



Reserve Funding



Meadow Wood Condominiums Owners' Association

2101 Poplar Drive
Medford, Oregon
September 30, 2014

Prepared by:
D.L. "Dan" Huntley, RS, PRA
Tamarra "Tammy" Axton, PRA
Ray Axton, PRA



Reserve Study Professionals credentialed by
Community Association Institute (RS)and
Association of Professional Reserve Analysts (PRA)

MEADOW WOOD CONDOMINIUMS OWNERS' ASSOCIATION

Executive Summary

Fiscal Year of Report

January 1, 2015 to December 31, 2015

Number of Units 85

Parameters

Beginning Balance \$57,716

Fiscal Year 2015 Suggested Contribution \$31,536

Average Annual Reserve Assessment Per Unit \$30.92

Prior Year's Actual Contribution \$31,536

Fiscal Year Projected Interest Rate .03%

Fiscal Year Inflation Rate 1.82%

Annual Increase To Suggested Contribution 29.7%

Lowest Cash Balance Over 30 Years (Threshold) \$25,127

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**486 Plat B Road
Sutherlin, Oregon 97479
800-301-3411**

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Meadow Wood Condominiums Owners' Association
Category Detail Index

Asset ID	Description	Replacement	Page
Asphalt			
1017	Asphalt: Overlay	2018	37
1038	Asphalt: Repairs	2018	38
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Building Components			
1031	Clubhouse: Fitness Room-Flooring-Carpet	2019	41
1002	Clubhouse: Flooring-Hard	2019	42
1030	Clubhouse: Office-Flooring-Carpet	2020	48
1025	Siding: Vinyl-Clean & Repair-Buildings	2016	80
1046	Siding: Vinyl-Clean & Repair-Garages	2015	81
1033	Siding: Vinyl-Replace	2036	82
Concrete			
1010	Concrete: Flatwork-Safety Repair	2015	51
Controllers			
1027	Landscape: Irrigation-Controllers	Unfunded	62
Decks			
1060	Decks: Recoat	2016	52
1042	Decks: Replace-1	2034	53
1043	Decks: Replace-2	2015	54
1054	Decks: Replace-3	2016	55
1055	Decks: Replace-4	2017	56
1056	Decks: Replace-5	2018	57
1057	Decks: Replace-6	2019	58
Fencing			
1012	Fence: 6' Chain Link with Slats	2025	59
1013	Fence: 6' Chain Link-Pool	2042	60
Grounds Components			
1014	Landscape: Renovation	2015	63
1035	Landscape: Sprinkler Sysytem	2015	64
1028	Trees: Plants-Shrubs	2023	88
HVAC			
1005	Clubhouse: HVAC	2020	45

Meadow Wood Condominiums Owners' Association
Category Detail Index

Asset ID	Description	Replacement	Page
Insurance			
1029	Insurance: Deductible	2015	61
Interior Furnishings			
1001	Clubhouse: Fitness Equipment	2026	40
1003	Clubhouse: Furniture-Appliances/Equip	2020	43
1004	Clubhouse: Hot Water Heater-Electric	Unfunded	46
1006	Clubhouse: Kitchen Countertop	2016	47
1009	Clubhouse: Window Treatments	Unfunded	50
Leaf Catcher			
1024	Leaf Catcher: Gutters	2023	65
Lighting			
1007	Lights: Clubhouse Interior	2020	66
1032	Lights: Clubhouse Interior-Emergency	2020	67
1015	Lights: Exterior	2020	68
Mailboxes			
1016	Mailboxes: Replace	2020	69
1059	Paint: Mailboxes	2015	72
Painting			
1008	Clubhouse: Paint-Clubhouse Interior	2016	49
1058	Paint: Garages-Wood	2015	70
1036	Paint: Handrails	2020	71
Recreation/Pool			
1019	Pool: Filter	2015	73
1020	Pool: Furniture	2020	74
1021	Pool: Pump	2020	75
1040	Pool: Resurface	2015	76
Roofing			
1023	Roof: Architectural Composition	2030	77
Security System			
1048	Security System: Phase 1-Repair-Replace	2026	78

Meadow Wood Condominiums Owners' Association
Category Detail Index

Asset ID	Description	Replacement	Page
<i>Security System Continued...</i>			
1050	Security System: Phase 2-Repair-Replace	2026	79
Signs			
1026	Signs: Entry-Common Area-Replace	2015	83
Stairs			
1047	Stairs: Buildings-A	2029	84
1044	Stairs: Buildings-B	2031	85
1045	Stairs: Buildings-C	2033	86
1037	Stairs: Buildings-D	2039	87
Utilities			
1034	Utilities: Underground	2018	89
1041	Utilities: Waste Product Lines	2018	90
	Total Funded Assets	50	
	Total Unfunded Assets	<u>3</u>	
	Total Assets	53	

**Meadow Wood Condominiums Owners' Association
Base Line Assessment Funding Model Summary**

Report Date	September 30, 2014
Account Number	New Foundations PM
Version	6 (2015) Level III
Budget Year Beginning	January 01, 2015
Budget Year Ending	December 31, 2015
Total Units	85
Phase Development	1 of 1

<i>Report Parameters</i>	
Inflation	1.82%
Interest Rate on Reserve Deposit	0.03%
2015 Beginning Balance	\$57,716.44

**Current Assessment Funding Model Summary
Cash Flow Time Value of Money With Threshold**

BUSINESS JUDGEMENT RULE

To avoid personal liability for their actions/decisions, directors must perform their fiduciary duties "with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances."

- NOTE: The Board MUST (under the new statutes) - adopt an annual budget that includes moneys to be allocated to the reserve account - see ORS 94.645(1)-(2). The old statute used to say that "unless otherwise provided in the bylaws" which would have allowed for schemes for budget approval by members. The Oregon State Legislature took that away in the 2007 session. The only way to reduce funding is by a vote of 75% of the owners. Complete non-funding is only by unanimous approval and must be done on an annual basis. See, e.g., ORS 94.595(8).**

So, the Board has mandatory duties to budget properly - the members can vote to depart from proper budget by vote. I presume if they underfunded the reserves for a good period of time they would have to come back to a special assessment to address the shortfall. (re-printed from RESERVE OVERVIEW by Eric J. TenBrook, Atty.)

**Meadow Wood Condominiums Owners' Association
Base Line Assessment Funding Model Summary**

- **This reserve study is for budget and planning purposes and identifies the status of the reserve fund under the Cash Flow Model of Funding and schedules the anticipated major commonly owned item replacements.**

This reserve study will also estimate the expected useful life and remaining useful life of the building and site components or systems, and will provide an estimate replacement or refurbishment cost for those components or systems. Major components or systems may include, but are not limited to, painting, gutters and downspouts, mailboxes, roofing, siding, windows, doors, paving, mechanical equipment, common area furnishings and amenities and other commonly owned systems or items.

- **The scope of work identified within our contract is to provide the association with an "Updated Off-Site Visit" (level III) reserve study which includes:**

Component/System Inventory

Expected Useful Life and Remaining Useful Life Estimates

Condition Assessment (based upon on-site visual observations if applicable).

Component/System Replacement Schedule and Estimated Pricing

Identify Current Reserve Account Balance

30 Year Funding Plan

- **How to Use a Reserve Study**

The documents included within the reserve study are intended to be used as guidelines and estimates. It is nearly impossible to know exactly when a building component system will fail; 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 anticipated replacements.

The replacement schedule lists all known components and systems that are anticipated to "wear out" or fail within 30 years. Items which are anticipated to be replaced or repaired in the current year are not included within the reserve study as those items should already be budgeted for, and scheduled to be replaced or repaired.

**Meadow Wood Condominiums Owners' Association
Base Line Assessment Funding Model Summary**

On the reserve schedule, review which items are anticipated to fail in the near future, and keep a close eye on them. It is always better to replace items prior to failure to eliminate the opportunity for surrounding components or associated systems to be affected. Be cognizant of items scheduled for replacement or repair within 2-3 years of the current year. Remember, items listed are scheduled based on history and replacement or repair is scheduled as an estimate. Items commonly fail sooner or later than the estimated date.

- **Disclosures**
- **General - The Meadow Wood Condominiums Owners' Association reserve study and Reserve Studies by Reserve Funding have no professional or personal involvements with each other, other than the scope of work identified in the reserve study contract. This relationship cannot be perceived as a conflict of interest.**
- **Physical Analysis - If an on-site reserve study was performed observations were limited to visual observations only. Destructive testing (invasive testing) was not performed. Any items that were not clearly visible at the time of the site observation were not viewed, and therefore were not included in the drafting of this reserve study.**
- **Measurements (if applicable) - Measuring and inventory (+/- 10%) were identified via a combination of on-site physical measurements, previous reserve study and/or drawing take-offs. Drawing sets (if used) were provided by the property manager or Declarant for our use relating only to the reserve study scope of work.**
- **Reliance on Client Data - Data received from property management, association representatives and/or Declarant is deemed reliable by Reserve Funding. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues.**
- **Scope - The Reserve Study is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.**
- **Reserve Balance - The actual or projected (estimated) total presented in this reserve study is based upon information provided or collected and was not audited.**

**Meadow Wood Condominiums Owners' Association
Base Line Assessment Funding Model Summary**

- **Reserve Projects -Information provided or collected for the purpose of this reserve study will be considered reliable and should not be considered a project audit or quality inspection.**
- **Adjustments to Reserve Study - Should components suggested by Consultant be removed from the reserve study or any life cycles or costs other than current bids, engineering construction standards, or current component history be used in this reserve study the Client accepts full responsibility for the results of the reserve study and is not warranted by Consultant.**
- **Information Provided - Quantity, design and material information included in this report was provided in part by the Association and is subject to course of construction changes.**
- **Limitations on Inventory -The following items, but not limited to, are not included in the physical analysis because they have a useful life greater than 30 years. Grading/drainage, foundations/footings, party walls, concrete stair surfaces, windows, doors, plumbing system, flues (chimneys), sanitary sewage and storm drains, telephone, cable and internet lines.**
- **Warranty or Guaranty - This reserve study and its recommendations should not be construed in any way to constitute a warranty or guaranty regarding the current or future performance of the components. Components will be replaced as required, not necessarily in their expected replacement year.**
- **Annual Updates - Often times there can be a significant expenditure in those years that exceeds the life of the reserve study. Hence, annual updates should be done to allow adjustments in the reserve contribution each year if required.**
- **Tax Consequences - The tax consequences are not considered in this reserve study due to the uncertainty of all factors affecting net taxable income and the election of the tax form to be filed.**
- **We recommend a building envelope (water intrusion) inspection every six years and a roofing inspection every six years (not funded in the reserve).**

**Meadow Wood Condominiums Owners' Association
Base Line Assessment Funding Model Summary**

- **House Bill 955 (HB 955), in Oregon since 1/1/2006, specifically calls for the provision of a reserve study, reserve study update, maintenance plan and reserve summary. ORS 94.595 states that: "The board of directors of the association annually shall conduct a reserve study, or review and update an existing reserve study to determine the reserve study requirements". In addition ORS 94.595 (3)(B)(c) and ORS 100.175 (3)(C)(c) further require that a Reserve Study Update be done each year.**
- **House Bill 2665 (Chapter 409, Oregon Laws 2007) revises portions on SB 955 by removing the requirement for a maintenance plan from the reserve study and makes it a separate requirement. Also, after 9/27/2007 HB 2665 no longer requires that owners be provided a reserve summary of the reserve study or any revisions thereto.**
- **Further House Bill 2665 makes windows and unit access doors, except for glazing and screening, general common elements, unless Declaration provides otherwise, (Sec 5).**
- **NOTE: Management or the Board shall notify the reserve study provider if the windows and doors are the responsibility of the Association and if so, will be added to the next update of the reserve study. Management or the Association to provide the count of windows and doors including type and size.**
- **Preparation of a Reserve Study**

Data is collected from many sources to prepare a reserve study and a variety of document reviews, interviews, and site observations are required to adequately fulfill our duties as a reserve provider. The following sources and methods were utilized in preparation of this reserve study document:

Property Management Personnel Interviews

As built Plans and Specifications Document Reviews

On-site Observations - If Applicable

In-house company consultations with accredited RS and PRA personnel

Discussions with Engineering or Architectural Consultants

**Meadow Wood Condominiums Owners' Association
Base Line Assessment Funding Model Summary**

RS Means Facilities Maintenance & Repair Cost Data, 21st Edition (2014) printed manual

Interviewing General Contractor Consultants

- **A tabular list of commonly owned items has been developed and given a current condition grade, expected useful life, and remaining useful life. A portion of that data will determine in what year it is estimated the component should be replaced.**
- **Property Information**
- **Original Starting Date of Reserve Study - Unless otherwise indicated, we have used January 1, 1988 to begin aging the original components in this reserve study with a conversion date to condominiums of 1/01/2006.**
- **Number of Units/Lots and Location - This reserve study is a total of 85 units located in Medford, Oregon.**
- **Date of Last Reserve Study (if applicable) - The last on-site physical analysis done by Reserve Funding by WSSC was completed on January 19, 2008.**
- **NOTE: All interest accrued from reserve savings account(s) must remain in the reserve savings account(s) and not used as an off-set for operating expenses.**

**Meadow Wood Condominiums Owners' Association
Base Line Assessment Funding Model Summary**

- **Funding Required - A minimum threshold of \$25,127.00 has been used over the thirty years of this reserve study with a monthly reserve assessment of \$30.92 per unit and an annual increase of 29.7% to retain a minimum threshold of \$25,000.**

The industry standards for percent funded are:

0% to 29% - Poor

30% to 69% - Fair

70% to 100% - Good

This association is 10% funded on 1/1/2015.

Base Line Funding Model Summary of Calculations

Required Month Contribution	\$2,628.00
<i>\$30.92 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$0.88</u>
Total Month Allocation to Reserves	\$2,628.88
<i>\$30.93 per unit monthly</i>	

**Meadow Wood Condominiums Owners' Association
Base Assessment Funding Model Projection**

Beginning Balance: \$57,716

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2015	1,058,245	31,536	11	39,639	49,623	482,031	10%
2016	1,077,506	40,902	7	47,201	43,332	505,718	9%
2017	1,097,116	53,050	17	15,033	81,367	565,613	14%
2018	1,117,084	68,806		125,046	25,127	521,550	5%
2019	1,137,415	89,241	12	32,114	82,266	573,603	14%
2020	1,158,115	115,746	15	96,438	101,588	563,789	18%
2021	1,179,193	114,635	31	61,616	154,638	590,005	26%
2022	1,200,655	113,534	58	23,826	244,404	655,901	37%
2023	1,222,506	112,445	77	48,738	308,187	699,520	44%
2024	1,244,756	111,365	102	27,169	392,486	766,967	51%
2025	1,267,411	110,296	117	61,413	441,486	802,887	55%
2026	1,290,477	109,237	127	77,295	473,556	825,097	57%
2027	1,313,964	108,188	146	44,945	536,945	881,606	61%
2028	1,337,878	107,150	165	43,442	600,819	942,219	64%
2029	1,362,228	106,121	187	34,112	673,015	1,014,868	66%
2030	1,387,020	105,102	140	263,970	514,287	860,611	60%
2031	1,412,264	104,093	139	107,240	511,280	861,938	59%
2032	1,437,967	103,094	161	29,304	585,232	942,915	62%
2033	1,464,138	102,104	158	114,680	572,814	941,713	61%
2034	1,490,785	101,124	173	51,248	622,863	1,005,673	62%
2035	1,517,918	100,153	188	51,685	671,520	1,072,145	63%
2036	1,545,544	99,192		744,774	25,938	448,556	6%
2037	1,573,673	98,240	14	33,459	90,733	526,782	17%
2038	1,602,314	97,297	16	90,316	97,730	551,460	18%
2039	1,631,476	96,363	14	102,827	91,279	566,065	16%
2040	1,661,169	95,438	22	70,736	116,003	614,981	19%
2041	1,691,402	94,521	30	66,486	144,068	671,027	21%
2042	1,722,185	93,614	44	47,388	190,338	749,218	25%
2043	1,753,529	92,715	49	78,194	204,908	800,089	26%
2044	1,785,443	91,825	65	36,386	260,413	895,795	29%

**Meadow Wood Condominiums Owners' Association
Unit Assessment Distribution**

Description	Unit Percentage	Billing Term Allocation	Percent
01	601	\$26.58	1.011%
02	596	\$26.36	1.003%
03	596	\$26.36	1.003%
04	573	\$25.34	0.964%
05	573	\$25.34	0.964%
06	596	\$26.36	1.003%
07	573	\$25.34	0.964%
08	573	\$25.34	0.964%
09	601	\$26.58	1.011%
10	601	\$26.58	1.011%
11	596	\$26.36	1.003%
12	596	\$26.36	1.003%
13	596	\$26.36	1.003%
14	573	\$25.34	0.964%
15	601	\$26.58	1.011%
16	596	\$26.36	1.003%
17	596	\$26.36	1.003%
18	596	\$26.36	1.003%
19	601	\$26.58	1.011%
20	596	\$26.36	1.003%
21	596	\$26.36	1.003%
22	824	\$36.44	1.387%
23	824	\$36.44	1.387%
24	824	\$36.44	1.387%
25	824	\$36.44	1.387%
26	824	\$36.44	1.387%
27	824	\$36.44	1.387%
28	824	\$36.44	1.387%
29	824	\$36.44	1.387%
30	878	\$38.83	1.477%
31	878	\$38.83	1.477%
32	824	\$36.44	1.387%
33	824	\$36.44	1.387%
34	824	\$36.44	1.387%
35	824	\$36.44	1.387%
36	908	\$40.15	1.528%
37	908	\$40.15	1.528%
38	908	\$40.15	1.528%
39	908	\$40.15	1.528%

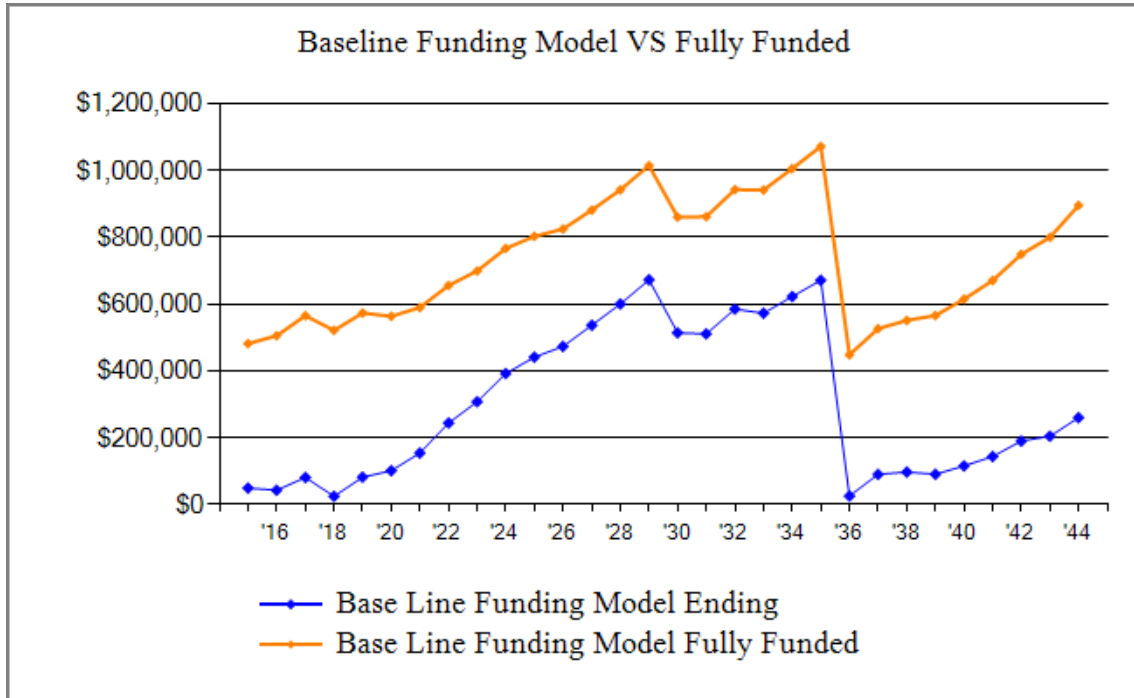
**Meadow Wood Condominiums Owners' Association
Unit Assessment Distribution**

Description	Unit Percentage	Billing Term Allocation	Percent
40	912	\$40.33	1.535%
41	912	\$40.33	1.535%
42	912	\$40.33	1.535%
43	912	\$40.33	1.535%
44	912	\$40.33	1.535%
45	912	\$40.33	1.535%
46	912	\$40.33	1.535%
47	912	\$40.33	1.535%
48	912	\$40.33	1.535%
49	912	\$40.33	1.535%
50	912	\$40.33	1.535%
51	912	\$40.33	1.535%
52	912	\$40.33	1.535%
53	912	\$40.33	1.535%
54	912	\$40.33	1.535%
55	912	\$40.33	1.535%
56	578	\$25.56	0.973%
57	578	\$25.56	0.973%
58	578	\$25.56	0.973%
59	578	\$25.56	0.973%
60	578	\$25.56	0.973%
61	578	\$25.56	0.973%
62	524	\$23.17	0.882%
63	524	\$23.17	0.882%
64	524	\$23.17	0.882%
65	524	\$23.17	0.882%
66	524	\$23.17	0.882%
67	524	\$23.17	0.882%
68	524	\$23.17	0.882%
69	524	\$23.17	0.882%
70	595	\$26.31	1.001%
71	595	\$26.31	1.001%
72	595	\$26.31	1.001%
73	595	\$26.31	1.001%
74	608	\$26.89	1.023%
75	573	\$25.34	0.964%
76	608	\$26.89	1.023%
77	608	\$26.89	1.023%
78	608	\$26.89	1.023%

**Meadow Wood Condominiums Owners' Association
Unit Assessment Distribution**

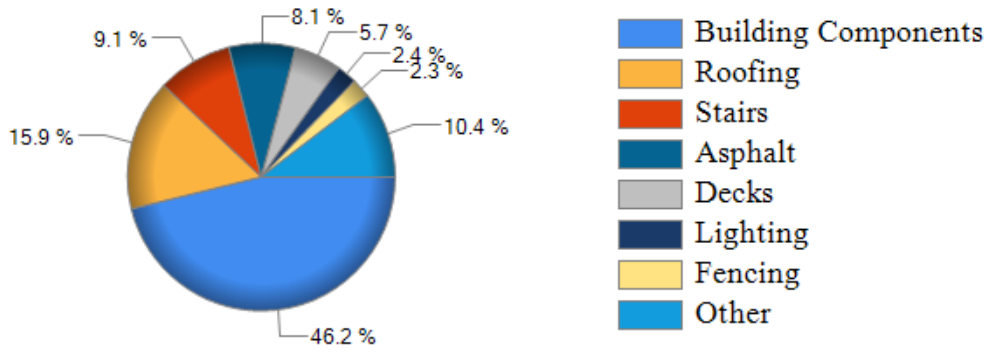
Description	Unit Percentage	Billing Term Allocation	Percent
79	595	\$26.31	1.001%
80	565	\$24.98	0.951%
81	565	\$24.98	0.951%
82	590	\$26.09	0.993%
83	590	\$26.09	0.993%
84	590	\$26.09	0.993%
85	595	\$26.31	1.001%
Totals:	<u>59,429</u>	<u>\$2,628.00</u>	<u>100.000%</u>

**Meadow Wood Condominiums Owners' Association
Base Line Funding Model & Fully Funded Comparison Chart**



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Asset Current Cost by Category



Meadow Wood Condominiums Owners' Association
Medford, Oregon
Component Summary

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Asphalt							
Asphalt: Overlay	76,003	30	3		0	424.28	64,800
Asphalt: Repairs	4,224	5	3	-1	0	23.58	1,000
Asphalt: Sealcoat	<u>9,880</u>	5	3	9	0	<u>55.16</u>	<u>7,354</u>
Asphalt - Total	<u>\$90,108</u>					<u>\$503</u>	<u>\$73,155</u>
Building Components							
Clubhouse: Fitness Room-Flooring-C..	1,781	15	4	4	0	7.45	1,308
Clubhouse: Flooring-Hard	6,150	15	4	4	0	25.75	4,518
Clubhouse: Office-Flooring-Carpet	623	15	5	5	0	2.08	427
Siding: Vinyl-Clean & Repair-Buildin..	17,309	5	1		0	289.97	13,600
Siding: Vinyl-Clean & Repair-Garages	3,700	5	0	1	3,700	13.56	3,700
Siding: Vinyl-Replace	<u>671,463</u>	30	21		<u>0</u>	<u>534.04</u>	<u>137,927</u>
Building Components - Total	<u>\$701,026</u>				<u>\$3,700</u>	<u>\$873</u>	<u>\$161,479</u>
Concrete							
Concrete: Flatwork-Safety Repair	<u>3,500</u>	5	0	-1	<u>3,500</u>	12.83	<u>3,500</u>
Concrete - Total	<u>\$3,500</u>				<u>\$3,500</u>	<u>\$13</u>	<u>\$3,500</u>
Controllers							
Landscape: Irrigation-Controllers	<i>unfunded</i>						
Decks							
Decks: Recoat	10,282	5	1	2	8,655	27.20	8,655
Decks: Replace-1	11,270	20	19		0	9.91	400
Decks: Replace-2	10,098	3	0	24	10,098	59.51	10,098
Decks: Replace-3	8,146	3	1	25	3,553	76.91	7,714
Decks: Replace-4	8,294	3	2	26	0	69.46	7,448
Decks: Replace-5	8,445	3	3	27	0	47.14	7,200
Decks: Replace-6	<u>8,598</u>	3	4	28	<u>0</u>	<u>35.99</u>	<u>6,968</u>
Decks - Total	<u>\$65,132</u>				<u>\$22,307</u>	<u>\$326</u>	<u>\$48,484</u>
Fencing							
Fence: 6' Chain Link with Slats	22,323	30	10		0	37.35	12,426
Fence: 6' Chain Link-Pool	<u>9,799</u>	30	27		0	<u>6.06</u>	<u>602</u>
Fencing - Total	<u>\$32,121</u>					<u>\$43</u>	<u>\$13,028</u>
Grounds Components							
Landscape: Renovation	1,500	2	0		1,500	13.02	1,500
Landscape: Sprinkler Sysytem	2,339	5	0	4	2,339	8.57	2,339
Trees: Plants-Shrubs	<u>13,086</u>	10	8		<u>0</u>	<u>27.37</u>	<u>2,266</u>
Grounds Components - Total	<u>\$16,925</u>				<u>\$3,839</u>	<u>\$49</u>	<u>\$6,105</u>

Meadow Wood Condominiums Owners' Association
Medford, Oregon
Component Summary

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
HVAC							
Clubhouse: HVAC	11,939	20	5		0	39.98	8,182
HVAC - Total	\$11,939					\$40	\$8,182
Insurance							
Insurance: Deductible	5,000	1	0		5,000	85.29	5,000
Insurance - Total	\$5,000				\$5,000	\$85	\$5,000
Interior Furnishings							
Clubhouse: Fitness Equipment	6,367	12	11		0	9.68	435
Clubhouse: Furniture-Appliances/Equ..	8,399	15	5	5	0	28.12	5,756
Clubhouse: Hot Water Heater-Electric	<i>unfunded</i>						
Clubhouse: Kitchen Countertop	1,772	15	1	1	1,631	2.34	1,631
Clubhouse: Window Treatments	<i>unfunded</i>						
Interior Furnishings - Total	\$16,538				\$1,631	\$40	\$7,823
Leaf Catcher							
Leaf Catcher: Gutters	2,888	12	8		0	6.04	833
Leaf Catcher - Total	\$2,888					\$6	\$833
Lighting							
Lights: Clubhouse Interior	3,283	20	5		0	10.99	2,250
Lights: Clubhouse Interior-Emergency	672	20	5		0	2.25	461
Lights: Exterior	24,076	25	5		0	80.62	17,600
Lighting - Total	\$28,031					\$94	\$20,311
Mailboxes							
Mailboxes: Replace	12,695	30	5		0	42.51	9,667
Paint: Mailboxes	600	10	0		600	1.20	600
Mailboxes - Total	\$13,295				\$600	\$44	\$10,267
Painting							
Clubhouse: Paint-Clubhouse Interior	4,602	15	1	1	4,237	6.09	4,237
Paint: Garages-Wood	3,600	6	0		3,600	11.19	3,600
Paint: Handrails	5,544	6	5		0	18.56	844
Painting - Total	\$13,746				\$7,837	\$36	\$8,681
Recreation/Pool							
Pool: Filter	802	15	0		802	1.17	802
Pool: Furniture	3,830	6	5		0	12.83	583
Pool: Pump	711	15	5		0	2.38	433
Pool: Resurface	8,000	12	0	-9	8,000	13.84	8,000
Recreation/Pool - Total	\$13,344				\$8,802	\$30	\$9,819

Meadow Wood Condominiums Owners' Association
Medford, Oregon
Component Summary

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Roofing							
Roof: Architectural Composition	220,142	24	15		0	245.34	62,985
Roofing - Total	\$220,142					\$245	\$62,985
Security System							
Security System: Phase 1-Repair-Repl..	5,488	12	11		0	8.34	375
Security System: Phase 2-Repair-Repl..	6,097	12	11		0	9.27	417
Security System - Total	\$11,585					\$18	\$792
Signs							
Signs: Entry-Common Area-Replace	500	8	0	1	500	1.21	500
Signs - Total	\$500				\$500	\$1	\$500
Stairs							
Stairs: Buildings-A	15,447	20	14		0	18.45	3,600
Stairs: Buildings-B	32,029	20	16		0	33.46	4,800
Stairs: Buildings-C	41,507	20	18		0	38.53	3,000
Stairs: Buildings-D	46,250	25	24	1	0	32.17	2,308
Stairs - Total	\$135,233					\$123	\$13,708
Utilities							
Utilities: Underground	5,278	20	3	10	0	29.46	4,500
Utilities: Waste Product Lines	5,278	20	3	10	0	29.46	4,500
Utilities - Total	\$10,556					\$59	\$9,000
Grand Total:	<u>\$1,391,609</u>				<u>\$57,716</u>	<u>\$2,628</u>	<u>\$463,650</u>

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2015	
Concrete: Flatwork-Safety Repair	3,500
Decks: Replace-2	10,098
Insurance: Deductible	5,000
Landscape: Renovation	1,500
Landscape: Sprinkler Sysytem	2,339
Paint: Garages-Wood	3,600
Paint: Mailboxes	600
Pool: Filter	802
Pool: Resurface	8,000
Siding: Vinyl-Clean & Repair-Garages	3,700
Signs: Entry-Common Area-Replace	500
Total for 2015	<u>\$39,639</u>
Replacement Year 2016	
Clubhouse: Kitchen Countertop	1,772
Clubhouse: Paint-Clubhouse Interior	4,602
Decks: Recoat	10,282
Decks: Replace-3	8,146
Insurance: Deductible	5,091
Siding: Vinyl-Clean & Repair-Buildings	17,309
Total for 2016	<u>\$47,201</u>
Replacement Year 2017	
Decks: Replace-4	8,294
Insurance: Deductible	5,184
Landscape: Renovation	1,555
Total for 2017	<u>\$15,033</u>
Replacement Year 2018	
Asphalt: Overlay	76,003
Asphalt: Repairs	4,224
Asphalt: Sealcoat	9,880
Decks: Replace-2	10,659
Decks: Replace-5	8,445
Insurance: Deductible	5,278
Utilities: Underground	5,278
Utilities: Waste Product Lines	5,278
Total for 2018	<u>\$125,046</u>

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2019	
Clubhouse: Fitness Room-Flooring-Carpet	1,781
Clubhouse: Flooring-Hard	6,150
Decks: Replace-3	8,598
Decks: Replace-6	8,598
Insurance: Deductible	5,374
Landscape: Renovation	1,612
Total for 2019	<u>\$32,114</u>
Replacement Year 2020	
Clubhouse: Furniture-Appliances/Equip	8,399
Clubhouse: HVAC	11,939
Clubhouse: Office-Flooring-Carpet	623
Concrete: Flatwork-Safety Repair	3,830
Decks: Replace-4	8,755
Insurance: Deductible	5,472
Landscape: Sprinkler Sysytem	2,560
Lights: Clubhouse Interior	3,283
Lights: Clubhouse Interior-Emergency	672
Lights: Exterior	24,076
Mailboxes: Replace	12,695
Paint: Handrails	5,544
Pool: Furniture	3,830
Pool: Pump	711
Siding: Vinyl-Clean & Repair-Garages	4,049
Total for 2020	<u>\$96,438</u>
Replacement Year 2021	
Decks: Recoat	11,252
Decks: Replace-2	11,252
Decks: Replace-5	8,914
Insurance: Deductible	5,571
Landscape: Renovation	1,671
Paint: Garages-Wood	4,011
Siding: Vinyl-Clean & Repair-Buildings	18,943
Total for 2021	<u>\$61,616</u>
Replacement Year 2022	
Decks: Replace-3	9,077

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2022 continued...</i>	
Decks: Replace-6	9,077
Insurance: Deductible	5,673
Total for 2022	<u>\$23,826</u>
Replacement Year 2023	
Asphalt: Repairs	4,623
Asphalt: Sealcoat	10,813
Decks: Replace-4	9,242
Insurance: Deductible	5,776
Landscape: Renovation	1,733
Leaf Catcher: Gutters	2,888
Signs: Entry-Common Area-Replace	578
Trees: Plants-Shrubs	13,086
Total for 2023	<u>\$48,738</u>
Replacement Year 2024	
Decks: Replace-2	11,878
Decks: Replace-5	9,410
Insurance: Deductible	5,881
Total for 2024	<u>\$27,169</u>
Replacement Year 2025	
Concrete: Flatwork-Safety Repair	4,192
Decks: Replace-3	9,581
Decks: Replace-6	9,581
Fence: 6' Chain Link with Slats	22,323
Insurance: Deductible	5,988
Landscape: Renovation	1,796
Landscape: Sprinkler Sysytem	2,801
Paint: Mailboxes	719
Siding: Vinyl-Clean & Repair-Garages	4,431
Total for 2025	<u>\$61,413</u>
Replacement Year 2026	
Clubhouse: Fitness Equipment	6,367
Decks: Recoat	12,314
Decks: Replace-4	9,756

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2026 continued...</i>	
Insurance: Deductible	6,097
Paint: Handrails	6,178
Pool: Furniture	4,268
Security System: Phase 1-Repair-Replace	5,488
Security System: Phase 2-Repair-Replace	6,097
Siding: Vinyl-Clean & Repair-Buildings	20,731
Total for 2026	<u>\$77,295</u>
Replacement Year 2027	
Decks: Replace-2	12,538
Decks: Replace-5	9,933
Insurance: Deductible	6,208
Landscape: Renovation	1,862
Paint: Garages-Wood	4,470
Pool: Resurface	9,933
Total for 2027	<u>\$44,945</u>
Replacement Year 2028	
Asphalt: Repairs	5,059
Asphalt: Sealcoat	11,833
Decks: Replace-3	10,114
Decks: Replace-6	10,114
Insurance: Deductible	6,321
Total for 2028	<u>\$43,442</u>
Replacement Year 2029	
Decks: Replace-4	10,298
Insurance: Deductible	6,436
Landscape: Renovation	1,931
Stairs: Buildings-A	15,447
Total for 2029	<u>\$34,112</u>
Replacement Year 2030	
Concrete: Flatwork-Safety Repair	4,587
Decks: Replace-2	13,235
Decks: Replace-5	10,485
Insurance: Deductible	6,553

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2030 continued...</i>	
Landscape: Sprinkler Sysytem	3,066
Pool: Filter	1,052
Roof: Architectural Composition	220,142
Siding: Vinyl-Clean & Repair-Garages	4,850
Total for 2030	\$263,970
Replacement Year 2031	
Clubhouse: Kitchen Countertop	2,322
Clubhouse: Paint-Clubhouse Interior	6,031
Decks: Recoat	13,476
Decks: Replace-3	10,676
Decks: Replace-6	10,676
Insurance: Deductible	6,673
Landscape: Renovation	2,002
Siding: Vinyl-Clean & Repair-Buildings	22,687
Signs: Entry-Common Area-Replace	667
Stairs: Buildings-B	32,029
Total for 2031	\$107,240
Replacement Year 2032	
Decks: Replace-4	10,871
Insurance: Deductible	6,794
Paint: Handrails	6,884
Pool: Furniture	4,756
Total for 2032	\$29,304
Replacement Year 2033	
Asphalt: Repairs	5,537
Asphalt: Sealcoat	12,950
Decks: Replace-2	13,971
Decks: Replace-5	11,068
Insurance: Deductible	6,918
Landscape: Renovation	2,075
Paint: Garages-Wood	4,981
Stairs: Buildings-C	41,507
Trees: Plants-Shrubs	15,673
Total for 2033	\$114,680

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2034	
Clubhouse: Fitness Room-Flooring-Carpet	2,334
Clubhouse: Flooring-Hard	8,061
Decks: Replace-1	11,270
Decks: Replace-3	11,270
Decks: Replace-6	11,270
Insurance: Deductible	7,044
Total for 2034	<u>\$51,248</u>
Replacement Year 2035	
Clubhouse: Furniture-Appliances/Equip	11,009
Clubhouse: Office-Flooring-Carpet	816
Concrete: Flatwork-Safety Repair	5,020
Decks: Replace-4	11,475
Insurance: Deductible	7,172
Landscape: Renovation	2,152
Landscape: Sprinkler Sysytem	3,355
Leaf Catcher: Gutters	3,586
Paint: Mailboxes	861
Pool: Pump	932
Siding: Vinyl-Clean & Repair-Garages	5,307
Total for 2035	<u>\$51,685</u>
Replacement Year 2036	
Decks: Recoat	14,748
Decks: Replace-2	14,748
Decks: Replace-5	11,684
Insurance: Deductible	7,302
Siding: Vinyl-Clean & Repair-Buildings	24,828
Siding: Vinyl-Replace	671,463
Total for 2036	<u>\$744,774</u>
Replacement Year 2037	
Decks: Replace-3	11,896
Decks: Replace-6	11,896
Insurance: Deductible	7,435
Landscape: Renovation	2,231
Total for 2037	<u>\$33,459</u>

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2038	
Asphalt: Repairs	6,059
Asphalt: Sealcoat	14,172
Clubhouse: Fitness Equipment	7,905
Decks: Replace-4	12,113
Insurance: Deductible	7,571
Paint: Handrails	7,671
Pool: Furniture	5,299
Security System: Phase 1-Repair-Replace	6,814
Security System: Phase 2-Repair-Replace	7,571
Utilities: Underground	7,571
Utilities: Waste Product Lines	7,571
Total for 2038	<u>\$90,316</u>
Replacement Year 2039	
Decks: Replace-2	15,568
Decks: Replace-5	12,333
Insurance: Deductible	7,708
Landscape: Renovation	2,313
Paint: Garages-Wood	5,550
Pool: Resurface	12,333
Signs: Entry-Common Area-Replace	771
Stairs: Buildings-D	46,250
Total for 2039	<u>\$102,827</u>
Replacement Year 2040	
Clubhouse: HVAC	17,124
Concrete: Flatwork-Safety Repair	5,494
Decks: Replace-3	12,558
Decks: Replace-6	12,558
Insurance: Deductible	7,849
Landscape: Sprinkler Sysytem	3,672
Lights: Clubhouse Interior	4,709
Lights: Clubhouse Interior-Emergency	964
Siding: Vinyl-Clean & Repair-Garages	5,808
Total for 2040	<u>\$70,736</u>
Replacement Year 2041	
Decks: Recoat	16,140

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2041 continued...</i>	
Decks: Replace-4	12,786
Insurance: Deductible	7,992
Landscape: Renovation	2,397
Siding: Vinyl-Clean & Repair-Buildings	27,171
Total for 2041	<u>\$66,486</u>
Replacement Year 2042	
Decks: Replace-2	16,433
Decks: Replace-5	13,019
Fence: 6' Chain Link-Pool	9,799
Insurance: Deductible	8,137
Total for 2042	<u>\$47,388</u>
Replacement Year 2043	
Asphalt: Repairs	6,631
Asphalt: Sealcoat	15,510
Decks: Replace-3	13,256
Decks: Replace-6	13,256
Insurance: Deductible	8,285
Landscape: Renovation	2,486
Trees: Plants-Shrubs	18,771
Total for 2043	<u>\$78,194</u>
Replacement Year 2044	
Decks: Replace-4	13,497
Insurance: Deductible	8,436
Paint: Handrails	8,547
Pool: Furniture	5,905
Total for 2044	<u>\$36,386</u>

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Asphalt: Overlay				76,003						
Asphalt: Repairs				4,224					4,623	
Asphalt: Sealcoat				9,880					10,813	
Clubhouse: Fitness Equipment										
Clubhouse: Fitness Room-Flooring-Carpet					1,781					
Clubhouse: Flooring-Hard					6,150					
Clubhouse: Furniture-Appliances/Equip						8,399				
Clubhouse: HVAC						11,939				
Clubhouse: Hot Water Heater-Electric	<i>Unfunded</i>									
Clubhouse: Kitchen Countertop		1,772								
Clubhouse: Office-Flooring-Carpet						623				
Clubhouse: Paint-Clubhouse Interior		4,602								
Clubhouse: Window Treatments	<i>Unfunded</i>									
Concrete: Flatwork-Safety Repair	3,500					3,830				
Decks: Recoat		10,282					11,252			
Decks: Replace-1										
Decks: Replace-2	10,098			10,659			11,252			11,878
Decks: Replace-3		8,146			8,598			9,077		
Decks: Replace-4			8,294			8,755			9,242	
Decks: Replace-5				8,445			8,914			9,410
Decks: Replace-6					8,598			9,077		
Fence: 6' Chain Link with Slats										
Fence: 6' Chain Link-Pool										
Insurance: Deductible	5,000	5,091	5,184	5,278	5,374	5,472	5,571	5,673	5,776	5,881
Landscape: Irrigation-Controllers	<i>Unfunded</i>									
Landscape: Renovation	1,500		1,555		1,612		1,671		1,733	
Landscape: Sprinkler Sysytem	2,339					2,560				
Leaf Catcher: Gutters									2,888	
Lights: Clubhouse Interior						3,283				
Lights: Clubhouse Interior-Emergency						672				
Lights: Exterior						24,076				
Mailboxes: Replace						12,695				
Paint: Garages-Wood	3,600						4,011			
Paint: Handrails						5,544				
Paint: Mailboxes	600									

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pool: Filter	802									
Pool: Furniture						3,830				
Pool: Pump						711				
Pool: Resurface	8,000									
Roof: Architectural Composition										
Security System: Phase 1-Repair-Replace										
Security System: Phase 2-Repair-Replace										
Siding: Vinyl-Clean & Repair-Buildings		17,309					18,943			
Siding: Vinyl-Clean & Repair-Garages	3,700					4,049				
Siding: Vinyl-Replace										
Signs: Entry-Common Area-Replace	500								578	
Stairs: Buildings-A										
Stairs: Buildings-B										
Stairs: Buildings-C										
Stairs: Buildings-D										
Trees: Plants-Shrubs									13,086	
Utilities: Underground				5,278						
Utilities: Waste Product Lines				5,278						
Year Total:	39,639	47,201	15,033	125,046	32,114	96,438	61,616	23,826	48,738	27,169

Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Asphalt: Overlay										
Asphalt: Repairs				5,059					5,537	
Asphalt: Sealcoat				11,833					12,950	
Clubhouse: Fitness Equipment		6,367								
Clubhouse: Fitness Room-Flooring-Carpet										2,334
Clubhouse: Flooring-Hard										8,061
Clubhouse: Furniture-Appliances/Equip										
Clubhouse: HVAC										
Clubhouse: Hot Water Heater-Electric	<i>Unfunded</i>									
Clubhouse: Kitchen Countertop							2,322			
Clubhouse: Office-Flooring-Carpet										
Clubhouse: Paint-Clubhouse Interior							6,031			
Clubhouse: Window Treatments	<i>Unfunded</i>									
Concrete: Flatwork-Safety Repair	4,192					4,587				
Decks: Recoat		12,314					13,476			
Decks: Replace-1										11,270
Decks: Replace-2			12,538			13,235			13,971	
Decks: Replace-3	9,581			10,114			10,676			11,270
Decks: Replace-4		9,756			10,298			10,871		
Decks: Replace-5			9,933			10,485			11,068	
Decks: Replace-6	9,581			10,114			10,676			11,270
Fence: 6' Chain Link with Slats	22,323									
Fence: 6' Chain Link-Pool										
Insurance: Deductible	5,988	6,097	6,208	6,321	6,436	6,553	6,673	6,794	6,918	7,044
Landscape: Irrigation-Controllers	<i>Unfunded</i>									
Landscape: Renovation	1,796		1,862		1,931		2,002		2,075	
Landscape: Sprinkler Sysytem	2,801					3,066				
Leaf Catcher: Gutters										
Lights: Clubhouse Interior										
Lights: Clubhouse Interior-Emergency										
Lights: Exterior										
Mailboxes: Replace										
Paint: Garages-Wood			4,470						4,981	
Paint: Handrails		6,178						6,884		
Paint: Mailboxes	719									

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Pool: Filter						1,052				
Pool: Furniture		4,268						4,756		
Pool: Pump										
Pool: Resurface			9,933							
Roof: Architectural Composition						220,142				
Security System: Phase 1-Repair-Replace		5,488								
Security System: Phase 2-Repair-Replace		6,097								
Siding: Vinyl-Clean & Repair-Buildings		20,731					22,687			
Siding: Vinyl-Clean & Repair-Garages	4,431					4,850				
Siding: Vinyl-Replace										
Signs: Entry-Common Area-Replace							667			
Stairs: Buildings-A					15,447					
Stairs: Buildings-B							32,029			
Stairs: Buildings-C									41,507	
Stairs: Buildings-D										
Trees: Plants-Shrubs									15,673	
Utilities: Underground										
Utilities: Waste Product Lines										
Year Total:	61,413	77,295	44,945	43,442	34,112	263,970	107,240	29,304	114,680	51,248

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Asphalt: Overlay										
Asphalt: Repairs				6,059					6,631	
Asphalt: Sealcoat				14,172					15,510	
Clubhouse: Fitness Equipment				7,905						
Clubhouse: Fitness Room-Flooring-Carpet										
Clubhouse: Flooring-Hard										
Clubhouse: Furniture-Appliances/Equip	11,009									
Clubhouse: HVAC						17,124				
Clubhouse: Hot Water Heater-Electric	<i>Unfunded</i>									
Clubhouse: Kitchen Countertop										
Clubhouse: Office-Flooring-Carpet	816									
Clubhouse: Paint-Clubhouse Interior										
Clubhouse: Window Treatments	<i>Unfunded</i>									
Concrete: Flatwork-Safety Repair	5,020					5,494				
Decks: Recoat		14,748					16,140			
Decks: Replace-1										
Decks: Replace-2		14,748			15,568			16,433		
Decks: Replace-3			11,896			12,558			13,256	
Decks: Replace-4	11,475			12,113			12,786			13,497
Decks: Replace-5		11,684			12,333			13,019		
Decks: Replace-6			11,896			12,558			13,256	
Fence: 6' Chain Link with Slats										
Fence: 6' Chain Link-Pool								9,799		
Insurance: Deductible	7,172	7,302	7,435	7,571	7,708	7,849	7,992	8,137	8,285	8,436
Landscape: Irrigation-Controllers	<i>Unfunded</i>									
Landscape: Renovation	2,152		2,231		2,313		2,397		2,486	
Landscape: Sprinkler Sysytem	3,355					3,672				
Leaf Catcher: Gutters	3,586									
Lights: Clubhouse Interior						4,709				
Lights: Clubhouse Interior-Emergency						964				
Lights: Exterior										
Mailboxes: Replace										
Paint: Garages-Wood					5,550					
Paint: Handrails				7,671						8,547
Paint: Mailboxes	861									

**Meadow Wood Condominiums Owners' Association
Annual Expenditure Detail**

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Pool: Filter										
Pool: Furniture				5,299						5,905
Pool: Pump	932									
Pool: Resurface					12,333					
Roof: Architectural Composition										
Security System: Phase 1-Repair-Replace				6,814						
Security System: Phase 2-Repair-Replace				7,571						
Siding: Vinyl-Clean & Repair-Buildings		24,828					27,171			
Siding: Vinyl-Clean & Repair-Garages	5,307					5,808				
Siding: Vinyl-Replace		671,463								
Signs: Entry-Common Area-Replace					771					
Stairs: Buildings-A										
Stairs: Buildings-B										
Stairs: Buildings-C										
Stairs: Buildings-D					46,250					
Trees: Plants-Shrubs									18,771	
Utilities: Underground				7,571						
Utilities: Waste Product Lines				7,571						
Year Total:	51,685	744,774	33,459	90,316	102,827	70,736	66,486	47,388	78,194	36,386

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Asphalt: Overlay		60,000 SF	@ \$1.20
Asset ID	1017	Asset Cost	\$72,000.00
Group	Capital	Percent Replacement	100%
Category	Asphalt	Future Cost	\$76,003.18
Placed in Service	January 1988		
Useful Life	30		
Replacement Year	2018		
Remaining Life	3		



Remarks:

This item is a 1-1/2" to 2" overlay on existing paving, including re-setting manhole, valve or storm drain covers and grinding edges as required.

It is our understanding that the Developer did not overlay this asphalt at the time of the conversion to condominiums in 2006.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Asphalt: Repairs

		59,550 SF	@ \$3.50
Asset ID	1038	Asset Cost	\$4,001.76
Group	Non-Capital	Percent Replacement	1.92%
Category	Asphalt	Future Cost	\$4,224.26
Placed in Service	June 2014		
Useful Life	5		
Adjustment	-1		
Replacement Year	2018		
Remaining Life	3		



Remarks:

This item is the repairs required to the asphalt at the time of sealcoating.
\$2,800 was spent in 2014 for asphalt repairs.

There are numerous cracks in the asphalt that should be repaired as soon as possible. Failure to do so may result in a large expenditure to remove and replace the sub-base as the roadway fails in certain areas.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Asphalt: Sealcoat		60,000 SF	@ \$0.16
Asset ID	1018	Asset Cost	\$9,360.00
Group	Non-Capital	Percent Replacement	100%
Category	Asphalt	Future Cost	\$9,880.41
Placed in Service	January 2004		
Useful Life	5		
Adjustment	9		
Replacement Year	2018		
Remaining Life	3		



Remarks:

This item is the application of a seal coat over the asphalt surface to protect the asphalt from the environment.

Failure to apply the seal coat will reduce the useful life of the asphalt.

Costs include re-striping, curb painting and ADA stencils where required.

It is our understanding the Developer seal coated this asphalt at the time of the conversion to condominiums in 2006.

This sealcoat component has been moved to the year 2016 at the request of the board from advice of contractor Musser Seal Coat services.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: Fitness Equipment

			1 Total	@ \$5,221.00
Asset ID	1001		Asset Cost	\$5,221.00
Group	Capital		Percent Replacement	100%
Category	Interior Furnishings		Future Cost	\$6,366.75
Placed in Service	January 2014			
Useful Life	12			
Replacement Year	2026			
Remaining Life	11			



Remarks:

- 1 Cybex 400T treadmill
- 1 Purabody ST950 Universal
- 1 Healthrider
- 1 HRT 1000 ES Stairstepper
- 1 HRT 1000 U Stationary Bike

\$4,257.00 was spent in 2011 for new equipment (partial replacement).

\$650.00 was spent in 2014 for new equipment (partial replacement).

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: Fitness Room-Flooring-Carpet		304 SF	@ \$5.45
Asset ID	1031	Asset Cost	\$1,656.80
Group	Capital	Percent Replacement	100%
Category	Building Components	Future Cost	\$1,780.75
Placed in Service	January 2000		
Useful Life	15		
Adjustment	4		
Replacement Year	2019		
Remaining Life	4		



Remarks:

This item is the replacement of the indoor/outdoor carpet in the community center.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

Meadow Wood Condominiums Owners' Association
Detail Report by Category

Clubhouse: Flooring-Hard

		748 SF	@ \$7.65
Asset ID	1002	Asset Cost	\$5,722.20
Group	Capital	Percent Replacement	100%
Category	Building Components	Future Cost	\$6,150.29
Placed in Service	January 2000		
Useful Life	15		
Adjustment	4		
Replacement Year	2019		
Remaining Life	4		



Remarks:

This item is the replacement of the hardwood flooring in the community center.
 This component has been set aside by the board at this time.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: Furniture-Appliances/Equip		1 Total	@ \$7,675.00
Asset ID	1003	Asset Cost	\$7,675.00
Group	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	\$8,399.31
Placed in Service	January 2000		
Useful Life	15		
Adjustment	5		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the furniture and appliances in the community center.

FURNITURE

- 1 table and 6 chairs
- 1 coffee table
- 1 sofa
- 7 fabric chairs
- 1 table

EQUIPMENT

- 2 desks
- 4 lateral files
- 1 book shelf
- 1 credenza

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Meadow Wood Condominiums Owners' Association
Detail Report by Category

Clubhouse: Furniture-Appliances/Equip continued...

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: HVAC

		1 Total	@ \$10,909.00
Asset ID	1005	Asset Cost	\$10,909.00
Group	Capital	Percent Replacement	100%
Category	HVAC	Future Cost	\$11,938.52
Placed in Service	January 2000		
Useful Life	20		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the HVAC (heat pump) system in the community building.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: Hot Water Heater-Electric		1 Total	@ \$500.00
Asset ID	1004	Asset Cost	\$500.00
Group	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	\$500.00
Placed in Service	January 2000		
Useful Life	15		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the replacement of the electric water heater in the community building.

No picture available.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: Kitchen Countertop		60 SF	@ \$29.00
Asset ID	1006	Asset Cost	\$1,740.00
Group	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	\$1,771.67
Placed in Service	January 2000		
Useful Life	15		
Adjustment	1		
Replacement Year	2016		
Remaining Life	1		



Remarks:

This item is the replacement of the laminated plastic countertop in the kitchen area.
This component is to be funded when determined by the board.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: Office-Flooring-Carpet		66 SF	@ \$8.62
Asset ID	1030	Asset Cost	\$568.92
Group	Capital	Percent Replacement	100%
Category	Building Components	Future Cost	\$622.61
Placed in Service	January 2000		
Useful Life	15		
Adjustment	5		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the clubhouse carpet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

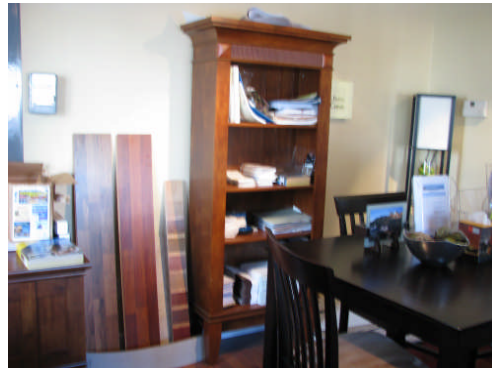
The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: Paint-Clubhouse Interior		3,735 SF	@ \$1.21
Asset ID	1008	Asset Cost	\$4,519.35
Group	Non-Capital	Percent Replacement	100%
Category	Painting	Future Cost	\$4,601.60
Placed in Service	January 2000		
Useful Life	15		
Adjustment	1		
Replacement Year	2016		
Remaining Life	1		



Remarks:

This item is the interior painting of the clubhouse and fitness center.

This component is to be funded when determined by the board.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Clubhouse: Window Treatments		1 Total	@ \$535.00
Asset ID	1009	Asset Cost	\$535.00
Group	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	\$544.74
Placed in Service	January 2000		
Useful Life	10		
Adjustment	6		
Replacement Year	2016		
Remaining Life	1		



Remarks:

This item is the replacement of the window treatments in the clubhouse building.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

Meadow Wood Condominiums Owners' Association
Detail Report by Category

Concrete: Flatwork-Safety Repair

		1 Total	@ \$3,500.00
Asset ID	1010	Asset Cost	\$3,500.00
Group	Capital	Percent Replacement	100%
Category	Concrete	Future Cost	\$3,500.00
Placed in Service	December 2011		
Useful Life	5		
Adjustment	-1		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the repair, maintenance and replacement of the flatwork concrete (trip hazards).

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Decks: Recoat

		3,300 SF	@ \$3.06
Asset ID	1060	Asset Cost	\$10,098.00
Group	Capital	Percent Replacement	100%
Category	Decks	Future Cost	\$10,281.78
Placed in Service	January 2009		
Useful Life	5		
Adjustment	2		
Replacement Year	2016		
Remaining Life	1		



Remarks:

This item is the re-coating of the decks.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

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**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Decks: Replace-1

		4 Each	@ \$2,000.00
Asset ID	1042	Asset Cost	\$8,000.00
Group	Capital	Percent Replacement	100%
Category	Decks	Future Cost	\$11,269.86
Placed in Service	January 2014		
Useful Life	20		
Replacement Year	2034		
Remaining Life	19		



Remarks:

This item is the replacement of 4 of the 24 decks in 2014 per the bid received by the board.

\$6,880 was spent in 2014 for the deck replacements.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Decks: Replace-2

		4 Each	@ \$2,524.50
Asset ID	1043	Asset Cost	\$10,098.00
Group	Capital	Percent Replacement	100%
Category	Decks	Future Cost	\$10,098.00
Placed in Service	January 1988		
Useful Life	3		
Adjustment	24		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the replacement of 4 decks per bid received by the board.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Decks: Replace-3

		4 Each	@ \$2,000.00
Asset ID	1054	Asset Cost	\$8,000.00
Group	Capital	Percent Replacement	100%
Category	Decks	Future Cost	\$8,145.60
Placed in Service	January 1988		
Useful Life	3		
Adjustment	25		
Replacement Year	2016		
Remaining Life	1		



Remarks:

This item is the replacement of 4 decks per bid received by the board.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Decks: Replace-4

		4 Each	@ \$2,000.00
Asset ID	1055	Asset Cost	\$8,000.00
Group	Capital	Percent Replacement	100%
Category	Decks	Future Cost	\$8,293.85
Placed in Service	January 1988		
Useful Life	3		
Adjustment	26		
Replacement Year	2017		
Remaining Life	2		



Remarks:

This item is the replacement of 4 decks per bid received by the board.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Decks: Replace-5

		4 Each	@ \$2,000.00
Asset ID	1056	Asset Cost	\$8,000.00
Group	Capital	Percent Replacement	100%
Category	Decks	Future Cost	\$8,444.80
Placed in Service	January 1988		
Useful Life	3		
Adjustment	27		
Replacement Year	2018		
Remaining Life	3		



Remarks:

This item is the replacement of 4 decks per bid received by the board.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Decks: Replace-6

		4 Each	@ \$2,000.00
Asset ID	1057	Asset Cost	\$8,000.00
Group	Capital	Percent Replacement	100%
Category	Decks	Future Cost	\$8,598.49
Placed in Service	January 1988		
Useful Life	3		
Adjustment	28		
Replacement Year	2019		
Remaining Life	4		



Remarks:

This item is the replacement of 4 decks per bid received by the board.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Fence: 6' Chain Link with Slats

		481 LF	@ \$38.75
Asset ID	1012	Asset Cost	\$18,638.75
Group	Capital	Percent Replacement	100%
Category	Fencing	Future Cost	\$22,322.75
Placed in Service	January 1995		
Useful Life	30		
Replacement Year	2025		
Remaining Life	10		



Remarks:

This item is the 6'-high perimeter fencing for the community and at the refuse area.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Fence: 6' Chain Link-Pool		223 LF	@ \$27.00
Asset ID	1013	Asset Cost	\$6,021.00
Group	Capital	Percent Replacement	100%
Category	Fencing	Future Cost	\$9,798.56
Placed in Service	March 2012		
Useful Life	30		
Replacement Year	2042		
Remaining Life	27		



Remarks:

This item is the new 6'-high chain link fencing at the pool that was installed for \$6,000.00 in 2012.

New gates should be installed also with new lock system.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Insurance: Deductible

		1 Total	@ \$5,000.00
Asset ID	1029	Asset Cost	\$5,000.00
Group	Non-Capital	Percent Replacement	100%
Category	Insurance	Future Cost	\$5,000.00
Placed in Service	January 2014		
Useful Life	1		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item may be informational only as each Owner is required to carry a deductible rider protecting the Association on their own homeowner insurance policy.

However, it is included as the association will need to front the monies.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Landscape: Irrigation-Controllers

		5 Each	@ \$750.00
Asset ID	1027	Asset Cost	\$3,750.00
Group	Capital	Percent Replacement	100%
Category	Controllers	Future Cost	\$3,818.25
Placed in Service	January 2006		
Useful Life	10		
Replacement Year	2016		
Remaining Life	1		



Remarks:

This item is the irrigation water controllers in the common area.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Landscape: Renovation

		1 Total	@ \$1,500.00
Asset ID	1014	Asset Cost	\$1,500.00
Group	Non-Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	\$1,500.00
Placed in Service	September 2013		
Useful Life	2		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the renovation of plants, trees and shrubs in the common area phase 1 and phase 2.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Landscape: Sprinkler Sysytem

		1 Total	@ \$2,339.00
Asset ID	1035	Asset Cost	\$2,339.00
Group	Non-Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	\$2,339.00
Placed in Service	January 2006		
Useful Life	5		
Adjustment	4		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the maintenance, repairs or replacement of the sprinkler irrigation system in the common area.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Leaf Catcher: Gutters

		1 Total	@ \$2,500.00
Asset ID	1024	Asset Cost	\$2,500.00
Group	Capital	Percent Replacement	100%
Category	Leaf Catcher	Future Cost	\$2,888.05
Placed in Service	August 2011		
Useful Life	12		
Replacement Year	2023		
Remaining Life	8		



Remarks:

This item is the replacement of the leaf and debris filter system on the gutters on all the buildings.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Lights: Clubhouse Interior

		24 Each	@ \$125.00
Asset ID	1007	Asset Cost	\$3,000.00
Group	Non-Capital	Percent Replacement	100%
Category	Lighting	Future Cost	\$3,283.12
Placed in Service	January 2000		
Useful Life	20		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the interior lights in the community center.

16 canned lights
8 4-ft fluorescents.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Lights: Clubhouse Interior-Emergency		2 Each	@ \$307.09
Asset ID	1032	Asset Cost	\$614.18
Group	Non-Capital	Percent Replacement	100%
Category	Lighting	Future Cost	\$672.14
Placed in Service	January 2000		
Useful Life	20		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the exit lights in the community building.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Lights: Exterior		176 Each	@ \$125.00
Asset ID	1015	Asset Cost	\$22,000.00
Group	Non-Capital	Percent Replacement	100%
Category	Lighting	Future Cost	\$24,076.21
Placed in Service	January 1995		
Useful Life	25		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the exterior light fixtures in the community.

- 6' Carriage Pole Lights, 60
- Wall Lights, 85
- Patio/Deck Lights, 85

Some reconstruction work was done in 2011 for \$560.00.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Mailboxes: Replace

		8 Each	@ \$1,450.00
Asset ID	1016	Asset Cost	\$11,600.00
Group	Capital	Percent Replacement	100%
Category	Mailboxes	Future Cost	\$12,694.73
Placed in Service	January 1990		
Useful Life	30		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the cluster-style mailboxes in the common area, including the pedestals.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Paint: Garages-Wood

		1 Total	@ \$3,600.00
Asset ID	1058	Asset Cost	\$3,600.00
Group	Non-Capital	Percent Replacement	100%
Category	Painting	Future Cost	\$3,600.00
Placed in Service	October 2009		
Useful Life	6		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the exterior painting of the wood on the garages.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Paint: Handrails

		1 Total	@ \$5,066.00
Asset ID	1036	Asset Cost	\$5,066.00
Group	Non-Capital	Percent Replacement	100%
Category	Painting	Future Cost	\$5,544.09
Placed in Service	October 2014		
Useful Life	6		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the exterior painting of the hand railings throughout the community.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Paint: Mailboxes

		8 Each	@ \$75.00
Asset ID	1059	Asset Cost	\$600.00
Group	Capital	Percent Replacement	100%
Category	Mailboxes	Future Cost	\$600.00
Placed in Service	January 2005		
Useful Life	10		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the painting of the cluster-style mailboxes in the common area, including the pedestals.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Pool: Filter

		1 Total	@ \$802.50
Asset ID	1019	Asset Cost	\$802.50
Group	Capital	Percent Replacement	100%
Category	Recreation/Pool	Future Cost	\$802.50
Placed in Service	January 2000		
Useful Life	15		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the replacement of the Purex Triton 125 GPM sand filter with comparable.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

Meadow Wood Condominiums Owners' Association
Detail Report by Category

Pool: Furniture

		1 Total	@ \$3,500.00
Asset ID	1020	Asset Cost	\$3,500.00
Group	Capital	Percent Replacement	100%
Category	Recreation/Pool	Future Cost	\$3,830.31
Placed in Service	January 2014		
Useful Life	6		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the pool furniture.

- 7 chaises
- 3 chairs
- 2 tables w/4 chairs and one umbrella each
- 10 stack chairs
- 4 end tables

\$1,736.80 was spent in 2014 for pool furniture.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Pool: Pump

		1 Total	@ \$650.00
Asset ID	1021	Asset Cost	\$650.00
Group	Capital	Percent Replacement	100%
Category	Recreation/Pool	Future Cost	\$711.34
Placed in Service	January 2005		
Useful Life	15		
Replacement Year	2020		
Remaining Life	5		



Remarks:

This item is the replacement of the pool pump.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Pool: Resurface		1 Total	@ \$8,000.00
Asset ID	1040	Asset Cost	\$8,000.00
Group	Capital	Percent Replacement	100%
Category	Recreation/Pool	Future Cost	\$8,000.00
Placed in Service	April 2012		
Useful Life	12		
Adjustment	-9		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the re-surface of the pool, including new coping tiles.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Roof: Architectural Composition			
Asset ID	1023	68,000 SF	@ \$2.47
Group	Capital	Asset Cost	\$167,960.00
Category	Roofing	Percent Replacement	100%
Placed in Service	January 2006	Future Cost	\$220,141.67
Useful Life	24		
Replacement Year	2030		
Remaining Life	15		



Remarks:

This item is the replacement of the asphalt composition shingles on all buildings.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Security System: Phase 1-Repair-Replace

			1 Total	@ \$4,500.00
Asset ID	1048		Asset Cost	\$4,500.00
Group	Capital		Percent Replacement	100%
Category	Security System		Future Cost	\$5,487.52
Placed in Service	November 2014			
Useful Life	12			
Replacement Year	2026			
Remaining Life	11			



Remarks:

This is the security system the board wishes to install in 2013 at a cost of \$3,000.00. \$1,517.99 was spent in 2014 for additional cameras.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Security System: Phase 2-Repair-Replace

			1 Total	@ \$5,000.00
Asset ID	1050		Asset Cost	\$5,000.00
Group	Capital		Percent Replacement	100%
Category	Security System		Future Cost	\$6,097.25
Placed in Service	February 2014			
Useful Life	12			
Replacement Year	2026			
Remaining Life	11			



Remarks:

This is the security system the board wishes to install in 2014 at a cost of \$5,000.00. \$2,482.01 was spent in 2014 for additional cameras.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Siding: Vinyl-Clean & Repair-Buildings

		1 Total	@ \$17,000.00
Asset ID	1025	Asset Cost	\$17,000.00
Group	Non-Capital	Percent Replacement	100%
Category	Building Components	Future Cost	\$17,309.40
Placed in Service	December 2011		
Useful Life	5		
Replacement Year	2016		
Remaining Life	1		



Remarks:

This item is the pressure (low) wash to remove algae, moss, and dirt. Repair as needed.

This component has been set aside by the board at this time.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Siding: Vinyl-Clean & Repair-Garages

Asset ID	1046	1 Total	@ \$3,700.00
Group	Non-Capital	Asset Cost	\$3,700.00
Category	Building Components	Percent Replacement	100%
Placed in Service	October 2009	Future Cost	\$3,700.00
Useful Life	5		
Adjustment	1		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the pressure (low) wash to remove algae, moss, and dirt on the garages and carports.

Repair as needed.

This component has been set aside by the board at this time.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Siding: Vinyl-Replace

		94,600 SF	@ \$4.86
Asset ID	1033	Asset Cost	\$459,756.00
Group	Non-Capital	Percent Replacement	100%
Category	Building Components	Future Cost	\$671,463.41
Placed in Service	January 2006		
Useful Life	30		
Replacement Year	2036		
Remaining Life	21		



Remarks:

This item is the replacement of the vinyl siding and should be brought into the reserve study in 2021.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Signs: Entry-Common Area-Replace		1 Total	@ \$500.00
Asset ID	1026	Asset Cost	\$500.00
Group	Capital	Percent Replacement	100%
Category	Signs	Future Cost	\$500.00
Placed in Service	January 2006		
Useful Life	8		
Adjustment	1		
Replacement Year	2015		
Remaining Life	0		



Remarks:

This item is the replacement of the various signs in the community.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Stairs: Buildings-A

		2 Each	@ \$6,000.00
Asset ID	1047	Asset Cost	\$12,000.00
Group	Capital	Percent Replacement	100%
Category	Stairs	Future Cost	\$15,447.01
Placed in Service	November 2009		
Useful Life	20		
Replacement Year	2029		
Remaining Life	14		



Remarks:

This item is the replacement of the stairs in the common area on 2 buildings.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Stairs: Buildings-B

		4 Each	@ \$6,000.00
Asset ID	1044	Asset Cost	\$24,000.00
Group	Capital	Percent Replacement	100%
Category	Stairs	Future Cost	\$32,028.80
Placed in Service	November 2011		
Useful Life	20		
Replacement Year	2031		
Remaining Life	16		



Remarks:

This item is the replacement of the stairs in the common area on 4 buildings.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

Meadow Wood Condominiums Owners' Association
Detail Report by Category

Stairs: Buildings-C

		5 Each	@ \$6,000.00
Asset ID	1045	Asset Cost	\$30,000.00
Group	Capital	Percent Replacement	100%
Category	Stairs	Future Cost	\$41,506.58
Placed in Service	January 2013		
Useful Life	20		
Replacement Year	2033		
Remaining Life	18		



Remarks:

This item is the replacement of the stairs in the common area on 5 buildings.

Stairs were repaired in 2013 for \$15,328.50.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Stairs: Buildings-D

		5 Each	@ \$6,000.00
Asset ID	1037	Asset Cost	\$30,000.00
Group	Capital	Percent Replacement	100%
Category	Stairs	Future Cost	\$46,250.40
Placed in Service	January 2013		
Useful Life	25		
Adjustment	1		
Replacement Year	2039		
Remaining Life	24		



Remarks:

This item is the replacement of the stairs in the common area on 5 buildings.
Stairs were repaired in 2013 for \$15,328.50.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Trees: Plants-Shrubs

			1 Total	@ \$11,328.00
Asset ID		1028	Asset Cost	\$11,328.00
Group		Non-Capital	Percent Replacement	100%
Category	Grounds	Components	Future Cost	\$13,086.33
Placed in Service		March 2013		
Useful Life		10		
Replacement Year		2023		
Remaining Life		8		



Remarks:

This item is the replacement of the trees, shrubs and plants in the common area, including stump grinding.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**Meadow Wood Condominiums Owners' Association
Detail Report by Category**

Utilities: Underground

		1 Total	@ \$5,000.00
Asset ID	1034	Asset Cost	\$5,000.00
Group	Capital	Percent Replacement	100%
Category	Utilities	Future Cost	\$5,278.00
Placed in Service	January 1988		
Useful Life	20		
Adjustment	10		
Replacement Year	2018		
Remaining Life	3		



Remarks:

This item is an allowance for the replacement of any underground services in the common area.

Some work was done in 2011 on the electrical wiring in the amount of \$589.05.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

Meadow Wood Condominiums Owners' Association
Detail Report by Category

Utilities: Waste Product Lines

		1 Total	@ \$5,000.00
Asset ID	1041	Asset Cost	\$5,000.00
Group	Capital	Percent Replacement	100%
Category	Utilities	Future Cost	\$5,278.00
Placed in Service	January 1988		
Useful Life	20		
Adjustment	10		
Replacement Year	2018		
Remaining Life	3		



Remarks:

This item is an allowance for the replacement of any underground waste product lines in the common area.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means, Craftsman, Marshall Swift, The National Construction Estimator, National Repair and Remodel Estimator, Dodge Cost Manual, McGraw Hill Professional, assorted independent contractors, various specialists, assorted vendors catalogues, actual quotations or historical costs, Consultant's own experience in like components or as provided by the Client.

The Association should obtain a bid to confirm this estimate.

These costs do not take into consideration any changes to the building code.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater or less than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

**ASSOCIATION RESOLUTION FOR REVENUE RULING 70-604 ELECTION
EXCESS INCOME APPLIED TO THE FOLLOWING YEAR'S ASSESSMENTS**

**RESOLUTION MUST BE VOTED ON BY THE MEMBERSHIP
AT THE ANNUAL MEETING**

ANNUAL RESOLUTION OF THE (Association)_____

**RE: EXCESS INCOME APPLIED TO THE FOLLOWING YEAR'S
ASSESSMENTS REVENUE RULING 70-604**

**WHEREAS, The (Association)_____ is a (State)
_____ corporation duly organized and existing under the laws of the State of
(State) _____;**

and

**WHEREAS, The members desire that the corporation shall act in full accordance with the
rulings and regulations of the Internal Revenue Service;**

and

**NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf
of the (Association) _____:**

**RESOLVED, that any excess of membership income over membership expenses for the year
ending _____20__ shall be applied against the subsequent tax year
member assessment as provided by IRS Revenue Ruling 70-604.**

**This resolution was voted on and made a part of the minutes of the annual meeting of
(Association) _____.**

**BY: _____
President**

**ATTESTED: _____
Secretary**

Form compliant with IRS Ruling 70-604

MEADOW WOOD CONDOMINIUMS OWNERS' ASSOCIATION

Maintenance Plan (The maintenance plan will follow later)

The current maintenance plan prepared by Reserve Studies by Reserve Funding is attached as an addendum to this reserve study by separate document. The reserve study and the maintenance plan should be filed together as one document.

Each year, during the update process whether Level II or Level III, the maintenance plan should be updated and revised as required.

The maintenance plan should be used as a guide for the timing of maintenance procedures and the forms attached to the maintenance plan used in order to have an on-going record of maintenance done.

This maintenance plan may be the original maintenance plan done (Level 1) or an update of a previous maintenance plan.

If component materials have been changed or substituted the Client should notify Reserve Funding by Reserve Studies so that changes can be taken into consideration during the preparation of the reserve study.

FUNDING GOALS AND FUNDING PLANS

EXPLANATION OF FUNDING GOALS

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

EXPLANATION OF FUNDING PLANS

Baseline Funding Model. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component’s remaining useful life can result in a deficit in the reserve cash balance.

Greatest risk to Client for a special assessment

Threshold Funding Model. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0) and Client must select a dollar amount. **Lesser risk to Client for a special assessment**

Full Funding Model (Proportional Funding)---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves will be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it will set aside approximately one-tenth of the replacement cost each year. At the end of three years, one will expect three-tenths of the replacement cost to have accumulated, and if so, that component will be “fully-funded.” This model is important in that it is a measure of the adequacy of an association’s reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age divided by Useful Life the results multiplied by Current Replacement Cost**

When an association’s total accumulated reserves for all components meet this criterion, its reserves are considered “fully-funded.” **Least risk to Client for a special assessment.**

Meadow Wood Condominiums Owners' Association
Member Summary Report

Description	Date In Service	Replacement Year	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Asphalt: Overlay	1988	2018	72,000	30	0	3	76,003	60000 @	1.20
Asphalt: Repairs	2014	2018	4,002	5	-1	3	4,224	59550 @	3.50
Asphalt: Sealcoat	2004	2018	9,360	5	9	3	9,880	60000 @	0.16
Clubhouse: Fitness Equipment	2014	2026	5,221	12	0	11	6,367	1 @	5,221.00
Clubhouse: Fitness Room-Flooring-C..	2000	2019	1,657	15	4	4	1,781	304 @	5.45
Clubhouse: Flooring-Hard	2000	2019	5,722	15	4	4	6,150	748 @	7.65
Clubhouse: Furniture-Appliances/Eq..	2000	2020	7,675	15	5	5	8,399	1 @	7,675.00
Clubhouse: HVAC	2000	2020	10,909	20	0	5	11,939	1 @	10,909.00
Clubhouse: Hot Water Heater-Electr..	1004	<i>Unfunded</i>							
Clubhouse: Kitchen Countertop	2000	2016	1,740	15	1	1	1,772	60 @	29.00
Clubhouse: Office-Flooring-Carpet	2000	2020	569	15	5	5	623	66 @	8.62
Clubhouse: Paint-Clubhouse Interior	2000	2016	4,519	15	1	1	4,602	3735 @	1.21
Clubhouse: Window Treatments	1009	<i>Unfunded</i>							
Concrete: Flatwork-Safety Repair	2011	2015	3,500	5	-1	0	3,500	1 @	3,500.00
Decks: Recoat	2009	2016	10,098	5	2	1	10,282	3300 @	3.06
Decks: Replace-1	2014	2034	8,000	20	0	19	11,270	4 @	2,000.00
Decks: Replace-2	1988	2015	10,098	3	24	0	10,098	4 @	2,524.50
Decks: Replace-3	1988	2016	8,000	3	25	1	8,146	4 @	2,000.00
Decks: Replace-4	1988	2017	8,000	3	26	2	8,294	4 @	2,000.00
Decks: Replace-5	1988	2018	8,000	3	27	3	8,445	4 @	2,000.00
Decks: Replace-6	1988	2019	8,000	3	28	4	8,598	4 @	2,000.00
Fence: 6' Chain Link with Slats	1995	2025	18,639	30	0	10	22,323	481 @	38.75
Fence: 6' Chain Link-Pool	2012	2042	6,021	30	0	27	9,799	223 @	27.00
Insurance: Deductible	2014	2015	5,000	1	0	0	5,000	1 @	5,000.00
Landscape: Irrigation-Controllers	1027	<i>Unfunded</i>							
Landscape: Renovation	2013	2015	1,500	2	0	0	1,500	1 @	1,500.00
Landscape: Sprinkler Sysytem	2006	2015	2,339	5	4	0	2,339	1 @	2,339.00
Leaf Catcher: Gutters	2011	2023	2,500	12	0	8	2,888	1 @	2,500.00
Lights: Clubhouse Interior	2000	2020	3,000	20	0	5	3,283	24 @	125.00
Lights: Clubhouse Interior-Emergen..	2000	2020	614	20	0	5	672	2 @	307.09
Lights: Exterior	1995	2020	22,000	25	0	5	24,076	176 @	125.00
Mailboxes: Replace	1990	2020	11,600	30	0	5	12,695	8 @	1,450.00
Paint: Garages-Wood	2009	2015	3,600	6	0	0	3,600	1 @	3,600.00
Paint: Handrails	2014	2020	5,066	6	0	5	5,544	1 @	5,066.00
Paint: Mailboxes	2005	2015	600	10	0	0	600	8 @	75.00
Pool: Filter	2000	2015	802	15	0	0	802	1 @	802.50
Pool: Furniture	2014	2020	3,500	6	0	5	3,830	1 @	3,500.00
Pool: Pump	2005	2020	650	15	0	5	711	1 @	650.00
Pool: Resurface	2012	2015	8,000	12	-9	0	8,000	1 @	8,000.00
Roof: Architectural Composition	2006	2030	167,960	24	0	15	220,142	68000 @	2.47
Security System: Phase 1-Repair-Rep..	2014	2026	4,500	12	0	11	5,488	1 @	4,500.00
Security System: Phase 2-Repair-Rep..	2014	2026	5,000	12	0	11	6,097	1 @	5,000.00
Siding: Vinyl-Clean & Repair-Buildi..	2011	2016	17,000	5	0	1	17,309	1 @	17,000.00
Siding: Vinyl-Clean & Repair-Garag..	2009	2015	3,700	5	1	0	3,700	1 @	3,700.00
Siding: Vinyl-Replace	2006	2036	459,756	30	0	21	671,463	94600 @	4.86
Signs: Entry-Common Area-Replace	2006	2015	500	8	1	0	500	1 @	500.00
Stairs: Buildings-A	2009	2029	12,000	20	0	14	15,447	2 @	6,000.00

**Meadow Wood Condominiums Owners' Association
Member Summary Report**

Description	Date In Service	Replacement Year	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Stairs: Buildings-B	2011	2031	24,000	20	0	16	32,029	4 @	6,000.00
Stairs: Buildings-C	2013	2033	30,000	20	0	18	41,507	5 @	6,000.00
Stairs: Buildings-D	2013	2039	30,000	25	1	24	46,250	5 @	6,000.00
Trees: Plants-Shrubs	2013	2023	11,328	10	0	8	13,086	1 @	11,328.00
Utilities: Underground	1988	2018	5,000	20	10	3	5,278	1 @	5,000.00
Utilities: Waste Product Lines	1988	2018	5,000	20	10	3	5,278	1 @	5,000.00



RESERVE STUDIES BY RESERVE FUNDING

Attached herewith is the reserve study (physical and financial analysis) for the Association. **Interest from reserve savings accounts must stay in the reserve account(s) and not be used as an offset against monthly assessments.**

You are encouraged to thoroughly review this document and its individual reports for conformity to the description of responsibility for the Association's Common Areas and Commonly Maintained Property as those terms are defined in your Declaration of Covenants, Conditions and Restrictions. In addition, please pay close attention to the reserve bank balance estimated to be on hand by your staff. **Any discrepancy in the figure or interest rate can have a significant effect on the reserve study and the outcome of the assumptions shown.**

The intention of the reserve study is to forecast, as they wear out in future years, the Association's ability to repair, replace, restore or maintain major components with a life expectancy of over one year and an estimated cost of over one thousand dollars. The reports will provide the Association's Board of Directors (Board) the information necessary to make the reserve projection disclosures required by existing statutes, lender's requirements, or the governing documents.

The cost outlined in the reserve study is subjective in some areas, therefore we may use costs submitted by the Declarant, Management or the Board, and are for budgetary and planning purposes only. Actual bid costs would depend upon the defined scope of work at the time the repair, replacement or restoration is done, and on actual price levels prevailing at the time the future repair, replacement, or restoration must be done.

The estimates on future repair, replacement and restoration in the reserve study will be good faith estimates and projections, based upon the estimated future inflation rate and interest (yield) on the monies set aside which may or may not prove accurate. Consultant submits that the probability that it may project in its reserve study, or that the Board could project in its disclosures, future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning the lottery (while it may happen in rare instances by chance, one may not reasonably expect it to happen). As a result, Consultant cannot, and does not, warrant or guaranty its projections. Assumptions on future costs and life expectancy's should be reviewed and adjusted on an annualized basis, as current and future cost projections and life expectancy's become more uncertain.

This reserve study is limited to an off-site, on-site or plan take-off physical analysis of the property, and as such did not disturb the major components. Therefore, all Common Areas and Commonly Maintained Property as those terms are defined in the Declaration for which there is no access without defacement are specifically omitted. However, if sufficient historical data including costs were available that would allow a reasonable projection of future expenditures for any unobserved components, e.g., plumbing, utilities, electrical wiring, those components could be included in the reserve study and may require an engineer's report.

Since no destructive testing was undertaken, this reserve study, as stated above, does not purport to address any latent and/or patent defects, nor does it address any life expectancies that are abnormally short due either to improper design or installation, or to subsequent improper maintenance. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

The seals below the signature is evidence that the reserve study was performed under the guidelines and policies of the Association of Professional Reserve Analysts and the Community Association Institute.

Sincerely,

D. L. "Dan" Huntley, PRA, RS
Tamarra "Tammy" Axton, PRA

Association of Professional Reserve Analyst-APRA-(PRA)
Community Association Institute-CAI-(RS) Reserve Specialist



EXECUTIVE SUMMARY

At the direction of the Association that recognizes the need for proper reserve planning, we have prepared a Reserve Study (physical and financial analysis) of the Association's Common Areas and Commonly Maintained Property as those terms are defined in the Declaration and submit our findings in this report. The purpose of this Reserve Study is to establish a reasonable yearly reserve contribution necessary to meet future expenditures for major replacements or repairs of the Common Areas and Commonly Maintained Property as those terms are defined in the Declaration in compliance with Texas Timeshare Act and Texas Property Code 221, as amended, and that components have a life expectancy of more than one year and less than thirty years.

All major Common Areas and Commonly Maintained Property as those terms are defined in the Declaration are likely to require capital repair or replacement over the next thirty years. Our analysis considered current and future costs of replacement for the subject Common Areas and Commonly Maintained Property as those terms are defined in the Declaration, the average annual fund balance, interest on invested funds, and anticipated inflation. Based on the investigation and analysis as detailed in the accompanying narrative, the attached *CURRENT ASSESSMENT FUNDING MODEL PROJECTION* report details the average reserve contributions that are recommended to fund the expected capital expenditures of the subject Common Areas and Commonly Maintained Property as those terms are defined in the Declaration over the next thirty years.

We arrived at these recommendations in part by matching the anticipated expenditures noted in the *ANNUAL EXPENDITURE DETAIL* against current fund balances and the annual levels of funding. **Reserve funds would not become depleted within the next thirty years at the levels of funding recommended.**

The *CURRENT ASSESSMENT FUNDING MODEL PROJECTION* enumerates the details regarding recommended annual reserve contributions and projected year-end reserve balances. We recommend, in accordance with state statutes, subsequent yearly off-site updates of this reserve study and an on-site physical analysis every five years to confirm that the recommended reserve contributions are appropriate in view of possible changes in the property, components not completed as detailed in the expenditure report, interest rates, inflation rates, costs, and movement of any excess operating funds to the reserve savings accounts as approved by the membership.

It is necessary that regular maintenance of the Common Areas and Commonly Maintained Property as those terms are defined in the Declaration be done to insure maximum useful life and optimum performance of the reserve components. Components of concern include items associated with water intrusion and safety.

The maintenance plan is a cyclical plan that calls for regular maintenance at regular intervals and will list the maintenance activity and the frequency of maintenance as well as a short narrative.

Checklists developed by Reed Construction Data, Inc. can be accessed, photocopied or downloaded from the RS Means web site at www.rsmeans.com/supplement/67346.asp. We strongly urge the Board to use these forms.

NARRATIVE REPORT

The following reports illustrate our recommendations and observations concerning anticipated expenditures, recommended reserve funding and projected fund balances during the next thirty years.

We have not investigated the title to or any liabilities against the property subject to this report.

At the direction of the Association, which recognizes the need for proper reserve planning, we have made a reserve study (physical and financial analysis) of this community and submit our findings in this report.

The purpose of this study is to establish a reasonable yearly reserve contribution necessary to meet future expenditures for major replacements or repairs of the Common Areas and Commonly Maintained Property of the Association as those terms are defined in the Declaration as of the beginning of its fiscal year.

Reserves for replacement are estimates of that amount of money that must be put aside to repair or replace major items or building components that will wear out before the entire facility or project wears out.

State law, such as that found in Texas, Nevada, California, Oregon and Washington, clearly establishes the fiduciary duty of “boards” and the necessity for adequate assessments including reserve funds. The legislative intent of these acts is to better protect current owners and future buyers of units in community associations. Reserving funds for future repair or replacement of the shorter-lived building components is also one of the most reliable ways of protecting the future market value of an individual’s investment property from the deleterious effects of special assessments.

For the purposes of this study, the detailed cash flow analysis is limited to those components or elements that are likely to require replacement or major rehabilitation during the next thirty-year period. Replacement of an entire planned development or condominium in 50 to 75 years is not a typical event. Preventive maintenance generally extends the useful life of many components. As such, estimating useful lives beyond thirty years from the date of this study is indeterminate and it is recommended that periodic updates of this study be made to consider actual facts and circumstances regarding extended or diminished component lives, inflation, and appreciation of the reserves.

Our investigation included Common Areas and Commonly Maintained Property as those term are defined in the Declaration as set forth in your Declaration associated with the property of the Association. Excluded from our consideration was all other property, including land, property owned individually by unit or home owners that is not Commonly Maintained Property, personal property, and intangible assets.

Expenditures relating to the operating budget and apart from reserves are excluded from this reserve analysis. It is our understanding that the operating budget and future operating budgets will provide for the on-going normal maintenance of Common Areas and Commonly Maintained Property as those terms are defined in the Declaration unless specifically identified in the component description on the *DETAIL REPORT BY CATEGORY*.

Our report comprises:

This letter, that sets forth the nature and extent of the investigation, identifies the classes of

property considered, and presents the conclusions reached.

An Executive Summary identifies the property, current reserves, recommended reserve funding, and projections concerning reserve funding.

Consideration and Methodology

The purpose of this study is to estimate the amount of yearly reserve contributions necessary to meet future expenditures for major replacements and repairs of the Common Area and Commonly Maintained Property as those terms are defined in the Declaration of the Association without a special assessment. We reviewed the property subject of this investigation and considered the following:

Local costs of material, equipment and labor combined in the cost factor.

The current and future costs of replacement or repair for the Common Areas and Commonly Maintained Property as those terms are defined in the Declaration as detailed in the *DETAIL REPORT BY CATEGORY*.

The cost of removal if required of the worn out components as part of the cost of replacement.

The anticipated effects of inflation on the amount to be reserved annually.

The anticipated effects of appreciation of the reserves over time in accord with your average current return or yield on investments. **We were informed all accrued interest on Association investments would be included within the reserve funds.**

The past and current maintenance practices of your Association and their effects on remaining lives.

We have not considered as part of the reserve contributions the amounts required for yearly maintenance activities.

SUMMARY AND CONCLUSION

This study indicates that based on the anticipated expenditures noted in the ANNUAL EXPENDITURE DETAIL report, the current reserves and annual recommended levels of funding are adequate to avoid future special assessments. Reserves would not become depleted within the next thirty years at current recommended levels of funding.

ASSUMPTIONS, SCOPE, AND LIMITED CONDITIONS

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, no guarantee is made nor liability assumed for the accuracy of any data, opinions, or estimates identified as being furnished by others or ourselves that have been used in formulating this analysis.

No soils analysis or geological studies were ordered or made in conjunction with this report, nor was any water, oil, gas, coal or other subsurface mineral and use rights or conditions investigated.

Any latent defects will not be a part of the reserve study. Should we find signs of possible latent defects or problems not within the scope of the reserve study, the Association will be notified so that the Association can retain the proper experts. However, the study will not be designed to uncover any possible latent defects, and the absence of any indications to such effect will not be, and should not be construed to be, an indication that there are no defects not so noted, or that we warrant the absence of any such defects.

Substances such as fungi, mold, asbestos, lead paint, urea-formaldehyde foam insulation, termite control substances other chemicals, toxic wastes, radon gas, electro-magnetic radiation or other potentially hazardous materials (on the surface or sub-surface) could, if present, adversely affect the validity of our reserve study. Unless otherwise stated in our reserve study, the existence of hazardous substances, that may or may not be present on the property, will not be considered nor will there be any inspection for termites. Our opinions are predicated on the assumption that there is no such material on or in the property nor existence of termites. No responsibility is assumed for any such conditions, and you are advised that we are not qualified to detect such substances, quantify the impact, or develop the remedial cost.

The Association needs to review each line item in the reports to be certain corrections are made from information you may possess that we are not aware of. It is assumed in our reserve study that no work, or expenditures from the reserve funds will occur for the balance of the fiscal year. If this is not correct, you need to let us know what extra work was done and how much money will be spent.

This physical analysis was made by individuals generally familiar with real estate and building construction and 33 years experience preparing reserve studies; however, no invasive testing was performed. Our report does not consider electrical wiring, plumbing or utilities that may be the responsibility of the Association. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property, including, but not limited to, its conformity to specific governmental code requirements, such as fire, building safety, earthquake, occupancy, land movement and/or slides, or any physical defects that were not readily apparent in our physical analysis. This reserve study is not an engineering study.

The cost outlined in the reserve study is subjective in some areas; therefore, we may use costs submitted by the Association that are for budgetary and planning purposes only. Actual bid costs would depend upon the defined scope of work at the time the repair, replacement or restoration is done, and on actual price levels prevailing at the time the future repair, replacement or restoration must be done. The estimates on future repair, replacement and restoration in the reserve study will be good faith estimates and projections, based upon the estimated future inflation rate and interest (yield) on the monies set aside which may or may not prove accurate. We submit that the probability that the board may project in its reserve study or disclosures, future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning the lottery (while it may happen in rare instances by chance, one may not reasonably expect it to happen). As a result, we cannot, and do not, guaranty its projections. Assumptions on future costs and life expectancies should be reviewed and adjusted on an annualized basis, as current future costs projections and life expectancies become more uncertain.

PROFESSIONAL SERVICE CONDITIONS

The services provided by Reserve Studies by Reserve Funding© were performed in accordance with our professional practice standards. Our compensation is not contingent in any way upon our conclusions. We assume, without independent verification, the accuracy of all data provided to us. We will act as an independent contractor. All files, work papers or documents developed by us during the course of the engagement will remain our property.

Our report is to be used only for the purposes stated herein. Any use or reliance for any other purpose, by you or third parties, is invalid. You may show our report in its entirety to those third parties that need to review the information contained herein. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent.

Association shall defend, indemnify, and hold harmless Reserve Studies by Reserve Funding© and its employees and subagents, who were or are a party or are threatened to be made a party to any threatened, pending, or completed actions, suits, or proceedings, whether civil, criminal, administrative, or investigative by reason of the fact that Reserve Studies by Reserve Funding©, and its employees and subagents, are or were the authorized representatives of the Association, as to any expense, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by Reserve Studies by Reserve Funding© and its employees and subagents, in connection with such action, suit, or proceeding, if Reserve Studies by Reserve Funding© and its employees and subagents acted in good faith and in a manner Reserve Studies by Reserve Funding© and its employees and subagents reasonably believed to be in, or not opposed to, the best interest of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful.

We have prepared an initial draft of the study and will make one adjustment to the report upon a written request from the Association within 30 days of the date the initial draft of the study is sent to the Board.

We reserve the right to include your Association's name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings.

These conditions can only be modified by written documents executed by both parties.

Respectfully submitted,

D. L. "Dan" Huntley, PRA, RS

Tamarra "Tammy" Axton, PRA

Association of Professional Reserve Analyst-APRA-(PRA)

Community Association Institute-CAI-(RS) Reserve Specialist

Important Information About Your Reserve Study

Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of Reserve Studies by Reserve Funding©. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, Association of Professional Reserve Analyst and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration (our contract provides that we shall update the reserve study annually). All of the information collected during our physical analysis of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Reserve Studies by Reserve Funding© would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study. Client shall accept all responsibility and liability for changes made and the results thereof. Consultant does not warranty the results of the revised study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Part III

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary monies. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to defer the required repair or replacement. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a “**special assessment**” to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major “reserve” expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association’s overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association’s major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be effectively budgeted each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of *some operational expenses* include:

Utilities:	Administrative:	Services:	Repair Expenses:
Electrical/Lights	Supplies	Landscape	Operating Contingency
Water/Irrigation	Bank Service Charges	Reserve Study Costs	
	Insurance		

These are major expenses that occur other than annually, and which must be budgeted in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved in advance. Examples of some reserve expenses include:

Asphalt Seal Coating	Painting-Mail Box Structures
Asphalt Overlays	Lighting Replacement
Asphalt Repair or Replacement	Underground Utilities
Masonry Repair	Concrete Curbs, Sidewalks, Aprons, and Parking Pads
Fencing Repair and Replacement	Insurance Deductible

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of masonry walls and concrete. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents, or other occurrences that are more properly insured, rather than reserved, are also excluded.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan."

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives, and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements, and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops 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 actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a “window” in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Reserve Studies by Reserve Funding© Threshold and the Reserve Studies by Reserve Funding© Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Reserve Studies by Reserve Funding© Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age** divided by **Useful Life** the results multiplied by **Current Replacement Cost**

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The Reserve Studies by Reserve Funding© **Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

The Reserve Studies by Reserve Funding © **Threshold Funding Model**. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0).

The Reserve Studies by Reserve Funding © **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The Reserve Studies by Reserve Funding © **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name “Component Funding Model”. This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Distribution of Reserves

Component Funding Model Distribution of Accumulated Reserves

The “Distribution of Accumulated Reserves Report” is a “Component Funding Model” calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can “fix” the accumulated reserve balance within the program on the individual asset’s detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component’s age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The Reserve Studies by Reserve Funding® software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to “replenish” the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment Required”, the “Average Net Monthly Interest Earned” contribution and the “Total Monthly Allocation to Reserves.” The association should allocate the “Monthly Reserve Assessment Required” amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in the reserve account and only amounts set aside for taxes should be removed .

The second alternative is to allocate the "Total Monthly Allocation" to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year. This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocating only those moneys net of taxes.

Users' Guide to your Reserve Analysis Study

Part II of your Reserve Funding© Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the "Component Funding Model" calculation.

The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Reserve Studies by Reserve Funding© Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.

Includes the Report Date (example: June 19, 2006), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure (information taken from "Inflationdata.com" and averaged over 5 years is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared.

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your Reserve Studies by Reserve Funding © Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your Reserve Studies by Reserve Funding© reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The Reserve Studies by Reserve Funding© reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Reserve Studies by Reserve Funding© Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your Reserve Studies by Reserve Funding© Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the Reserve Studies by Reserve Funding© reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The Reserve Studies by Reserve Funding© reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The Reserve Studies by Reserve Funding© Owners' Summary meets the disclosure requirements of the Texas Timeshare Act
- Your Reserve Studies by Reserve Funding© Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.