

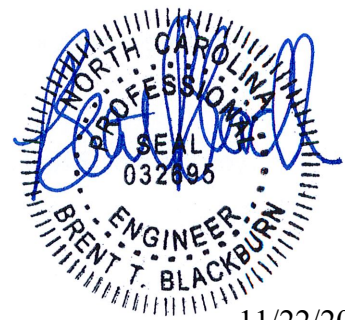
**PREPARED FOR:**

**GROVE AT FALLON PARK  
HOMEOWNERS  
ASSOCIATION  
RALEIGH, NC**

**MANAGED BY:  
OMEGA ASSOCIATION MANAGEMENT**

**NOVEMBER 22, 2019**

**FULL RESERVE  
STUDY UPDATE**



11/22/2019

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# INTRODUCTIONS

Grove at Fallon Park Homeowners Association authorized Giles Flythe Engineers to perform a Full Reserve Study Update for the Grove at Fallon Park community located in Raleigh, NC. The purpose of the reserve study is to assist the association in planning for future capital repair expenses. A reserve study is an important tool for an association to adequately fund capital reserve accounts through regular annual reserve contributions. Adequately funded capital reserve accounts reduce the need to defer capital repairs, collect special assessments or borrow funds for capital repair projects.

A community association typically has certain responsibilities as described in the association governing documents. These responsibilities often include maintaining common areas and other components. An association, as a non-profit organization, will typically have two general asset cash accounts including an operating account and a reserve account. The operating account is funded from regular budgeted assessments and is used to fund routine operating expenses that occur on a predictable cycle, typically monthly or up to annually. The reserve account is funded from regular contributions and is primarily used to fund non-annual capital repair expenses.

The focus of the reserve study is on the reserve account. We have projected capital repair expenses over a term of twenty years. The capital repair expenses are limited to those components for which the association is responsible for maintaining. Capital repair expense estimates include an expected useful life and remaining useful life of the components to develop a projected schedule of capital repairs over the term. After developing a schedule of capital repairs over the term, we completed a cash flow analysis forecasting reserve account balances over the term and provided funding recommendations as needed. Capital repair expense estimates and funding estimates are most reliable in the first portion of the term. Updating a reserve study every three to five years will mitigate the impacts of variation in repair costs, component wear, inflation and reserve funding over time.

Capital reserve funding recommendations are provided to address funding principles including providing sufficient funds required, a stable reserve contribution rate over the term, an equitable contribution rate over the term and fiscally responsible. The reserve study is intended to assist the association in developing budgeted reserve contributions.

The report includes a narrative section which describes the scope of the reserve study, a discussion of observations and capital repair allocations, a general description of capital repairs and a description of our cash flow analysis and funding recommendations. The report appendices include the capital reserve analysis with tables detailing an itemized list of capital repair expenses, an itemized list of expenses by year and our cash flow analysis. A photo log is provided and includes a representative sample of our observations. The report includes multiple sections with information presented in various forms and should, therefore, be read in its entirety.

# EXECUTIVE SUMMARY

Grove at Fallon Park is currently comprised of 83 individually owned townhomes within 17 buildings. According to Wake County Real Estate records, construction of the buildings occurred primarily between 2014 and 2015. The Home Owners Association has responsibility for the exterior maintenance of the buildings in addition to various site improvements. The most significant site improvements include the private asphalt streets within the community, common area drainage systems, retaining walls and concrete walkways and driveways.

The common areas, site improvements and buildings are generally in good condition. Based on our evaluation, however, the current level of funding is not projected to maintain a positive balance through the term of this study. We have provided recommendations for annual reserve contribution schedules that increase the threshold balance of the reserve account and that provide sufficient funding to meet capital expenditure requirements in the next twenty years, in summary as follows:

- **Alternative 1:** Beginning in 2020, increase the annual reserve contribution to \$40,000. Then, increase the contribution by 10% every year for the following 18 years. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2:** Beginning in 2021, increase the annual reserve contribution by \$15,000 every other year for the following 12 years. This alternative is projected to maintain a positive balance through the term of this study.

**\*Note that the alternatives listed above result in a reserve fund balance less than the recommended threshold balance during the term, per direction from the board.**

A more detailed analysis of the reserve fund has been provided in Appendix A.

Some significant expenditures are expected over the term of the study. Some of the more notable examples are listed below:

- Resurface asphalt streets
- Replace building roofs and gutters
- Repaint building exterior siding and trim

Additional, less significant, capital expenditures are anticipated over the term of this study. Those items that will require repair or replacement are discussed later in this report.

# PURPOSE & SCOPE

We have completed this study to estimate capital repair expenses the association is responsible for over the term of the study and provide a cash flow analysis and capital reserve funding plan. This study is intended to assist the association in determining the allocation requirements into the reserve fund which are projected to meet future anticipated capital expenditures for the community.

This report estimates capital repair expenses for the community twenty years into the future. Variations in capital repair expense forecasts due to the quality of maintenance, weather and other events may occur. Over time, age, premature deterioration, or other factors may necessitate the addition of assets into the reserve study. Additionally, fluctuations in material and labor costs beyond assumed inflation rates may also affect the accuracy of the forecasts. Therefore, a reserve study should be routinely updated, typically on a three to five-year cycle to provide the most accurate assessment of needs and financial obligations of the community.

This study has been performed according to the scope as generally defined by Grove at Fallon Park Homeowners Association, Giles Flythe Engineers and the standards of the Community Associations Institute. The findings and recommendations are based on interviews with the community's management personnel; a review of available documents; and a limited visual inspection of the components maintained by the association.

The Cash Flow Method of calculating reserves has been utilized, whereby contributions to the reserve fund are designed to offset the variable annual expenditures. Funding alternates are recommended which are designed to achieve at minimum a Baseline Funding goal by maintaining a positive balance for the term of the study. We have also included a threshold funding goal which provides a minimum reserve account over the term. The minimum balance is typically calculated by determining the total over term forecasted expenses and dividing by the length of the term in years. This minimum threshold balance will help offset the risk of fluctuations in labor and material costs and component wear.

To determine which components should be included in this analysis, we used the following guidelines:

- The component must be maintained by the association.
- The component must have an estimated remaining useful life within the term of this study.
- The funding for the repair should be from the reserve account, not through an annual operating budget or other maintenance contracts.
- The cost of the capital repair must be significant enough to not be reasonably funded from an annual operating budget.

## What is a reserve study?

A reserve study is a long-term capital budget planning tool which compares the current reserve fund of an organization to future capital repairs and replacements.

A reserve study is a tool to help identify and prepare for major repair and replacement projects for a community.

It is recommended that a reserve study be performed every five years to ensure that communities are saving the necessary funds for capital repairs and improvements.

Our process for completing the reserve study includes:

1. Reviewing information provided including governing documents, association financial statements, and information on previous or planned capital repairs.
2. Reviewing available information on the property as needed. This may include plat maps, tax records, historical aerial photographs, available site, and building plans.
3. Conducting a visual inspection of the property. This may include interviewing association representatives during the inspection.
4. Developing an inventory of components to be included in the reserve study.
5. Predicting their remaining service life and, approximating how frequently they will require repair or replacement.
6. Estimating repair or replacement costs (in 2019 dollars) for each capital item.
7. Develop a cash flow analysis adjusting for inflation and return on invested monies to determine the adequacy of current reserve funding plans.
8. Develop funding recommendations with specific reserve contribution recommendations for each year of the term.

The statements in this report are opinions about the present condition of the areas inspected within the community. Our inspection is limited to a visual ground level inspection and we did not remove any surface materials, perform any testing, or move any furnishings. This study is not an exhaustive technical evaluation or building code compliance review. For additional limitations, see Conclusion and Limitations.

## **Standards of Reference**

The following definitions are provided as a standard of reference:

*Excellent:* Component or system is in “as new” condition, requiring no rehabilitation and should perform in accordance with expected performance.

*Good:* Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.

*Fair:* Component or system falls into one or more of the following categories: a) Evidence of previous repairs not in compliance with commonly accepted practice, b) Workmanship not in compliance with commonly accepted standards, c) Component or system is obsolete, d) Component or system approaching the end of expected performance. Repair or replacement is required to prevent further deterioration or to prolong expected life.

*Poor:* Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. The resent condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.

*Adequate:* A component or system is of a capacity that is defined as enough for what is required, sufficient, suitable, and/or conforms to standard construction practices.

# SOURCES OF INFORMATION

## Date of Inspection

Onsite inspection of the property occurred on May 22, 2019.

## Interviews

We interviewed the following people in connection with this study:

- Ms. Laura Summe, Omega Association Management, Community Manager

## Documents

The following documents were made available to us and reviewed:

- Wake County tax records
- Grove at Fallon Park Association Governing Documents
- Association financial statements

## Cost Estimates

- Our internal data files on similar projects
- Local contractor estimates for similar projects
- R.S. Means Construction Cost Estimating Data

## DESCRIPTION

Grove at Fallon Park is currently comprised of 83 individually owned townhomes within 17 buildings. According to Wake County Real Estate records, construction of the buildings occurred primarily between 2014 and 2015. The Home Owners Association has responsibility for the exterior maintenance of the buildings in addition to various site improvements. The most significant site improvements include the private asphalt streets within the community, common area drainage systems, retaining walls and concrete walkways and driveways.

The community streets are asphalt-paved and are confined by concrete curb and gutter. Common area concrete sidewalks extend along the streets and also provide access to the front doors of the townhome buildings. The two community entrances are marked by brick masonry monuments and are finished with landscape lighting and irrigation systems. The townhome buildings are roofed with asphaltic fiberglass shingles, and the exterior cladding is comprised of painted fiber cement lap siding and accent sections of brick veneer or adhered stone.

# OBSERVATIONS

The following key observations were made about the current condition of the more significant and costly common elements of the property.

## Site Improvements

The streets and alleyways within the community are asphalt paved and are privately maintained by the Association. Overall, they appeared to be in relatively good condition. We did not observe excessive cracking in the street paving; however, we did observe limited areas of longitudinal cracking and slippage crack development in the alleyways. We have allocated funds to perform full-depth repairs on these cracked areas of pavement beginning in 2022. To help maintain a reasonable life of the paving, we have also included funds for filling minor cracks as they develop and the application of a seal coat on a 7-year schedule, beginning in 2025. The minor areas of restriping on the streets are also included in this allocation. Asphalt paving has a normal useful life of approximately 20 years in a residential setting, after which time we recommend resurfacing the pavement. Resurfacing would include milling the old pavement, repairs to inadequate areas of subgrade and the installation of an approximately 2” thick layer of new asphalt. We anticipate this work will be performed on a 20-year schedule, beginning in 2037.

The paved areas of the community are confined by concrete curb and gutter, which generally appear to be in good condition. We have allocated funds for periodic replacement of curb as required and have assumed that 5% of the length will require improvement every 8 years beginning in 2026.

Flatwork in the community consists of a concrete sidewalk along one side of each of the community streets and walkways and driveways at the individual townhome units. The flatwork generally appears to be in good condition. We have allocated funds for periodic replacement of flatwork in anticipation of future cracks, heaving and/or settling that are common in concrete construction. We have assumed that 5% of the total area will require improvement every 8 years beginning in 2026.

Stormwater on the site drains via surface flow or swales toward catch basins in the curbs and landscaped areas. We have allocated funds to repair/improve the drainage systems on a 5-year cycle beginning in 2023. Repairs will likely include retrenching of swales to improve flow, extending gutter downspouts away from building foundations, maintenance of underground systems, installation and repair of rip rap or turf reinforcement on steep slopes, installing French drains or other types of subsurface drainage systems. These types of repairs can be moderate (re-trenching swales, flushing pipes), to very expensive (new underground pipe systems). We have included a moderate budget to help cover these costs.

There is a shelter for the mail kiosks at the south side of the community. The kiosks are open to air on all sides but are covered with a roof. We anticipate these units will require replacement on an approximate 20-year schedule and have included funds to do so in 2037.

Concrete segmental block retaining walls are located along Noble Road at the northwest corner of the community and between the backyards of the townhome buildings along Fallon Grove Way. The walls were of varying height and length and appeared to be in relatively good condition, and we did not observe significant rotation or indications of excessive horizontal movement in the walls. Maintenance and repair of the walls are the responsibility of the Association. We do not anticipate significant repair work will be required in the next 20 years, provided the associated drainage systems are well maintained.

Anodized aluminum fencing has been installed along the tops of the retaining walls and at the front yards of the townhome buildings along Noble Road. In addition, steel handrails are provided at the site stairs providing access from the property to the right-of-way along Noble Road. The fencing is in relatively good condition. The handrails are adequate; however, we observed corrosion development on the handrails. We have allocated funds for repairing and repainting the fencing and rails on a 15-year schedule beginning in 2032. We assumed minor repairs to the handrails in the interim will be funded from a general operating budget.

The two entrances into the community along Noble Road are marked with masonry monument signs. The monument is constructed of concrete masonry units with brick veneer, and the sign indicates the community name and logo with raised lettering on a composite inlay. We have allocated funds for miscellaneous repairs to the entrance sign along with the associated landscape lighting systems on a 10-year schedule beginning in 2027.

The street and traffic control signs within the community are maintained by the Association. They appeared to be in relatively good condition. We have included funds to replace the signs on a 20-year cycle beginning in 2037.

The underground water and sewer mains within the community are the responsibility of the Association. While repairs to the utilities are not frequently required, they can be expensive when they do occur. We assume the potential unforeseen costs associated with pavement removal, excavation and repairs will be covered by an assessment if necessary.

## **Common Building Exteriors**

The Association is responsible for exterior maintenance of the townhome units, including roofing, siding and trim, gutters and downspouts. The windows and doors are the responsibility of the homeowner.

The predominant pitched roof surfaces over the buildings are covered in asphaltic fiberglass, architectural shingles. The roofing appeared to be in good condition with no known active roof leaks or problems. Typically, this type of roofing surface will last approximately twenty to twenty-five years. We strongly recommend that any re-roofing project closely follow procedures outlined by the National Roofing Contractors Association's Roofing and Waterproofing Manual. A re-roofing sequence should include removal of the existing roofing material, replacement of any inadequate roof sheathing, replacement of any damaged flashing and replacement of drip edge components. We have included funds for reroofing on a 20-year schedule and in three phases to accommodate the different construction sequences of the community

beginning in 2034 (See attached aerial view for construction dates/phasing plan). Note there are portions of the buildings that are covered with standing seam metal roofing; however, we do not anticipate any significant repairs will be required for these areas during the term of this study. It is likely that minor roofing repairs will be required in the interim. Repairs would likely include replacing exhaust vent boots and flashing repairs. We have assumed that these minor repairs would be funded from a general operating budget.

Gutters and downspouts are generally in good condition and should not require replacement until the following roof replacement, as this component typically provides years of relatively trouble-free service that extends beyond the term of this study.

The buildings in the community are clad primarily in fiber cement siding with accent sections of adhered stone and brick veneer. We have included funds for repainting the buildings on a 7-year schedule beginning in 2020. Similar to the roofing project, we have assumed the work will be performed in three phases. We do not anticipate significant expenses will be required for the repair and maintenance of the masonry veneer; however, a modest budget has been included for repainting the metal handrails at some of the units with steps at the front entrance.

## **Mechanical**

Landscape irrigation and lighting systems are in place for the turf areas and planting beds in the common areas, particularly at the main community entrance signs and around the pavilion. The mail kiosk building is also finished with solar powered lighting. We have allocated funds for repairs and replacement of the lighting system components on an approximate 10-year schedule beginning in 2027. Based upon discussions with the board, the landscape irrigation system is scheduled to be decommissioned or funded from the general operating budget.

## **Amenities**

An open-air, pavilion is located at the south side of the community. The pavilion is covered with a metal roof supported by stained wood columns and stone masonry pilasters. It is finished with a stained wood ceiling, a fireplace with a gas insert and various outdoor furniture pieces. We do not anticipate the roof or masonry elements will require significant repair during the term of this study; however, we have included funds for restaining the exposed wood components on a 7-year schedule beginning in 2024. Per discussions with the board, repairs of the fireplace components and outdoor furniture will be funded from the general operating budget as required.

A fountain feature has been installed in the common area adjacent to the mail kiosk. The system appeared to be running correctly at the time of our inspection; however, we assume any required repairs will be relatively minor and funded from a general operating budget, or the components will be decommissioned.

# RESERVE FUND ANALYSIS

We have performed a cash flow analysis projecting balances in the reserve account over the term of this study. We have included estimated capital repair expenses detailed in the first several pages of Appendix A. We have included tables and graphs depicting current funding levels along with recommended funding alternatives.

The financial projections include an assumed inflation rate of 3.0% and an assumed average return on invested funds of 1.5%. The inflation rate adjustment is noted at the bottom of the annual expense page and the return on invested funds is noted in the existing funding level and funding alternative cash flow tables.

The software utilized to analyze the reserve funds was developed by Giles Flythe Engineers in cooperation with a technology consultancy. The software and our analysis system have been extensively reviewed by leading community association and non-profit certified public accountants.

The capital repairs listed were derived from the initial request for proposal, discussions with association representatives, our informal review of governing documents and our site inspection. The association should confirm that the items listed are, in fact, the responsibility of the association and appropriate to fund from the reserve account.

Appendix A includes the following:

1. The Project Summary page that lists pertinent details specific to the association, the terms of the analysis and summarizes total over term expenses and recommended threshold balance.
2. The Expense Projection page that itemizes the capital repairs by category, illustrates our cost estimating by unit and provides estimated useful life and remaining useful life of each item.
3. The Annual Expense Projection pages that populate the capital repairs over the term of the study. This page includes a total adjusted for inflation at the bottom of the pages.
4. The Itemized Funding Analysis page provides a summary of the capital expenditures over the term and a graph breaking down the portion of the capital repairs into each category – Site Improvements, Building Exterior, Building Interior, Mechanical/Electrical/Plumbing Systems and Amenities.
5. The Current Funding Projection page provides a table and graph illustrating our cash flow analysis assuming the association maintains the current level of reserve contributions over the term of this study. The table includes projected reserve account balances, contributions, return on invested funds and capital repair expenses for each year of the term of this study.
6. The Funding Alternative pages each provide a table and graph illustrating our cash flow analysis assuming the association implements one of our funding recommendations detailed below.

**Current Reserve Funding Rate: \$36,902 per year**

**Current Reserve Balance: \$220,824 (projected 2020 starting balance)**

Note that based on our cash flow analysis, maintaining the current funding level is not projected to maintain a positive/healthy balance over the term.

We have included recommended funding alternatives to your current reserve-funding program and recommend that the board adopt an alternative that best reflects the objectives of the community. Our funding recommendations are as follows:

- **Alternative 1:** Beginning in 2020, increase the annual reserve contribution to \$40,000. Then, increase the contribution by 10% every year for the following 18 years. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2:** Beginning in 2021, increase the annual reserve contribution by \$15,000 every other year for the following 12 years. This alternative is projected to maintain a positive balance through the term of this study.

**\*Note that the alternatives listed above result in a reserve fund balance less than the recommended threshold balance during the term, per direction from the board.**

The reserve study is focused on the capital reserve account and budgeted contributions to reserves. The recommendations above are solely attributed to the annual reserve contributions. The association likely has many line items in the annual operating budget that should also be periodically adjusted as part of an annual budgeting process.

The capital repair/replacement cost estimates we have developed are based on 2019 dollars. Our reserve study does include an adjustment for inflation and an assumed rate of return on invested funds.

## CONCLUSION & LIMITATIONS

We have provided reserve funding recommendations based on our analysis of the association-maintained components, estimated capital repair costs over the term and the current funding levels. Further detail of the reserve fund analysis is provided in Appendix A.

The physical analysis portion of this reserve study was completed through a limited visual inspection. The visual inspection was completed from ground level unless otherwise specified. The visual inspection is generally limited to readily accessible and visible common areas that would likely require capital repair activities over the term. Note that this inspection does not include removing surface materials, excavation or any testing. The inspection does not include riparian buffers or other protected common areas. Buried utility components and other concealed components were not inspected as part of this analysis and we cannot be responsible for the condition of components not inspected.

The observations described in this study are valid on the date of the investigation and have been made under the conditions noted in the report. We prepared this study for the exclusive use of Grove at Fallon Park Homeowners Association. No other party should rely on the information in this report without consent. If another individual or party relies on this study, they shall indemnify and hold Giles Flythe Engineers harmless for any damages, losses, or expenses they may incur as a result of its use. This study is not to be considered a warranty of condition, and no warranty is implied. The appendices are an integral part of this report and must be included in any review.

Members of the Giles Flythe Engineers team working on this reserve study are not members of, or otherwise associated with the association. Giles Flythe Engineers has disclosed any other involvement with the association that could result in conflicts of interest.

Information provided by the representatives of the association regarding financial, physical, quantity, or historical issues, will be deemed reliable by Giles Flythe Engineers. The reserve balance presented in the Reserve Study is based upon information provided and was not audited. Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection. Giles Flythe Engineers is not aware of any additional material issues which, if not disclosed, would cause a distortion of the association's situation.

This reserve study is partially a reflection of information provided to us. The reserve study is assembled for the association's use and is not intended to be used for the purpose of performing an audit, quality/forensic analyses or background checks of historical records. Further, this study should not be considered a building code compliance analysis. The purpose of this study is to provide the association with a financial tool and is not to be considered an exhaustive technical or engineering evaluation which would consist of a broader scope of work.

We have provided estimated costs of capital repairs. These costs are based on our general knowledge of the construction industry. We have relied on standard sources as needed, such as Means Building Construction

Cost Data and estimates reviewed by Giles Flythe Engineers on similar projects. We have performed no design work or other engineering analysis as part of this study, nor have we obtained competitive quotations or estimates from contractors. Actual repair costs can vary due to a variety of factors. We cannot be responsible for the specific cost estimates provided.

If you have any questions about this reserve study, please feel free to contact us. Thank you for the opportunity to serve you.

Respectfully submitted,



Brent T. Blackburn, PE  
Project Engineer  
Giles Flythe Engineers



Kevin R. Giles, RS  
Project Manager  
Giles Flythe Engineers

**APPENDIX A: RESERVE FUND PROJECTIONS**

**PROJECT SUMMARY**

**Grove at Fallon Park**

City/state location:	Raleigh, NC
Date of inspection:	5/22/2019
Number of units:	83
Term of study (years):	20
Beginning Year of Term	2020
Estimated starting reserve account balance:	\$220,824
Current annual reserve contribution rate:	\$36,902
Assumed inflation rate:	3.00%
Assumed rate of return on invested funds:	1.50%
<b>Total over term capital expenditure (un-inflated):</b>	<b>\$1,481,450</b>
<b>Total over term capital expenditure with inflation:</b>	<b>\$2,134,882</b>
<b>Recomended threshold reserve balance:(Average annual capital expenditure)</b>	<b>\$106,744</b>

## EXPENSE ESTIMATES

Capital Item Description	Quantity	Unit	Unit Cost	Total Cost Per Cycle	Estimated Useful Life (years)	Estimated Remaining Life (years)	Notes
<b>Site Improvements</b>							
Asphalt paving crack repair / seal coat / restriping	7,200	SY	\$2.00	\$14,400	7	5	
Full depth repairs to significantly cracked pavement	75	SY	\$50.00	\$3,750	15	2	
Asphalt paving resurface	7,200	SY	\$20.00	\$144,000	20	17	
Concrete curb and gutter repair/replacement	200	LF	\$40.00	\$8,000	8	6	Approximately 5% of total length
Concrete flatwork (sidewalk) repair/replacement	100	SY	\$95.00	\$9,500	8	6	Approximately 5% of total area
Concrete flatwork (driveway) repair/replacement	130	SY	\$105.00	\$13,650	8	6	Approximately 5% of total area
Site drainage repairs/improvements	1	LS	\$12,000.00	\$12,000	5	3	
Mail kiosk replacement	5	EA	\$1,800.00	\$9,000	20	17	
Repaint aluminum fencing	1,150	LF	\$10.00	\$11,500	15	12	
Entrance sign / masonry pilaster repair	1	LS	\$5,000.00	\$5,000	10	7	
Street sign replacement	8	EA	\$1,400.00	\$11,200	20	17	
<b>Building Exterior</b>							
Roof replacement - phase 1	550	SQ	\$295.00	\$162,250	20	14	
Roof replacement - phase 2	1,060	SQ	\$295.00	\$312,700	20	15	
Roof replacement - phase 3	300	SQ	\$295.00	\$88,500	20	16	
Repaint siding and trim - phase 1	24	EA	\$2,200.00	\$52,800	7	0	
Repaint siding and trim - phase 2	46	EA	\$2,200.00	\$101,200	7	1	
Repaint siding and trim - phase 3	13	EA	\$2,200.00	\$28,600	7	2	
Repaint porch stair handrails	1	LS	\$1,500.00	\$1,500	10	7	
<b>Building Interior</b>							
N/A	0		\$0.00	\$0	20	0	
<b>Mechanical, Electrical, Plumbing Systems</b>							
Landscape/mail kiosk lighting repair	1	LS	\$5,000.00	\$5,000	10	7	
<b>Amenities</b>							
Restain pavilion wood surfaces	1	LS	\$3,500.00	\$3,500	7	4	

SY: Square Yard SF: Square Feet LF: Linear Feet SQ: Roofing Square  
EA: Each LS: Lump Sum SYS: System

## ANNUAL EXPENSE PROJECTION

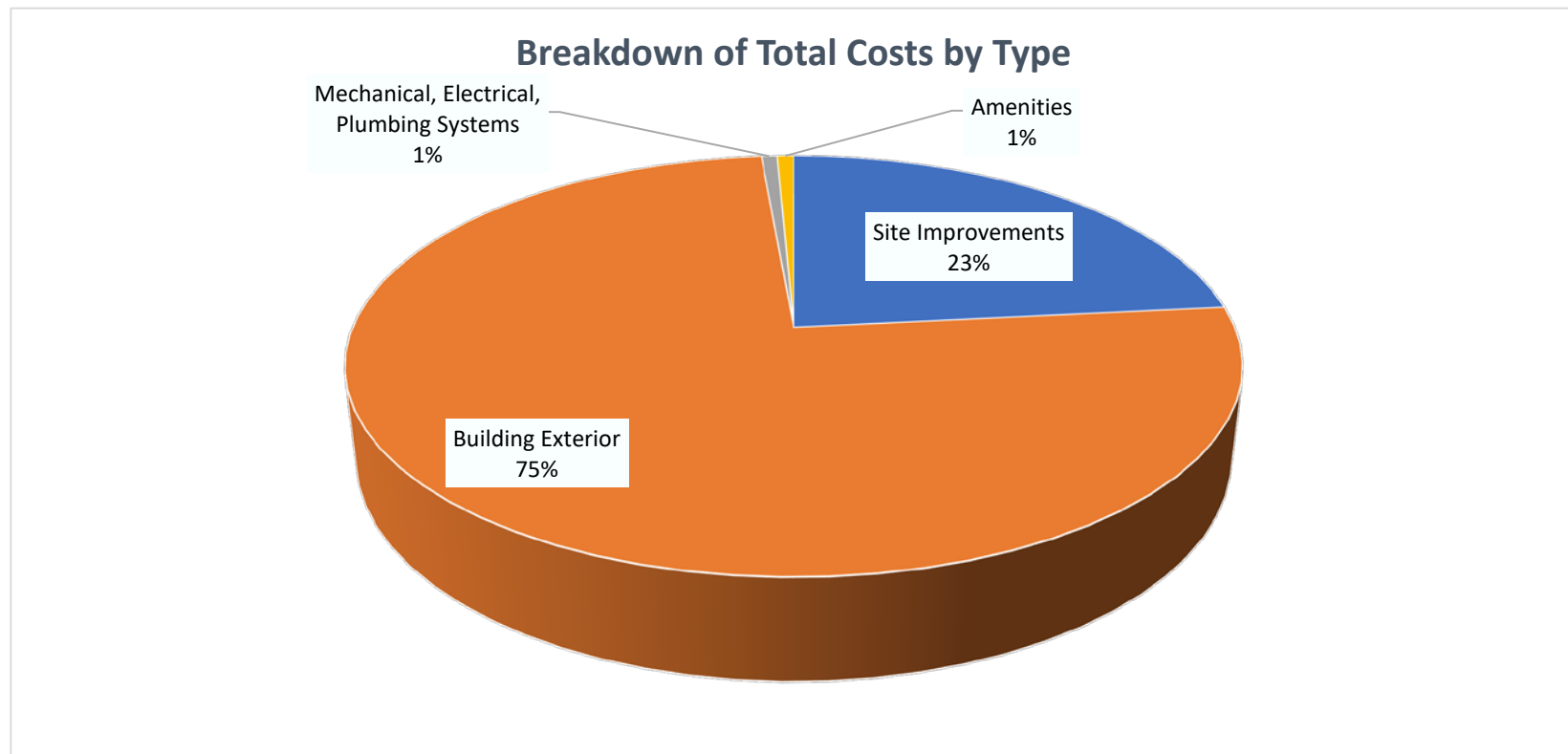
Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Site Improvements</b>										
Asphalt paving crack repair / seal coat / restriping						\$14,400				
Full depth repairs to significantly cracked pavement			\$3,750							
Asphalt paving resurface										
Concrete curb and gutter repair/replacement							\$8,000			
Concrete flatwork (sidewalk) repair/replacement							\$9,500			
Concrete flatwork (driveway) repair/replacement							\$13,650			
Site drainage repairs/improvements				\$12,000					\$12,000	
Mail kiosk replacement										
Repaint aluminum fencing										
Entrance sign / masonry pilaster repair								\$5,000		
Street sign replacement										
<b>Building Exterior</b>										
Roof replacement - phase 1										
Roof replacement - phase 2										
Roof replacement - phase 3										
Repaint siding and trim - phase 1	\$52,800							\$52,800		
Repaint siding and trim - phase 2		\$101,200							\$101,200	
Repaint siding and trim - phase 3			\$28,600							\$28,600
Repaint porch stair handrails								\$1,500		
<b>Building Interior</b>										
N/A										
<b>Mechanical, Electrical, Plumbing Systems</b>										
Landscape/mail kiosk lighting repair								\$5,000		
<b>Amenities</b>										
Restain pavilion wood surfaces					\$3,500					
<b>Other</b>										
<b>Totals</b>	<b>\$52,800</b>	<b>\$101,200</b>	<b>\$32,350</b>	<b>\$12,000</b>	<b>\$3,500</b>	<b>\$14,400</b>	<b>\$31,150</b>	<b>\$64,300</b>	<b>\$113,200</b>	<b>\$28,600</b>
<b>Totals including inflation:</b>	<b>\$52,800</b>	<b>\$104,236</b>	<b>\$34,320</b>	<b>\$13,113</b>	<b>\$3,939</b>	<b>\$16,694</b>	<b>\$37,195</b>	<b>\$79,081</b>	<b>\$143,398</b>	<b>\$37,317</b>

## ANNUAL EXPENSE PROJECTION

Description	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<b>Site Improvements</b>										
Asphalt paving crack repair / seal coat / restriping			\$14,400							\$14,400
Full depth repairs to significantly cracked pavement								\$3,750		
Asphalt paving resurface								\$144,000		
Concrete curb and gutter repair/replacement					\$8,000					
Concrete flatwork (sidewalk) repair/replacement					\$9,500					
Concrete flatwork (driveway) repair/replacement					\$13,650					
Site drainage repairs/improvements				\$12,000					\$12,000	
Mail kiosk replacement								\$9,000		
Repaint aluminum fencing			\$11,500							
Entrance sign / masonry pilaster repair								\$5,000		
Street sign replacement								\$11,200		
<b>Building Exterior</b>										
Roof replacement - phase 1					\$162,250					
Roof replacement - phase 2						\$312,700				
Roof replacement - phase 3							\$88,500			
Repaint siding and trim - phase 1					\$52,800					
Repaint siding and trim - phase 2						\$101,200				
Repaint siding and trim - phase 3							\$28,600			
Repaint porch stair handrails								\$1,500		
<b>Building Interior</b>										
N/A										
<b>Mechanical, Electrical, Plumbing Systems</b>										
Landscape/mail kiosk lighting repair								\$5,000		
<b>Amenities</b>										
Restain pavilion wood surfaces		\$3,500							\$3,500	
<b>Other</b>										
<b>Totals</b>	<b>\$0</b>	<b>\$3,500</b>	<b>\$25,900</b>	<b>\$12,000</b>	<b>\$246,200</b>	<b>\$413,900</b>	<b>\$117,100</b>	<b>\$179,450</b>	<b>\$15,500</b>	<b>\$14,400</b>
<b>Totals including inflation:</b>	<b>\$0</b>	<b>\$4,845</b>	<b>\$36,927</b>	<b>\$17,622</b>	<b>\$372,400</b>	<b>\$644,843</b>	<b>\$187,911</b>	<b>\$296,604</b>	<b>\$26,388</b>	<b>\$25,250</b>

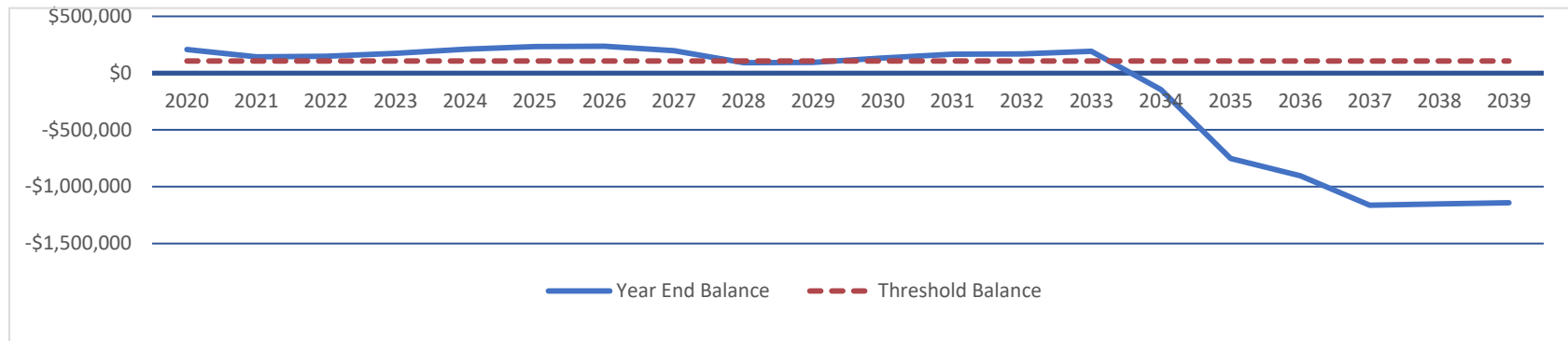
## EXPENSE SUMMARY

<b>Total over term capital expenditure (un-inflated)</b>	<b>\$1,481,450</b>
<b>Total over term capital expenditure with inflation:</b>	<b>\$2,134,882</b>
<b>Average estimated annual capital expenditure with inflation:</b>	<b>\$106,744</b>
<b>Current Reserve Account Balance</b>	<b>\$220,824</b>
<b>Full Funding Balance</b>	<b>\$356,353</b>
<b>Percent Funded</b>	<b>61.97%</b>



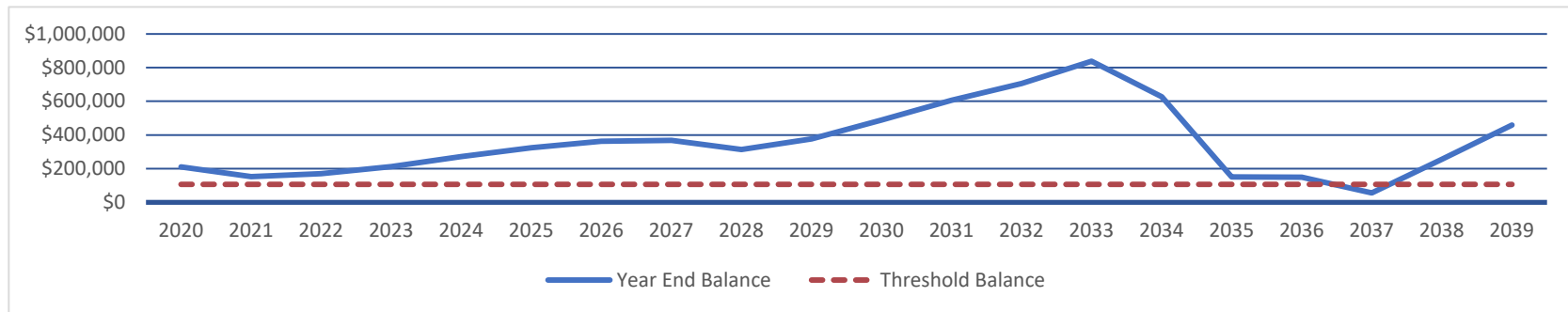
### Current Funding Analysis

Year	Starting Balance	Reserve Account Contribution	Average Per Unit/Month	Return on Investments	Repair Expenses	Special Assessments	Year End Balance
2020	\$220,824	\$36,902	\$37.05	\$3,074	\$52,800	\$0	\$208,000
2021	\$208,000	\$36,902	\$37.05	\$2,110	\$104,236	0	\$142,775
2022	\$142,775	\$36,902	\$37.05	\$2,180	\$34,320	0	\$147,537
2023	\$147,537	\$36,902	\$37.05	\$2,570	\$13,113	0	\$173,895
2024	\$173,895	\$36,902	\$37.05	\$3,103	\$3,939	0	\$209,961
2025	\$209,961	\$36,902	\$37.05	\$3,453	\$16,694	0	\$233,621
2026	\$233,621	\$36,902	\$37.05	\$3,500	\$37,195	0	\$236,828
2027	\$236,828	\$36,902	\$37.05	\$2,920	\$79,081	0	\$197,568
2028	\$197,568	\$36,902	\$37.05	\$1,366	\$143,398	0	\$92,437
2029	\$92,437	\$36,902	\$37.05	\$1,380	\$37,317	0	\$93,403
2030	\$93,403	\$36,902	\$37.05	\$1,955	\$0	0	\$132,259
2031	\$132,259	\$36,902	\$37.05	\$2,465	\$4,845	0	\$166,780
2032	\$166,780	\$36,902	\$37.05	\$2,501	\$36,927	0	\$169,256
2033	\$169,256	\$36,902	\$37.05	\$2,828	\$17,622	0	\$191,363
2034	\$191,363	\$36,902	\$37.05	\$0	\$372,400	0	-\$144,135
2035	-\$144,135	\$36,902	\$37.05	\$0	\$644,843	0	-\$752,077
2036	-\$752,077	\$36,902	\$37.05	\$0	\$187,911	0	-\$903,086
2037	-\$903,086	\$36,902	\$37.05	\$0	\$296,604	0	-\$1,162,788
2038	-\$1,162,788	\$36,902	\$37.05	\$0	\$26,388	0	-\$1,152,274
2039	-\$1,152,274	\$36,902	\$37.05	\$0	\$25,250	0	-\$1,140,623



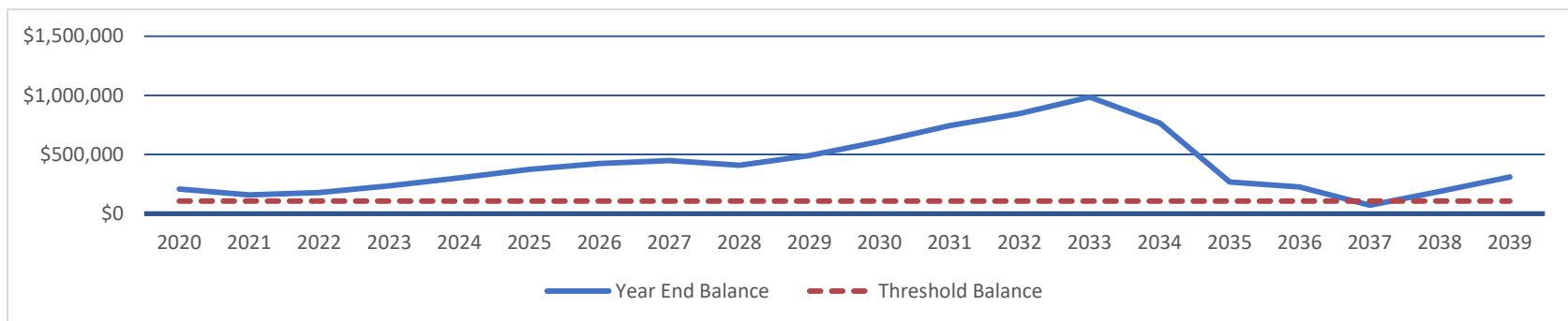
## Funding Alternative 1

Year	Starting Balance	Reserve Account Contribution	Average Per Unit/Month	Return on Investments	Repair Expenses	Special Assessments	Year End Balance
2020	\$220,824	\$40,000	\$40	\$3,120	\$52,800	\$0	\$211,145
2021	\$211,145	\$44,000	\$44	\$2,264	\$104,236	\$0	\$153,172
2022	\$153,172	\$48,400	\$49	\$2,509	\$34,320	\$0	\$169,761
2023	\$169,761	\$53,240	\$53	\$3,148	\$13,113	\$0	\$213,036
2024	\$213,036	\$58,564	\$59	\$4,015	\$3,939	\$0	\$271,676
2025	\$271,676	\$64,420	\$65	\$4,791	\$16,694	\$0	\$324,194
2026	\$324,194	\$70,862	\$71	\$5,368	\$37,195	\$0	\$363,230
2027	\$363,230	\$77,949	\$78	\$5,431	\$79,081	\$0	\$367,529
2028	\$367,529	\$85,744	\$86	\$4,648	\$143,398	\$0	\$314,522
2029	\$314,522	\$94,318	\$95	\$5,573	\$37,317	\$0	\$377,096
2030	\$377,096	\$103,750	\$104	\$7,213	\$0	\$0	\$488,059
2031	\$488,059	\$114,125	\$115	\$8,960	\$4,845	\$0	\$606,299
2032	\$606,299	\$125,537	\$126	\$10,424	\$36,927	\$0	\$705,332
2033	\$705,332	\$138,091	\$139	\$12,387	\$17,622	\$0	\$838,188
2034	\$838,188	\$151,900	\$153	\$9,265	\$372,400	\$0	\$626,953
2035	\$626,953	\$167,090	\$168	\$2,238	\$644,843	\$0	\$151,439
2036	\$151,439	\$183,799	\$185	\$2,210	\$187,911	\$0	\$149,536
2037	\$149,536	\$202,179	\$203	\$827	\$296,604	\$0	\$55,938
2038	\$55,938	\$222,397	\$223	\$3,779	\$26,388	\$0	\$255,727
2039	\$255,727	\$222,397	\$223	\$6,793	\$25,250	\$0	\$459,666



## Funding Alternative 2

Year	Starting Balance	Reserve Account Contribution	Average Per Unit/Month	Return on Investments	Repair Expenses	Special Assessments	Year End Balance
2020	\$220,824	\$36,902	\$37	\$3,074	\$52,800	\$0	\$208,000
2021	\$208,000	\$51,902	\$52	\$2,335	\$104,236	\$0	\$158,000
2022	\$158,000	\$51,902	\$52	\$2,634	\$34,320	\$0	\$178,215
2023	\$178,215	\$66,902	\$67	\$3,480	\$13,113	\$0	\$235,484
2024	\$235,484	\$66,902	\$67	\$4,477	\$3,939	\$0	\$302,923
2025	\$302,923	\$81,902	\$82	\$5,522	\$16,694	\$0	\$373,653
2026	\$373,653	\$81,902	\$82	\$6,275	\$37,195	\$0	\$424,635
2027	\$424,635	\$96,902	\$97	\$6,637	\$79,081	\$0	\$449,092
2028	\$449,092	\$96,902	\$97	\$6,039	\$143,398	\$0	\$408,635
2029	\$408,635	\$111,902	\$112	\$7,248	\$37,317	\$0	\$490,468
2030	\$490,468	\$111,902	\$112	\$9,036	\$0	\$0	\$611,405
2031	\$611,405	\$126,902	\$127	\$11,002	\$4,845	\$0	\$744,463
2032	\$744,463	\$126,902	\$127	\$12,517	\$36,927	\$0	\$846,954
2033	\$846,954	\$141,902	\$142	\$14,569	\$17,622	\$0	\$985,802
2034	\$985,802	\$141,902	\$142	\$11,330	\$372,400	\$0	\$766,633
2035	\$766,633	\$141,902	\$142	\$3,955	\$644,843	\$0	\$267,648
2036	\$267,648	\$141,902	\$142	\$3,325	\$187,911	\$0	\$224,962
2037	\$224,962	\$141,902	\$142	\$1,054	\$296,604	\$0	\$71,314
2038	\$71,314	\$141,902	\$142	\$2,802	\$26,388	\$0	\$189,631
2039	\$189,631	\$141,902	\$142	\$4,594	\$25,250	\$0	\$310,876



## **APPENDIX B: PROJECT PHOTOGRAPHS**

**Description**

Overall view of  
community entrance sign



**Photo No.**

**1**

**Description**

Overall view of  
community



**Photo No.**

**2**

**Description**

Typical view of asphalt paved community street



**Photo No.**

3

**Description**

Slippage crack development in asphalt paved alley



**Photo No.**

4

**Description**

Crack development in asphalt paved alley along longitudinal seam



**Photo No.**  
5

**Description**

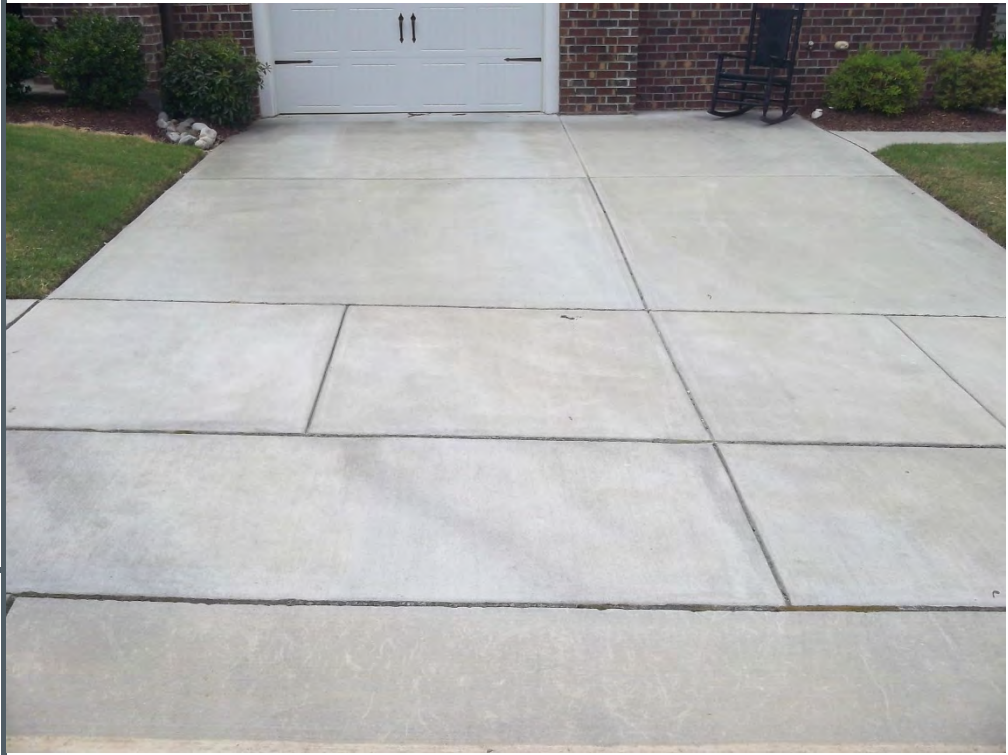
Typical view of concrete flatwork - sidewalk



**Photo No.**  
6

**Description**

Typical view of concrete flatwork - driveway



**Photo No.**  
**7**

**Description**

View of minor soil erosion in common area



**Photo No.**  
**8**

**Description**  
Overall view of mail  
kiosk structure



**Photo No.**  
9

**Description**  
View of site stair  
handrail and fencing



**Photo No.**  
10

**Description**

Corrosion development  
on site stair handrail



**Photo No.**  
**11**

**Description**

Typical view of site  
retaining wall and  
associated fencing



**Photo No.**  
**12**

**Description**

Typical view of site retaining wall and associated fencing



**Photo No.**  
**13**

**Description**

View of common area fencing



**Photo No.**  
**14**

**Description**

Minor damage to  
entrance sign pedestal  
cap



**Photo No.**  
**15**

**Description**

Typical view of street  
signs



**Photo No.**  
**16**

**Description**

Typical view of  
townhome buildings



**Photo No.**  
**17**

**Description**

Typical view of  
townhome buildings



**Photo No.**  
**18**

**Description**

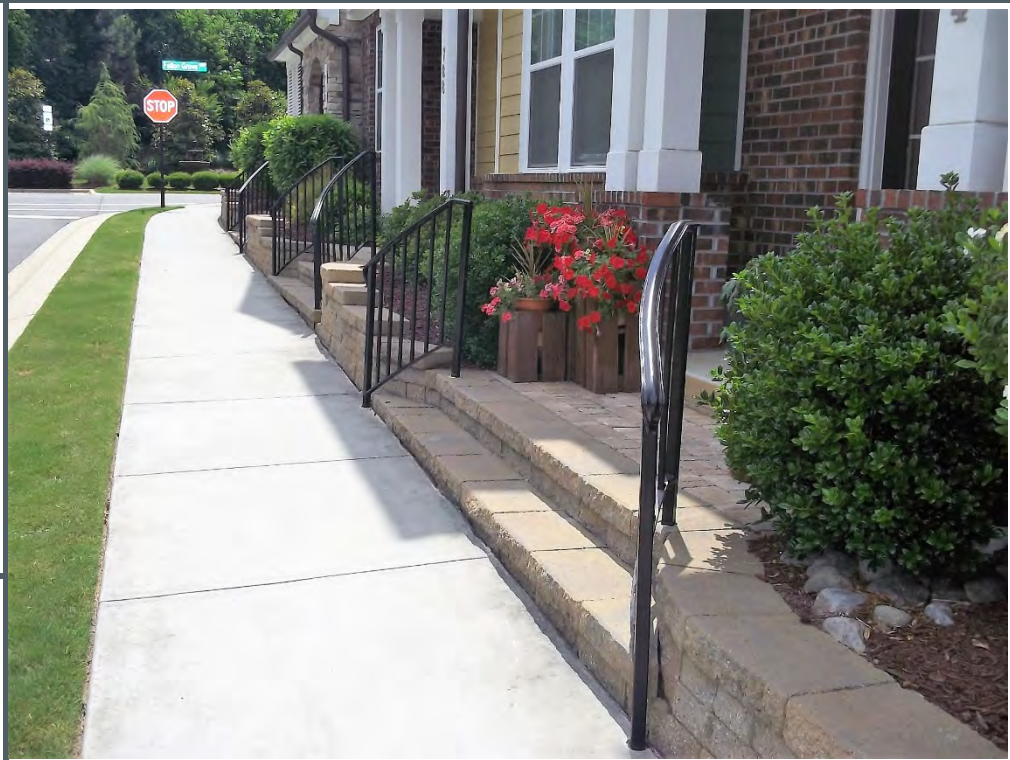
Typical view of painted exterior surfaces of townhome buildings



**Photo No.**  
**19**

**Description**

Typical view of front porch handrails at select units



**Photo No.**  
**20**

**Description**  
Overall view of pavilion



**Photo No.**  
21

**Description**  
View of stained ceiling at pavilion



**Photo No.**  
22

**Description**  
View of landscape  
irrigation controller



**Photo No.**  
23

**Description**  
View of outdoor  
fireplace at pavilion



**Photo No.**  
24

**Description**

View of common area fountain



**Photo No.**  
**25**