	25%	\$36,583.95
2024	\$36,584	\$21,435.41	\$1,786.28	\$3,990.00	20%	\$54,974.87
2025	\$54,975	\$23,578.95	\$1,964.91	\$9,261.00	30%	\$70,505.45
2026	\$70,505	\$25,936.85	\$2,161.40	\$35,763.44	34%	\$61,740.75
2027	\$61,741	\$28,530.53	\$2,377.54	\$14,975.04	27%	\$76,613.93

## Reserve Study Clarifications

Information regarding the installation dates for many of the common elements was not readily available. Installation dates, in many cases, was based on the projected need for maintenance or replacement, or dates outlined in the previous reserve study.

Our site visit was performed during a snow event and a thin layer of snow covered much of the ground.

Utilities and underground infrastructure cannot be easily reviewed. We were not provided with schematics or layouts of existing electrical, plumbing, or irrigation infrastructure and have made some basic assumptions based on physical characteristics of the common areas.

The list of common area components was provided by the Association and was based on information provided in their previous reserve studies.

This report was prepared during a period of high inflation, which has had a significant impact on the cost of construction related activities. To account for the expectation the construction related inflation continues to persist, we have adjusted the inflationary factor from 3% to 5%.

## 30-Year Funding Analysis

#	FISCAL YEAR	IDEAL YEAR START RESERVE BALANCE	YEAR START RESERVE BALANCE	YEAR START FUNDING %	RECOMMENDED ANNUAL REVENUE	VARIANCE IN REVENUE OVER PREVIOUS YEAR	TOTAL RESERVE LIABILITES	YEAR END RESERVE BALANCE	YEAR END FUNDING %	FUNDING VARIANCE
1	2023	\$160,543	\$40,268	25%	\$19,487	153%	\$23,800	\$36,584	20%	-5%
2	2024	\$185,529	\$36,584	20%	\$21,435	10.00%	\$3,990	\$54,975	30%	10%
3	2025	\$183,819	\$54,975	30%	\$23,579	10.00%	\$9,261	\$70,505	34%	4%
4	2026	\$209,698	\$70,505	34%	\$25,937	10.00%	\$35,763	\$61,741	27%	-7%
5	2027	\$231,554	\$61,741	27%	\$28,531	10.00%	\$14,975	\$76,614	34%	8%
6	2028	\$224,139	\$76,614	34%	\$31,384	10.00%	\$83,512	\$24,914	10%	-24%
7	2029	\$241,453	\$24,914	10%	\$32,325	3.00%	\$44,694	\$12,765	7%	-3%
8	2030	\$184,654	\$12,765	7%	\$33,295	3.00%	\$0	\$46,866	28%	21%
9	2031	\$169,830	\$46,866	28%	\$34,294	3.00%	\$12,558	\$69,801	34%	6%
10	2032	\$207,169	\$69,801	34%	\$35,323	3.00%	\$37,901	\$68,399	29%	-4%
11	2033	\$233,971	\$68,399	29%	\$36,382	3.00%	\$49,144	\$56,611	24%	-5%
12	2034	\$234,421	\$56,611	24%	\$37,474	3.00%	\$76,623	\$17,767	8%	-16%
13	2035	\$225,355	\$17,767	8%	\$38,598	3.00%	\$19,485	\$37,525	21%	13%
14	2036	\$182,055	\$37,525	21%	\$39,756	3.00%	\$19,867	\$58,419	28%	8%
15	2037	\$206,493	\$58,419	28%	\$40,948	3.00%	\$6,930	\$94,055	40%	12%
16	2038	\$233,572	\$94,055	40%	\$42,177	3.00%	\$71,900	\$65,459	24%	-17%
17	2039	\$278,201	\$65,459	24%	\$43,442	3.00%	\$63,137	\$46,565	18%	-5%
18	2040	\$255,462	\$46,565	18%	\$44,745	3.00%	\$0	\$92,908	38%	20%
19	2041	\$242,773	\$92,908	38%	\$46,088	3.00%	\$20,456	\$120,614	40%	2%
20	2042	\$301,900	\$120,614	40%	\$47,470	3.00%	\$5,612	\$165,316	48%	8%
21	2043	\$343,780	\$165,316	48%	\$48,895	3.00%	\$69,649	\$147,091	36%	-12%
22	2044	\$406,586	\$147,091	36%	\$50,361	3.00%	\$10,587	\$190,136	47%	11%
23	2045	\$404,523	\$190,136	47%	\$51,872	3.00%	\$43,206	\$202,281	43%	-4%

## 30-Year Funding Analysis

#	FISCAL YEAR	IDEAL YEAR START RESERVE BALANCE	YEAR START RESERVE BALANCE	YEAR START FUNDING %	RECOMMENDED ANNUAL REVENUE	VARIANCE IN REVENUE OVER PREVIOUS YEAR	TOTAL RESERVE LIABILITES	YEAR END RESERVE BALANCE	YEAR END FUNDING %	FUNDING VARIANCE
24	2046	\$470,192	\$202,281	43%	\$53,428	3.00%	\$32,361	\$227,257	45%	2%
25	2047	\$506,038	\$227,257	45%	\$55,031	3.00%	\$11,288	\$275,743	49%	4%
26	2048	\$558,631	\$275,743	49%	\$56,682	3.00%	\$117,117	\$219,077	34%	-15%
27	2049	\$640,236	\$219,077	34%	\$58,383	3.00%	\$167,877	\$111,500	18%	-16%
28	2050	\$612,550	\$111,500	18%	\$60,134	3.00%	\$0	\$174,638	33%	15%
29	2051	\$530,988	\$174,638	33%	\$61,938	3.00%	\$154,335	\$83,680	13%	-20%
30	2052	\$634,029	\$83,680	13%	\$63,796	3.00%	\$9,142	\$140,755	25%	12%

## Statement of Reserve Funding Status

Currently the reserve account is funded at approximately 25%, which based on the projected maintenance needs of the Association places them in the Poor category. Based on an analysis of the Association's cashflow over the next 30-years, we recommend that the Association target a funding percentage above 45% and maintain a minimum balance of \$15,000 to cover the cost of potential cost overruns.

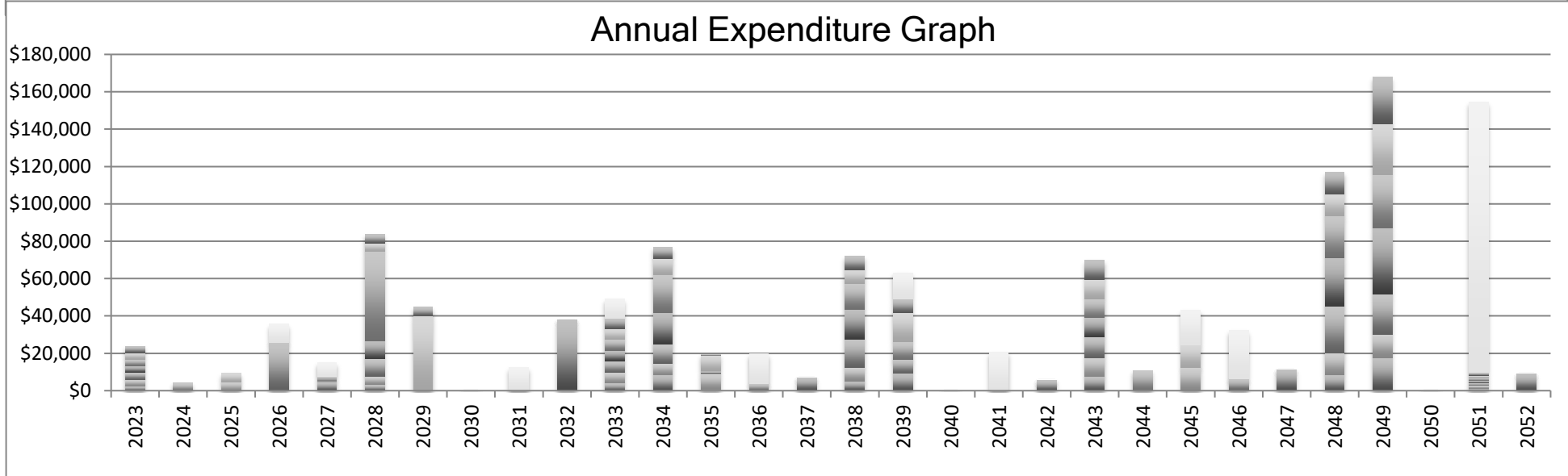
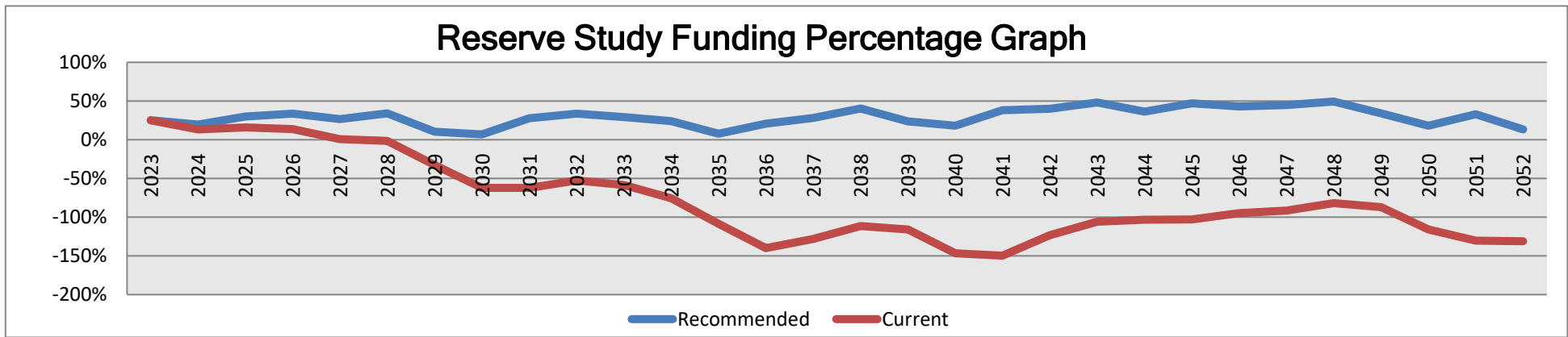
We recommend the Association increase their reserve funding to \$19,487 for the 2023 fiscal year. Assuming the Association continues to increase their reserve contributions by 10.00% annually to keep pace with inflation, we anticipate the association will gradually improve their financial position and have available capital to perform broad repairs to building envelope components outlined in this reserve study. In year 2029 we anticipate a drop in annual reserve increases to 3% annually.

Over the course of 30-years, the Association is projected to spend \$1,215,171 on renewal projects. Over the same period of time, the Association will contribute \$1,263,191. During this period, the lowest ending reserve account balance of \$12,765 will occur in 2029. The highest reserve balance will occur in year 2047, with a starting balance of \$275,743. At that time, the Association will be 49% funded.

The highest projected expenditure years are; (2028) \$83,512 total; (2034) \$76,623 total; (2048) \$117,117 total; (2049) \$167,877 total; (2051) \$154,335 total.

## Definition of Funding Levels

<b>Ideal:</b>	Indicates the reserve account is equal to, or exceeds, the amount of money needed to maintain the development. A 100% or more funding status does not necessarily indicate halting reserve contributions. 100% funding indicates that funding of the reserve account is consistent with the depreciation of the sum of all existing common elements.
<b>Strong:</b>	Indicates reserve contributions out-pace expenditures while maintaining an adequate minimum reserve balance as a contingency. Efforts should be taken to maintain this level of status of the reserve account.
<b>Fair:</b>	Indicates the reserve account is underfunded. Special assessments can usually be avoided by increasing reserve contributions.
<b>Poor</b>	Indicates the association is at risk for special assessment to avoid deferred maintenance, which may jeopardize the property value and building performance. Immediate action should be taken to improve the reserve account balance.





## Component Life & Cost Analysis

Commonly Owned Component	Component Description and Comments	Component Condition	Installation Date (Year)	Expected Useful Life (Years)	Remaining Useful Life (Years)	Estimated Replacement Date	Included in Reserve Schedule?	Effective Age	Component Quantity	Units	Unit Cost	Replacement Value in Current Year
<b>100 - Tract A</b>												
Walking Paths - Seal Coat	Assumes 1367 LF of path at 30 in. wide.	Fair	2012	10	-1	2022	YES	11	3417	SF	\$0.65	\$2,221
Walking Paths - Overlay	Site work, surface preparation, and 2 in. overlay with seal coat.	Fair	2002	30	9	2032	YES	21	3417	SF	\$6.50	\$22,211
Irrigation - Repair Allowance	Budget to perform significant repairs to existing infrastructure.	Unknown	2019	15	11	2034	YES	4	1	Allowance	\$5,000.00	\$5,000
Irrigation Controllers	Replace as needed.	Unknown	2019	8	4	2027	YES	4	1	EA	\$350.00	\$350
Tree Removal/Replacement	Assumes removal of two trees and replacement with like-kind species.	Varies	2017	10	4	2027	YES	6	1	Allowance	\$3,500.00	\$3,500
Tree Maintenance	Periodic trimming of existing trees.	Varies	2018	5	0	2023	YES	5	1	Allowance	\$2,500.00	\$2,500
Light Poles	Budget to replace existing pole lighting with like-kind LED light fixtures. Cost assumes installation by licensed electrician.	Fair	1974	65	16	2039	YES	49	5	EA	\$860.00	\$4,300
<b>110 - Tract B</b>												
Irrigation - Repair Allowance	Budget to perform significant repairs to existing infrastructure.	Unknown	2019	15	11	2034	YES	4	1	Allowance	\$3,500.00	\$3,500
Irrigation Controllers	Replace as needed.	Unknown	2019	8	4	2027	YES	4	1	EA	\$350.00	\$350
Tree Removal/Replacement	Assumes removal of two trees and replacement with like-kind species.	Varies	2015	10	2	2025	YES	8	1	Allowance	\$4,200.00	\$4,200
Tree Maintenance	Periodic trimming of existing trees.	Varies	2018	5	0	2023	YES	5	1	Allowance	\$3,500.00	\$3,500
<b>120 - Tract C</b>												
Walking Paths - Seal Coat	Assumes 1253 LF of path at 30 in. wide.	Fair	2016	10	3	2026	YES	7	3132	SF	\$0.65	\$2,036
Walking Paths - Overlay	Site work, surface preparation, and 2 in. overlay with seal coat.	Fair	1996	30	3	2026	YES	27	3132	SF	\$6.50	\$20,358
Irrigation - Repair Allowance	Budget to perform significant repairs to existing infrastructure.	Unknown	2019	15	11	2034	YES	4	1	Allowance	\$6,000.00	\$6,000
Irrigation Controllers	Replace as needed.	Unknown	2019	8	4	2027	YES	4	1	EA	\$350.00	\$350
Tree Removal/Replacement	Assumes removal of two trees and replacement with like-kind species.	Varies	2018	10	5	2028	YES	5	1	Allowance	\$3,500.00	\$3,500
Tree Maintenance	Periodic trimming of existing trees.	Varies	2018	5	0	2023	YES	5	1	Allowance	\$3,800.00	\$3,800
Light Poles	Budget to replace existing pole lighting with like-kind LED light fixtures. Cost assumes installation by licensed electrician.	Fair	1974	65	16	2039	YES	49	4	EA	\$860.00	\$3,440
<b>130 - Tract D</b>												
Irrigation - Repair Allowance	Budget to perform significant repairs to existing infrastructure.	Unknown	2019	15	11	2034	YES	4	1	Allowance	\$10,000.00	\$10,000
Irrigation Controllers	Replace as needed.	Unknown	2019	8	4	2027	YES	4	1	EA	\$350.00	\$350
Tree Removal/Replacement	Assumes removal of two trees and replacement with like-kind species.	Varies	2018	10	5	2028	YES	5	1	Allowance	\$4,200.00	\$4,200
Tree Maintenance	Periodic trimming of existing trees.	Varies	2018	5	0	2023	YES	5	1	Allowance	\$3,500.00	\$3,500



## Component Life & Cost Analysis

Commonly Owned Component	Component Description and Comments	Component Condition	Installation Date (Year)	Expected Useful Life (Years)	Remaining Useful Life (Years)	Estimated Replacement Date	Included in Reserve Schedule?	Effective Age	Component Quantity	Units	Unit Cost	Replacement Value in Current Year
<b>140 - Tract E</b>												
Walking Paths - Seal Coat	Assumes 1356 LF of path at 42 in. wide.	Fair	2018	10	5	2028	YES	5	4746	SF	\$0.65	\$3,085
Walking Paths - Overlay	Site work, surface preparation, and 2 in. overlay with seal coat.	Fair	1998	30	5	2028	YES	25	4746	SF	\$6.50	\$30,849
Irrigation - Repair Allowance	Budget to perform significant repairs to existing infrastructure.	Unknown	2019	15	11	2034	YES	4	1	Allowance	\$8,000.00	\$8,000
Irrigation Controllers	Replace as needed.	Unknown	2019	8	4	2027	YES	4	1	EA	\$350.00	\$350
Tree Removal/Replacement	Assumes removal of two trees and replacement with like-kind species.	Varies	2014	10	1	2024	YES	9	1	Allowance	\$3,800.00	\$3,800
Tree Maintenance	Periodic trimming of existing trees.	Varies	2018	5	0	2023	YES	5	1	Allowance	\$3,500.00	\$3,500
Light Poles	Budget to replace existing pole lighting with like-kind LED light fixtures. Cost assumes installation by licensed electrician.	Fair	1974	65	16	2039	YES	49	5	EA	\$860.00	\$4,300
<b>150 - Tract F</b>												
Walking Paths - Seal Coat	Assumes 1670 LF of path at 30 in. wide.	Fair	2019	10	6	2029	YES	4	4175	SF	\$0.65	\$2,714
Walking Paths - Overlay	Site work, surface preparation, and 2 in. overlay with seal coat.	Fair	1999	30	6	2029	YES	24	4175	SF	\$6.50	\$27,138
Irrigation - Repair Allowance	Budget to perform significant repairs to existing infrastructure.	Unknown	2019	15	11	2034	YES	4	1	Allowance	\$5,000.00	\$5,000
Irrigation Controllers	Replace as needed.	Unknown	2019	8	4	2027	YES	4	1	EA	\$350.00	\$350
Tree Removal/Replacement	Assumes removal of two trees and replacement with like-kind species.	Varies	2015	10	2	2025	YES	8	1	Allowance	\$4,200.00	\$4,200
Tree Maintenance	Periodic trimming of existing trees.	Varies	2018	5	0	2023	YES	5	1	Allowance	\$3,500.00	\$3,500
Light Poles	Budget to replace existing pole lighting with like-kind LED light fixtures. Cost assumes installation by licensed electrician.	Fair	1974	65	16	2039	YES	49	5	EA	\$860.00	\$4,300
<b>160 - Tract G</b>												
Irrigation - Repair Allowance	Budget to perform significant repairs to existing infrastructure.	Unknown	2019	15	11	2034	YES	4	1	Allowance	\$3,500.00	\$3,500
Irrigation Controllers	Replace as needed.	Unknown	2019	8	4	2027	YES	4	1	EA	\$350.00	\$350
Tree Removal/Replacement	Assumes removal of two trees and replacement with like-kind species.	Varies	2019	10	6	2029	YES	4	1	Allowance	\$3,500.00	\$3,500
Tree Maintenance	Periodic trimming of existing trees.	Varies	2018	5	0	2023	YES	5	1	Allowance	\$3,500.00	\$3,500
<b>330 - Exterior Improvements</b>												
Asphalt Paving Overlay	Overlay at Troutdale Rd.	Good	2021	30	28	2051	YES	2	9800	SF	\$2.25	\$22,050
Asphalt Sealants Sealer	Sealer at Troutdale Rd.	Good	2021	6	4	2027	YES	2	9800	SF	\$0.65	\$6,370
Fence Repairs	Ongoing perimeter fence repairs.	Varies	2021	5	3	2026	YES	2	1	Allowance	\$5,500.00	\$5,500
Root Removal	Root removal as needed.	Varies	2021	5	3	2026	YES	2	1	Allowance	\$3,000.00	\$3,000



# Reserve Study Schedule Years 1-5

Component Description	Replacement Value in Current Year	First Replacement Year	Remaining Useful Life	Future Replacement Interval	Percentage of Annual Allocation	Funds Allocated Annually	Total Spent Over 30 Years	1 2023	2 2024	3 2025	4 2026	5 2027
<b>100 - Tract A</b>							<b>\$144,258</b>					
Walking Paths - Seal Coat	\$2,221	2022	-1	10	1.50%	\$606.67	\$18,200					
Walking Paths - Overlay	\$22,211	2032	9	30	2.84%	\$1,148.53	\$34,456					
Irrigation - Repair Allowance	\$5,000	2034	11	15	2.17%	\$877.67	\$26,330					
Irrigation Controllers	\$350	2027	4	8	0.28%	\$111.82	\$3,355					\$425
Tree Removal/Replacement	\$3,500	2027	4	10	1.85%	\$749.06	\$22,472					\$4,254
Tree Maintenance	\$2,500	2023	0	5	2.47%	\$1,001.98	\$30,059	\$2,500				
Light Poles	\$4,300	2039	16	65	0.77%	\$312.88	\$9,386					
<b>110 - Tract B</b>							<b>\$88,328</b>					
Irrigation - Repair Allowance	\$3,500	2034	11	15	1.52%	\$614.37	\$18,431					
Irrigation Controllers	\$350	2027	4	8	0.28%	\$111.82	\$3,355					\$425
Tree Removal/Replacement	\$4,200	2025	2	10	2.01%	\$815.31	\$24,459			\$4,631		
Tree Maintenance	\$3,500	2023	0	5	3.46%	\$1,402.77	\$42,083	\$3,500				
<b>120 - Tract C</b>							<b>\$147,761</b>					
Walking Paths - Seal Coat	\$2,036	2026	3	10	1.02%	\$414.95	\$12,449				\$2,357	
Walking Paths - Overlay	\$20,358	2026	3	30	1.94%	\$785.56	\$23,567				\$23,567	
Irrigation - Repair Allowance	\$6,000	2034	11	15	2.60%	\$1,053.20	\$31,596					
Irrigation Controllers	\$350	2027	4	8	0.28%	\$111.82	\$3,355					\$425
Tree Removal/Replacement	\$3,500	2028	5	10	1.94%	\$786.52	\$23,595					
Tree Maintenance	\$3,800	2023	0	5	3.76%	\$1,523.01	\$45,690	\$3,800				
Light Poles	\$3,440	2039	16	65	0.62%	\$250.30	\$7,509					
<b>130 - Tract D</b>							<b>\$126,413</b>					
Irrigation - Repair Allowance	\$10,000	2034	11	15	4.33%	\$1,755.34	\$52,660					
Irrigation Controllers	\$350	2027	4	8	0.28%	\$111.82	\$3,355					\$425
Tree Removal/Replacement	\$4,200	2028	5	10	2.33%	\$943.82	\$28,315					
Tree Maintenance	\$3,500	2023	0	5	3.46%	\$1,402.77	\$42,083	\$3,500				
<b>140 - Tract E</b>							<b>\$178,197</b>					
Walking Paths - Seal Coat	\$3,085	2028	5	10	1.71%	\$693.24	\$20,797					
Walking Paths - Overlay	\$30,849	2028	5	30	3.24%	\$1,312.40	\$39,372					
Irrigation - Repair Allowance	\$8,000	2034	11	15	3.47%	\$1,404.27	\$42,128					
Irrigation Controllers	\$350	2027	4	8	0.28%	\$111.82	\$3,355					\$425
Tree Removal/Replacement	\$3,800	2024	1	10	1.73%	\$702.53	\$21,076		\$3,990			
Tree Maintenance	\$3,500	2023	0	5	3.46%	\$1,402.77	\$42,083	\$3,500				
Light Poles	\$4,300	2039	16	65	0.77%	\$312.88	\$9,386					



# Reserve Study Schedule Years 1-5

Component Description	Replacement Value in Current Year	First Replacement Year	Remaining Useful Life	Future Replacement Interval	Percentage of Annual Allocation	Funds Allocated Annually	Total Spent Over 30 Years	1 2023	2 2024	3 2025	4 2026	5 2027
<b>150 - Tract F</b>							<b>\$161,190</b>					
Walking Paths - Seal Coat	\$2,714	2029	6	10	1.58%	\$640.32	\$19,210					
Walking Paths - Overlay	\$27,138	2029	6	30	2.99%	\$1,212.23	\$36,367					
Irrigation - Repair Allowance	\$5,000	2034	11	15	2.17%	\$877.67	\$26,330					
Irrigation Controllers	\$350	2027	4	8	0.28%	\$111.82	\$3,355					\$425
Tree Removal/Replacement	\$4,200	2025	2	10	2.01%	\$815.31	\$24,459			\$4,631		
Tree Maintenance	\$3,500	2023	0	5	3.46%	\$1,402.77	\$42,083	\$3,500				
Light Poles	\$4,300	2039	16	65	0.77%	\$312.88	\$9,386					
<b>160 - Tract G</b>							<b>\$88,644</b>					
Irrigation - Repair Allowance	\$3,500	2034	11	15	1.52%	\$614.37	\$18,431					
Irrigation Controllers	\$350	2027	4	8	0.28%	\$111.82	\$3,355					\$425
Tree Removal/Replacement	\$3,500	2029	6	10	2.04%	\$825.84	\$24,775					
Tree Maintenance	\$3,500	2023	0	5	3.46%	\$1,402.77	\$42,083	\$3,500				
<b>330 - Exterior Improvements</b>							<b>\$280,379</b>					
Asphalt Paving Overlay	\$22,050	2051	28	30	7.11%	\$2,881.29	\$86,439					
Asphalt Sealants Sealer	\$6,370	2027	4	6	6.22%	\$2,520.96	\$75,629					\$7,743
Fence Repairs	\$5,500	2026	3	5	6.30%	\$2,551.82	\$76,555				\$6,367	
Root Removal	\$3,000	2026	3	5	3.44%	\$1,391.90	\$41,757				\$3,473	

Economic Variables												
Total Estimated Expenditures	\$1,215,171							\$23,800	\$3,990	\$9,261	\$35,763	\$14,975
Recommended Reserve Contributions	\$19,487							\$19,487	\$21,435	\$23,579	\$25,937	\$28,531
Interest Rate Earned on Reserve Accou	1.75%							1.75%	1.75%	1.75%	1.75%	1.75%
Special Assessment	\$0							\$0	\$0	\$0	\$0	\$0
Starting Balance	\$40,268	YE Balance:						\$36,584	\$54,975	\$70,505	\$61,741	\$76,614



# Reserve Study Schedule Years 6-15

Component Description	Replacement Value in Current Year	First Replacement Year	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037
<b>100 - Tract A</b>												
Walking Paths - Seal Coat	\$2,221	2022					\$3,446					
Walking Paths - Overlay	\$22,211	2032					\$34,456					
Irrigation - Repair Allowance	\$5,000	2034							\$8,552			
Irrigation Controllers	\$350	2027								\$629		
Tree Removal/Replacement	\$3,500	2027										\$6,930
Tree Maintenance	\$2,500	2023	\$3,191					\$4,072				
Light Poles	\$4,300	2039										
<b>110 - Tract B</b>												
Irrigation - Repair Allowance	\$3,500	2034							\$5,986			
Irrigation Controllers	\$350	2027								\$629		
Tree Removal/Replacement	\$4,200	2025									\$7,543	
Tree Maintenance	\$3,500	2023	\$4,467					\$5,701				
<b>120 - Tract C</b>												
Walking Paths - Seal Coat	\$2,036	2026										\$3,839
Walking Paths - Overlay	\$20,358	2026										
Irrigation - Repair Allowance	\$6,000	2034							\$10,262			
Irrigation Controllers	\$350	2027								\$629		
Tree Removal/Replacement	\$3,500	2028	\$4,467									
Tree Maintenance	\$3,800	2023	\$4,850					\$6,190				
Light Poles	\$3,440	2039										
<b>130 - Tract D</b>												
Irrigation - Repair Allowance	\$10,000	2034							\$17,103			
Irrigation Controllers	\$350	2027								\$629		
Tree Removal/Replacement	\$4,200	2028	\$5,360									
Tree Maintenance	\$3,500	2023	\$4,467					\$5,701				
<b>140 - Tract E</b>												
Walking Paths - Seal Coat	\$3,085	2028	\$3,937									
Walking Paths - Overlay	\$30,849	2028	\$39,372									
Irrigation - Repair Allowance	\$8,000	2034							\$13,683			
Irrigation Controllers	\$350	2027								\$629		
Tree Removal/Replacement	\$3,800	2024							\$6,499			
Tree Maintenance	\$3,500	2023	\$4,467					\$5,701				
Light Poles	\$4,300	2039										



# Reserve Study Schedule Years 6-15

Component Description	Replacement Value in Current Year	First Replacement Year	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037
<b>150 - Tract F</b>												
Walking Paths - Seal Coat	\$2,714	2029		\$3,637								
Walking Paths - Overlay	\$27,138	2029		\$36,367								
Irrigation - Repair Allowance	\$5,000	2034							\$8,552			
Irrigation Controllers	\$350	2027									\$629	
Tree Removal/Replacement	\$4,200	2025									\$7,543	
Tree Maintenance	\$3,500	2023	\$4,467					\$5,701				
Light Poles	\$4,300	2039										
<b>160 - Tract G</b>												
Irrigation - Repair Allowance	\$3,500	2034							\$5,986			
Irrigation Controllers	\$350	2027									\$629	
Tree Removal/Replacement	\$3,500	2029		\$4,690								
Tree Maintenance	\$3,500	2023	\$4,467					\$5,701				
<b>330 - Exterior Improvements</b>												
Asphalt Paving Overlay	\$22,050	2051										
Asphalt Sealants Sealer	\$6,370	2027						\$10,376				
Fence Repairs	\$5,500	2026				\$8,126					\$10,371	
Root Removal	\$3,000	2026				\$4,432					\$5,657	

Economic Variables												
Total Estimated Expenditures	\$1,215,171		\$83,512	\$44,694	\$0	\$12,558	\$37,901	\$49,144	\$76,623	\$19,485	\$19,867	\$6,930
Recommended Reserve Contributions	\$19,487		\$31,384	\$32,325	\$33,295	\$34,294	\$35,323	\$36,382	\$37,474	\$38,598	\$39,756	\$40,948
Interest Rate Earned on Reserve Accou	1.75%		1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Special Assessment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Starting Balance	\$40,268	YE Balance:	\$24,914	\$12,765	\$46,866	\$69,801	\$68,399	\$56,611	\$17,767	\$37,525	\$58,419	\$94,055



# Reserve Study Schedule Years 16-25

Component Description	Replacement Value in Current Year	First Replacement Year	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047
<b>100 - Tract A</b>												
Walking Paths - Seal Coat	\$2,221	2022					\$5,612					
Walking Paths - Overlay	\$22,211	2032										
Irrigation - Repair Allowance	\$5,000	2034										
Irrigation Controllers	\$350	2027						\$929				
Tree Removal/Replacement	\$3,500	2027										\$11,288
Tree Maintenance	\$2,500	2023	\$5,197					\$6,633				
Light Poles	\$4,300	2039		\$9,386								
<b>110 - Tract B</b>												
Irrigation - Repair Allowance	\$3,500	2034										
Irrigation Controllers	\$350	2027						\$929				
Tree Removal/Replacement	\$4,200	2025								\$12,286		
Tree Maintenance	\$3,500	2023	\$7,276					\$9,287				
<b>120 - Tract C</b>												
Walking Paths - Seal Coat	\$2,036	2026									\$6,253	
Walking Paths - Overlay	\$20,358	2026										
Irrigation - Repair Allowance	\$6,000	2034										
Irrigation Controllers	\$350	2027						\$929				
Tree Removal/Replacement	\$3,500	2028	\$7,276									
Tree Maintenance	\$3,800	2023	\$7,900					\$10,083				
Light Poles	\$3,440	2039		\$7,509								
<b>130 - Tract D</b>												
Irrigation - Repair Allowance	\$10,000	2034										
Irrigation Controllers	\$350	2027						\$929				
Tree Removal/Replacement	\$4,200	2028	\$8,731									
Tree Maintenance	\$3,500	2023	\$7,276					\$9,287				
<b>140 - Tract E</b>												
Walking Paths - Seal Coat	\$3,085	2028	\$6,413									
Walking Paths - Overlay	\$30,849	2028										
Irrigation - Repair Allowance	\$8,000	2034										
Irrigation Controllers	\$350	2027						\$929				
Tree Removal/Replacement	\$3,800	2024							\$10,587			
Tree Maintenance	\$3,500	2023	\$7,276					\$9,287				
Light Poles	\$4,300	2039		\$9,386								



# Reserve Study Schedule Years 16-25

Component Description	Replacement Value in Current Year	First Replacement Year	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047
<b>150 - Tract F</b>												
Walking Paths - Seal Coat	\$2,714	2029		\$5,924								
Walking Paths - Overlay	\$27,138	2029										
Irrigation - Repair Allowance	\$5,000	2034										
Irrigation Controllers	\$350	2027						\$929				
Tree Removal/Replacement	\$4,200	2025								\$12,286		
Tree Maintenance	\$3,500	2023	\$7,276					\$9,287				
Light Poles	\$4,300	2039		\$9,386								
<b>160 - Tract G</b>												
Irrigation - Repair Allowance	\$3,500	2034										
Irrigation Controllers	\$350	2027						\$929				
Tree Removal/Replacement	\$3,500	2029		\$7,640								
Tree Maintenance	\$3,500	2023	\$7,276					\$9,287				
<b>330 - Exterior Improvements</b>												
Asphalt Paving Overlay	\$22,050	2051										
Asphalt Sealants Sealer	\$6,370	2027		\$13,905						\$18,634		
Fence Repairs	\$5,500	2026				\$13,236					\$16,893	
Root Removal	\$3,000	2026				\$7,220					\$9,215	
<b>Economic Variables</b>												
Total Estimated Expenditures	\$1,215,171		\$71,900	\$63,137	\$0	\$20,456	\$5,612	\$69,649	\$10,587	\$43,206	\$32,361	\$11,288
Recommended Reserve Contributions	\$19,487		\$42,177	\$43,442	\$44,745	\$46,088	\$47,470	\$48,895	\$50,361	\$51,872	\$53,428	\$55,031
Interest Rate Earned on Reserve Accou	1.75%		1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Special Assessment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Starting Balance	\$40,268	YE Balance:	\$65,459	\$46,565	\$92,908	\$120,614	\$165,316	\$147,091	\$190,136	\$202,281	\$227,257	\$275,743





## Reserve Study Schedule Years 26-30

Component Description	Replacement Value in Current Year	First Replacement Year	26 2048	27 2049	28 2050	29 2051	30 2052
<b>100 - Tract A</b>							
Walking Paths - Seal Coat	\$2,221	2022					\$9,142
Walking Paths - Overlay	\$22,211	2032					
Irrigation - Repair Allowance	\$5,000	2034		\$17,778			
Irrigation Controllers	\$350	2027				\$1,372	
Tree Removal/Replacement	\$3,500	2027					
Tree Maintenance	\$2,500	2023	\$8,466				
Light Poles	\$4,300	2039					
<b>110 - Tract B</b>							
Irrigation - Repair Allowance	\$3,500	2034		\$12,445			
Irrigation Controllers	\$350	2027				\$1,372	
Tree Removal/Replacement	\$4,200	2025					
Tree Maintenance	\$3,500	2023	\$11,852				
<b>120 - Tract C</b>							
Walking Paths - Seal Coat	\$2,036	2026					
Walking Paths - Overlay	\$20,358	2026					
Irrigation - Repair Allowance	\$6,000	2034		\$21,334			
Irrigation Controllers	\$350	2027				\$1,372	
Tree Removal/Replacement	\$3,500	2028	\$11,852				
Tree Maintenance	\$3,800	2023	\$12,868				
Light Poles	\$3,440	2039					
<b>130 - Tract D</b>							
Irrigation - Repair Allowance	\$10,000	2034		\$35,557			
Irrigation Controllers	\$350	2027				\$1,372	
Tree Removal/Replacement	\$4,200	2028	\$14,223				
Tree Maintenance	\$3,500	2023	\$11,852				
<b>140 - Tract E</b>							
Walking Paths - Seal Coat	\$3,085	2028	\$10,447				
Walking Paths - Overlay	\$30,849	2028					
Irrigation - Repair Allowance	\$8,000	2034		\$28,445			
Irrigation Controllers	\$350	2027				\$1,372	
Tree Removal/Replacement	\$3,800	2024					
Tree Maintenance	\$3,500	2023	\$11,852				
Light Poles	\$4,300	2039					

## Reserve Study Schedule Years 26-30

Component Description	Replacement Value in Current Year	First Replacement Year	26 2048	27 2049	28 2050	29 2051	30 2052
<b>150 - Tract F</b>							
Walking Paths - Seal Coat	\$2,714	2029		\$9,649			
Walking Paths - Overlay	\$27,138	2029					
Irrigation - Repair Allowance	\$5,000	2034		\$17,778			
Irrigation Controllers	\$350	2027				\$1,372	
Tree Removal/Replacement	\$4,200	2025					
Tree Maintenance	\$3,500	2023	\$11,852				
Light Poles	\$4,300	2039					
<b>160 - Tract G</b>							
Irrigation - Repair Allowance	\$3,500	2034		\$12,445			
Irrigation Controllers	\$350	2027				\$1,372	
Tree Removal/Replacement	\$3,500	2029		\$12,445			
Tree Maintenance	\$3,500	2023	\$11,852				
<b>330 - Exterior Improvements</b>							
Asphalt Paving Overlay	\$22,050	2051				\$86,439	
Asphalt Sealants Sealer	\$6,370	2027				\$24,971	
Fence Repairs	\$5,500	2026				\$21,561	
Root Removal	\$3,000	2026				\$11,760	

Economic Variables							
Total Estimated Expenditures	\$1,215,171		\$117,117	\$167,877	\$0	\$154,335	\$9,142
Recommended Reserve Contributions	\$19,487		\$56,682	\$58,383	\$60,134	\$61,938	\$63,796
Interest Rate Earned on Reserve Accou	1.75%		1.75%	1.75%	1.75%	1.75%	1.75%
Special Assessment	\$0		\$0	\$0	\$0	\$0	\$0
Starting Balance	\$40,268	YE Balance:	\$219,077	\$111,500	\$174,638	\$83,680	\$140,755



## Reserve Study Types

Level I	Level II	Level III
Full Evaluation (Initial Study)	Visual Evaluation (Every Fifth Year)	Office Update (4 years Between I & II)
Component Catalog & Inventory	Component Inventory Verification	Update Life and Replacement Cost Analysis
Condition Assessment of Common Components	Condition Assessment of Common Components	Update RUL based on work performed
Life and Replacement Cost Analysis	Update Life and Replacement Cost Analysis	Update Funding Analysis & Recommendations
Review Historical Maintenance Records	Update RUL based on work performed	
Funding Analysis & Recommendations	Update Funding Analysis & Recommendations	

## Economic Variables

Economic variables such as inflation of goods and services are factored into the estimated future replacement costs of common components, using historical data provided by [www.Inflationdata.com](http://www.Inflationdata.com). Inflation is compounded over the 30-year period to give an accurate portrait of what costs may look like over the 30 years. Using historical data allows us to forecast a fairly accurate 30-year cost analysis. Actual prices should be adjusted annually, using the current RS-Means Facilities Construction Cost Data guide, in order to provide the most up to date cost analysis. Updating your Reserve Study annually is important and will help to prevent large fluctuation in Recommended Annual Contributions.

Projected Annual Inflation (%)

Based on inflation history 2011 - 2021 by [www.Inflationdata.com](http://www.Inflationdata.com)

5.00% is applied annually to all future expenditures to keep up with inflation. This factor may be adjusted annually.

## Elements Contained Within This Reserve Study

This Reserve Study shall include the following elements:

Preparation of Major Common Elements Components Inventory

Assess Component Condition based upon an on-site visual observation

Assess the Use Life, Remaining Use Life and Valuation Estimates of Repair or Replacement

Test the Current fund Status and other Funding Methods

Develop and recommend a practical Funding Plan

## Elements Excluded From This Reserve Study

The following Components types are typically excluded from this report as their use-life cannot be determined due to lack of accessibility without “destructive testing” and analysis from a specialist. If any of these items are of concern to the association, or would like to have them included, please notify us so that we assist in coordination of the appropriate specialist.

In wall or underground plumbing, fittings and valves

In wall or underground electrical wiring

Utility Lines, junction boxes, and meters

Mechanical systems and equipment that are inaccessible

Environmental hazards, (radon, asbestos, etc.)

## Reserve Study Disclosures

The documents included within the reserve study are intended to be used as guidelines and estimates. Predicting exactly when a common component or system will fail is impractical; however, an estimation of useful life based on similar product history and professional experience is used to estimate the time of replacement and associated costs. All costs included within this reserve study should be used as budgeting figures. For exact pricing, a qualified, licensed contractor should be contacted to provide a bid for any anticipated replacements.

Per ORS175.100, the replacement schedule lists all components and systems which are anticipated to wear out or fail within 30 years. Items which are anticipated to be replaced or repaired in the current year are typically not included if the study was produced prior to the fiscal year the study represents. Information pertaining to the component and costs should have been provided to the Reserve Study Provider. Due to this factor, the starting balance is often an estimate of the year end balance.

On the reserve schedule, review which items are anticipated to require renewal in the near future and monitor closely. It may be better to replace items prior to failure to eliminate the opportunity for surrounding components or associated systems to be affected. Be aware of items scheduled within 5 years of the current year. If the component represents a major expense, it is appropriate to obtain Order of Magnitude Pricing from a contractor. A representative from Certa Building Solutions can typically assist with this. The replacement of components are scheduled based on historical data and the replacement is scheduled as an estimate. Items commonly fail sooner or later than the estimated date. If items fail prematurely, a warranty may still be valid. Be sure to check with the manufacturer about warranty coverage prior to replacing the item.

This reserve study is not a guarantee or warranty for any components or systems. The product manufacturer or installation contractor generally provides a warranty. The manufacturer and/or installation contractor may not be identified for some components or systems and therefore may be difficult to obtain warranty information. Anytime warranty info is provided by a service provider or upon the purchase of a new component or system, that information should be kept on file. The anticipated funds per unit assume all units are participating. If vacant units exist or otherwise do not contribute to the reserve fund, adjustments may need to be made to compensate for that loss of revenue.

Interest rate on savings is assumed in this report. If the association has multiple accounts with varying rates a conservative estimate for interest earned has been made. If the association believes that the stated rate is inaccurate, they can request an adjustment to the interest rate in writing, providing the new interest rate, so necessary revisions can be made.

This reserve study represents a reflection of the financial and maintenance projections for this community as of the date of issue. Over time, deposits, interest rates, inflation, and replacement costs will vary, making this reserve study inaccurate. It is required to update this reserve study every year per the state of Oregon Code 100.175 to ensure accuracy and adequate funding.

Taxes owed to the IRS have not been factored into this study, as we are unable to know the exact net taxable income prior to any given year.

This reserve study is not to take the place of a property condition assessment and has been developed based on a limited visual review of the site. We recommend a property condition assessment be performed every 5 years and the subsequent findings and recommendations incorporated into the reserve study. Unless otherwise stated in this report, this reserve study was prepared without reviewing or responding to an existing property condition assessment report.

## Reserve Study Definitions and Terms

**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:** The 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) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

**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 representative(s) of the association or cooperative.

**COMPONENT METHOD:** A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "Cash Flow Method."

**CONDITION ASSESSMENT:** The task of evaluating the current condition of the component based on observed or reported characteristics.

**CURRENT REPLACEMENT COST:** See "Replacement Cost."

**DEFICIT:** An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

**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 a 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 a Reserve Study.

**FULLY FUNDED:** 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

**FULLY FUNDED BALANCE (FFB):** Total Accrued Depreciation. 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, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects.

Note: Both yield identical results when interest and inflation are equivalent.

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

$FFB = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate}) ^ \text{Remaining Life}] - [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate}) ^ \text{Remaining Life}]$

**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:

**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 cash balance above zero.

**Full Funding:** Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

**Statutory Funding:** Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.

**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 "Fully Funding."

**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 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 Fully Funded 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 "zero" 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 that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based upon information provided and not audited.

**RESERVE PROVIDER:** An individual that prepares Reserve Studies.

**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.

## Reserve Study Limitations

This reserve study is intended for the sole use of the client indicated above and must not be distributed to, or used by, others without our knowledge. It is based on the documents and information provided to us and the findings at the time of our on-site review.

It is a basic assumption that any correspondence, material, data, evaluations and reports furnished by others are free of latent deficiencies or inaccuracies except for apparent variances discovered during the completion of this report.

Unless specifically noted in this report, no testing, verification of operation of systems, review of concealed elements, intrusive openings, opening of system components for internal inspection, detailed analysis or design calculations were conducted, nor were they within the scope of this review.

Some of the findings herein are based on a random sampling visual review of the surface conditions, discussions with the Board of Directors and/or their designated representatives, and review of relevant documents. Observations were made only of those areas that were readily accessible during our review. Deficiencies existing but not recorded in this report were not apparent given the level of study undertaken. Components not included have not been reviewed, and if their conditions need to be known, further study will be required. Unless otherwise indicated, components are assumed to be suitable for their intended use and are being used under normal service conditions. Finally, we have not undertaken a physical review of concealed structural systems.

It is possible that unexpected conditions may be encountered at buildings that have not been explored within the scope of this reserve study. Should such an event occur, CBS should be notified in order that we may determine if modifications to our conclusions are necessary.

In issuing this reserve study, CBS does not assume any of the duties or liabilities of the designers, builders or owners of the subject property. Owners, prospective purchasers, tenants or others who use or rely on the contents of this reserve study do so with the understanding as to the limitations of the documents reviewed and the general visual review undertaken, and understand that CBS cannot be held liable for damages they may suffer in respect to the purchase, ownership, or use of the subject property.

Professional judgment was exercised in gathering and analyzing the information obtained and in the formulation of the conclusions. Like all professional persons rendering advice, we do not act as insurers of the conclusions we reach, but we commit ourselves to care and competence in reaching those conclusions. No warranties, either expressed or implied, are made.