

**Quail Ridge THCA
11131-11167 W. 17th Ave
Lakewood, CO 80224**



Level 1, Limited Reserve Analysis

Report Period – 5/01/16-4/30/17



**Client Reference Number - 8173
Property Type – Townhomes
Number of Units –112
Fiscal Year End – April 30**

**Final
Version**

Date of Property Observation -	October 9, 2015
Project Manager -	Ryan Morita
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Report was prepared on -	Thursday, December 03, 2015

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Introduction to the Reserve Analysis –

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

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

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

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

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

General Information and Answers to Frequently Asked Questions –

Why is it important to perform a Reserve Study?

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

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

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

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

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

How often do we update or review “it”?

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

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 states. The State of Colorado currently requires all associations to adopt a Reserve policy, but does not currently enforce a Reserve Study is completed. Despite enacting this current law, the chances are also very good the documents of the association require the association to have a Reserve fund established. This may not mean a Reserve Analysis is required, but how are you going to know there are enough funds in the account if you don't have the proper information? Hypothetically, some associations look at the Reserve fund and think \$100,000 is a lot of money and they are in good shape. What they don't know is a major project will need to be addressed within 5 years, and the cost of the project is going to exceed \$150,000. So while \$100,000 sounds like a lot of money, in reality it won't even cover the cost of one major project, let alone all the other amenities the association is responsible to maintain.

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

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

The GREY area of “maintenance” items that are often seen in a Reserve Study –

One of the most popular questions revolves around major “maintenance” items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a “capital” item, then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a Reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a Reserve component.

The Property Observation –

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

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

The Reserve Fund Analysis –

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

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

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

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

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

Summary of Quail Ridge THCA -

Assoc ID # - 08173-16

Projected Starting Balance as of May 1, 2016 -	\$76,208
Ideal Reserve Balance as of May 1, 2016 -	\$626,338
Percent Funded as of January 1, 2015 -	12%
Recommended Reserve Allocation (per month) -	\$15,325
Minimum Reserve Allocation (per month) -	\$14,250
Recommended Special Assessments -	\$0

Information to complete this Reserve Analysis was gathered during a property observation of the common area elements on October 9, 2015. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representative (Community Manager). To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property contains 112 individual units within a community that was constructed 35 years ago in 1980. Association maintenance responsibilities include the asphalt, concrete flatwork, unit building exteriors, a clubhouse, a pool, perimeter fencing, landscaping, and an extensive irrigation system. Please refer to the *Projected Reserve Expenditure* table of the Financial Analysis section for a list of when components are supposed to be addressed.

In comparing the projected balance of \$76,208 versus the ideal Reserve Balance of \$626,338, we find the association Reserve fund to be in a weak financial position at this point in time (approximately 12% funded of ideal). Most associations in this position (less than 30% funded) are in danger of Special Assessments and deferred maintenance, which can lead to lower property values. As a result of the information contained in this report, we find the current Reserve allocation (\$7,833 per month) to be less than sufficient in increasing the strength of the Reserve fund to prepare for future projects. Therefore, we find it necessary to recommend a substantial increase to the Reserve contribution to \$15,325 per month (representing an increase of \$66.89 per unit followed by nominal annual increases of 2.00% - 4.00% thereafter to help offset the effects of inflation. By following the recommendation, the plan will maintain the Reserve account in a positive manner, while gradually increasing to a fully funded position within the thirty-year period.

In the percent Funded graph, you will see we have also provided a "minimum Reserve contribution" of \$14,250 per month. If the Reserve contribution falls below this rate, then the Reserve fund will fall into a situation where Special Assessments, deferred maintenance, and lower property values are possible at some point in the future. The minimum Reserve allocation follows the "threshold" theory of Reserve funding where the "percent funded" status is not allowed to dip below 30% funded at any point during the thirty-year period. This was provided for one purpose only, to show the association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money (approximately \$9.60 per unit per month in this case) to the Reserve fund to only stay above a certain threshold. As you can see, the difference between the two scenarios is considered to be minimal, and based on the risk, we strongly suggest the recommended Reserve Allocation is followed.

Comp #: 105 Comp Shingle Roof - Replace



Observations:

Location: **Throughout the Property**

Quantity: **Approx. 1,191 SQS**

Life Expectancy: **20** *Remaining Life:* **8**

Best Cost: **\$476,400**

\$400/square; Estimate to remove and replace

Worst Cost: **\$535,950**

\$450/square; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Unit Buildings - 1,071 SQS
Garage Buildings - 91 SQS
Pool Building - 25 SQS
Mailbox Kiosk - 4 SQS

Comp #: 120 Gutters/Downspouts - Replace



Observations:

Location: **Throughout the Property**

Quantity: **Approx. 10,160 LF**

Life Expectancy: **20** Remaining Life: **8**

Best Cost: **\$53,350**

\$5.25/LF; Estimate to replace

Worst Cost: **\$60,975**

\$6.00/LF: Higher estimate for larger lines

Source of Information: Cost Database

General Notes:

Unit Buildings - 9,540 LF
Garage Buildings - 360 LF
Pool Building - 215 LF
Mailbox Kiosk - 45 LF

Comp #: 204 Building Ext Surfaces - Repaint



Observations:

Location: **Throughout the Property**

Quantity: **(112) Units**

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

Best Cost: **\$112,000**

\$1000/unit; Estimate to repaint buildings

Worst Cost: **\$134,400**

\$1200/unit; Higher estimate for more prep work

Source of Information: Cost Database

General Notes:

Unit Buildings - 140,550 GSF
Garage Buildings - 4,560 GSF
Pool Buildings - 1,530 GSF
Mailbox Kiosk - 160 GSF

Comp #: 207 Metal Fencing - Repaint



Observations:

Location: **Common Areas**

Quantity: **Approx. 290 LF**

Life Expectancy: **4** *Remaining Life:* **1**

Best Cost: **\$2,050**

\$7.00/LF; Estimate to repaint fence

Worst Cost: **\$2,325**

\$8.00/LF; Higher estimate for additional prep costs

Source of Information: Cost Database

General Notes:

Comp #: 209 Wood Fencing - Restain



Observations:

Location: **Perimeter of Community**

Quantity: **Approx. 2,065 LF**

Life Expectancy: **4** Remaining Life: **0**

Best Cost: **\$14,475**

\$7.00/LF: Estimate to restain fence

Worst Cost: **\$16,525**

\$8.00/LF; Higher estimate for more prep work

Source of Information: Cost Database

General Notes:

Comp #: 216 Interior Surfaces - Repaint



Observations:

Location: **Clubhouse**

Quantity: **Approx. 2,750 GSF**

Life Expectancy: **10** *Remaining Life:* **3**

Best Cost: **\$2,750**

\$1.00/GSF; Estimate to repaint

Worst Cost: **\$3,175**

\$1.15/GSF; Higher estimate

Source of Information: Cost Database

General Notes:

Comp #: 301 Hardboard Siding - Major Repairs



Observations:

Location: **Throughout the Property**

Quantity: **(112) Units**

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

Best Cost: **\$28,000**

\$250/unit; Estimate to repair siding

Worst Cost: **\$33,600**

\$300/unit; Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

Unit Buildings - 140,550 GSF
Garage Buildings - 4,560 GSF
Pool Buildings - 1,530 GSF
Mailbox Kiosk - 160 GSF

Comp #: 306 Brick - Replace



Observations:

Location: **Throughout the Property**

Quantity: **Approx. 19,110 GSF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

**Unit Buildings - 16,145 GSF
Garage Buildings - 435 GSF
Mailbox Kiosk - 730 GSF
Brick Columns on perimeter fence - 1,800 GSF**

Typically, bricks have an extended life expectancy and complete replacement is unlikely. There are times where minor repairs may become necessary, but this is unpredictable when and how much would occur. Repairs should be handled as a maintenance issue on an as needed basis. Reserve funding is not required for this component at this time.

Comp #: 401 Asphalt - Major Overlay (1)



Observations:

Location: **Community Streets**

Quantity: **Approx. 51,325 GSF**

Life Expectancy: **25** Remaining Life: **23**

Best Cost: **\$48,760**

\$0.95/GSF; Estimate for major resurfacing

Worst Cost: **\$53,890**

\$1.05/GSF; Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

Combine this line item with component #403 for total overlay cost for phase 1.

Comp #: 402 Asphalt - Major Overlay (2)



Observations:

Location: **Community Streets**

Quantity: **Approx. 51,325 GSF**

Life Expectancy: **25** *Remaining Life:* **24**

Best Cost: **\$48,760**

\$0.95/GSF; Estimate for major resurfacing

Worst Cost: **\$53,890**

\$1.05/GSF; Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

Combine this line item with component #404 for total overlay cost for phase 2.

Comp #: 403 Asphalt - Surface Application (1)



Observations:

Location: **Community Streets**

Quantity: **Approx. 51,325 GSF**

Life Expectancy: **5** *Remaining Life:* **3**

Best Cost: **\$17,965**

\$.35/GSF; Estimate for surface treatment

Worst Cost: **\$20,530**

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

Source of Information: Cost Database

General Notes:

Comp #: 404 Asphalt - Surface Application (2)



Observations:

Location: **Community Streets**

Quantity: **Approx. 51,325 GSF**

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

Best Cost: **\$17,965**

\$.35/GSF; Estimate for surface treatment

Worst Cost: **\$20,530**

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

Source of Information: Cost Database

General Notes:

Comp #: 407 Curb and Gutters - Repair



Observations:

Location: **Community Streets**

Quantity: **Approx. 11,590 GSF**

Life Expectancy: **5** Remaining Life: **3**

Best Cost: **\$4,925**

Estimate to repair 5% of area every 5 years

Worst Cost: **\$5,360**

Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

Curb and Gutter - 8,960 GSF
Drain Pan - 2,630 GSF

Comp #: 506 Doors/Windows - Replace



Observations:

Location: **Clubhouse and Mailbox Kiosk**

Quantity: **Approx. (30) Openings**

Life Expectancy: **30** Remaining Life: **13**

Best Cost: **\$19,500**

\$650/opening; Average estimate to replace

Worst Cost: **\$22,500**

\$750/window; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Clubhouse -
Windows - (22)
Doors - (6)
Skylight - (1) Large skylight

Mailbox Kiosk -
Door - (1)

TOTAL - 30 Openings

Comp #: 601 Concrete Flatwork - Partial Replace



Observations:

Location: **Common Areas**

Quantity: **Approx. 32,275 GSF**

Life Expectancy: **5** Remaining Life: **3**

Best Cost: **\$27,435**

Allowance to repair 10% of area every 5 years

Worst Cost: **\$29,855**

Higher allowance for more repairs

Source of Information: Cost Database

General Notes:

Common area sidewalks - 28,570 GSF
Pool Deck - 3,705 GSF

Comp #: 607 Cantilever Wood Deck - Replace 25%



Observations:

Location: **Unit Buildings**

Quantity: **(40) Cantilever Decks**

Life Expectancy: **4** Remaining Life: **2**

Best Cost: **\$72,500**

\$7,250/Deck; Estimate to replace wood decks

Worst Cost: **\$87,500**

\$8,750/Deck; Higher estimate for more labor

Source of Information: Cost Database

General Notes:

(22) - 75 GSF Decks
(6) - 90 GSF Decks
(6) - 50 GSF Decks
(6) - 60 GSF Decks

This an allowance to replace (10) cantilevered decks every 4 years.

Comp #: 703 Water Heater - Replace



Observations:

Location: **Mechanical Room**

Quantity: **(1) Water Heater**

Life Expectancy: **15** Remaining Life: **6**

Best Cost: **\$2,000**

\$2000/heater; Estimate to replace 50 gallon heater

Worst Cost: **\$2,500**

\$2500/heater; Higher estimate for more labor

Source of Information: Cost Database

General Notes:

(1) - State Select

Comp #: 706 HVAC System - Replace



Observations:

Location: **Mechanical Room**

Quantity: **(1) System**

Life Expectancy: **15** Remaining Life: **6**

Best Cost: **\$3,250**

\$3,250/system; Estimate to replace

Worst Cost: **\$3,500**

\$3,500/system; Higher estimate for larger units

Source of Information: Cost Database

General Notes:

(1) - Carrier Furnace

(1) - Condenser

Comp #: 801 Monument - Rebuild



Observations:

Location: **Entrances to Community**

Quantity: **See General Notes**

Life Expectancy: **25** Remaining Life: **15**

Best Cost: **\$10,000**

Allowance for general repairs

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

Higher allowance for more renovations costs

Source of Information: Cost Database

General Notes:

(2) - Small Wooden Signs

(1) - Brick Monument with wooden sign

Brick - 48 GSF

Wooden sign - 48 GSF

Comp #: 803 Mailboxes - Replace



Observations:

Location: **Mailbox Kiosk**

Quantity: **See General Notes**

Life Expectancy: **20** Remaining Life: **5**

Best Cost: **\$8,100**

Estimate to replace

Worst Cost: **\$9,250**

Higher estimate for better quality

Source of Information: Cost Database

General Notes:

(1) - 35 Box CBU - \$1650-\$1900/ea
(3) - 28 Box CBU - \$1650-\$1900/ea
(1) - 8 Parcel Locker - \$1500 - \$1650/ea

Comp #: 903 TV Security System - Replace



Observations:

Location: **Clubhouse**

Quantity: **(1) System**

Life Expectancy: **7** Remaining Life: **1**

Best Cost: **\$1,250**

Estimate to upgrade security system

Worst Cost: **\$1,500**

Higher estimate for higher quality

Source of Information: Cost Database

General Notes:

(1) - Swann DVR
(1) - Computer with Monitor
(8) - Cameras

Comp #: 1001 Wood Fencing - Replace



Observations:

Location: **Perimeter of Community**

Quantity: **Approx. 2,065 LF**

Life Expectancy: **20** *Remaining Life:* **10**

Best Cost: **\$68,150**

\$33/LF; Estimate to replace

Worst Cost: **\$78,475**

\$38/LF: Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Comp #: 1002 Metal Fencing - Replace



Observations:

Location: **Common Areas**

Quantity: **Approx. 290 LF**

Life Expectancy: **30** *Remaining Life:* **15**

Best Cost: **\$13,050**

\$45/LF; Estimate to replace

Worst Cost: **\$13,925**

\$48/LF; Higher estimate

Source of Information: Cost Database

General Notes:

Comp #: 1005 Block Wall - Replace



Observations:

Location: **Common Areas**

Quantity: **Approx. 10,050 GSF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

As long as block wall was installed conforming to county code, this wall should have an extended useful life. Since there is no expectation to replace wall, Reserve funding is not required for this component.

Comp #: 1010 Trash Enclosures - Major Repairs



Observations:

Location: **Common Areas**

Quantity: **(7) Enclosures**

Life Expectancy: **10** Remaining Life: **5**

Best Cost: **\$7,000**

Allownace for general repairs

Worst Cost: **\$9,000**

Higher allowance for more repairs.

Source of Information: Cost Database

General Notes:

Siding - 955 GSF

Concrete Slab - 490 GSF

Comp #: 1101 Pool - Resurface



Observations:

Location: **Pool Area**

Quantity: **Approx. 1,200 GSF**

Life Expectancy: **12** Remaining Life: **0**

Best Cost: **\$9,000**

\$7.50/GSF; Estimate for diamond brite finish

Worst Cost: **\$10,200**

\$8.50/GSF; Higher estimate for more labor

Source of Information: Cost Database

General Notes:

Comp #: 1102 Spa - Resurface



Observations:

Location: **Pool Area**

Quantity: **(1) Spa**

Life Expectancy: **6** *Remaining Life:* **0**

Best Cost: **\$2,500**

\$2,500/Spa; Estimate to resurface spa

Worst Cost: **\$3,000**

\$3,000/Spa; Higher estimate for more prep work

Source of Information: Cost Database

General Notes:

Comp #: 1104 Coping Stone / Tile - Replace



Observations:

Location: **Pool and Spa**

Quantity: **Approx 125 LF**

Life Expectancy: **12** Remaining Life: **0**

Best Cost: **\$5,625**

\$45/LF; Estimate to replace tile and coping stones

Worst Cost: **\$6,250**

\$50/LF; Estimate for upgraded materials

Source of Information: Cost Database

General Notes:

Replace Coping/Tile at same time as resurfacing.

Comp #: 1105 Pool Heater - Replace



Observations:

Location: **Mechanical Room**

Quantity: **(1) Pool Heater**

Life Expectancy: **18** Remaining Life: **13**

Best Cost: **\$5,000**

\$5000/heater; Estimate to replace

Worst Cost: **\$6,000**

\$6000/heater; Higher estimate for more efficiency

Source of Information: Cost Database

General Notes:

Comp #: 1106 Spa Heater - Replace



Observations:

Location: **Mechanical Room**

Quantity: **(1) Spa Heater**

Life Expectancy: **18** Remaining Life: **9**

Best Cost: **\$2,250**

Estimate to replace spa heater

Worst Cost: **\$2,625**

Higher estimate

Source of Information: Cost Database

General Notes:

Laars Lite 2

Comp #: 1108 Pool Filter - Replace



Observations:

Location: **Mechanical Room**

Quantity: **(1) Pool Filter**

Life Expectancy: **25** Remaining Life: **12**

Best Cost: **\$1,200**

\$1200/filter; Estimate to replace

Worst Cost: **\$1,500**

\$1500/filter; Higher estimate

Source of Information: Cost Database

General Notes:

Comp #: 1109 Spa Filter - Replace



Observations:

Location: **Mechanical Room**

Quantity: **(1) Spa Filter**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Cartridge Filter - <\$500 to replace. Replace when needed out of operating funds.

Comp #: 1111 Misc. Pool Mechanical Equipment - Replace



Observations:

Location: **Mechanical Room**

Quantity: **See General Notes**

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

Best Cost: **\$2,400**

Allowance for misc. replacement

Worst Cost: **\$3,600**

Higher allowance for more replacement

Source of Information: Cost Database

General Notes:

(3) - Pumps
(2) - Chlorinators
(1) - Levelor System

Comp #: 1113 Pool Cover - Replace



Observations:

Location: **Pool Area**

Quantity: **Approx.**

Life Expectancy: **12** *Remaining Life:* **5**

Best Cost: **\$2,730**

\$3.25/GSF; Estimate to replace

Worst Cost: **\$3,150**

\$3.75/GSF; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Comp #: 1114 Spa Cover - Replace



Observations:

Location: **Pool Area**

Quantity: **Approx. 50 GSF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

General Notes:

Due to the low cost of this spa cover, replace as-needed out of operating funds.

Comp #: 1121 Pool Furniture - Replace



Observations:

Location: **Pool Area**

Quantity: **(32) Pieces**

Life Expectancy: **8** *Remaining Life:* **0**

Best Cost: **\$5,600**

\$175/Piece; Estimate to replace pool furniture

Worst Cost: **\$6,400**

\$200/Piece; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

(20) - Chaise Lounge
(10) - Chairs
(2) - Tables

Comp #: 1201 Tennis Court - Replace



Observations:

Location: **Pool Area**

Quantity: **(1) Court**

Life Expectancy: **30** Remaining Life: **0**

Best Cost: **\$20,000**

\$20,000/court; Est. to overlay asphalt

Worst Cost: **\$25,000**

\$25,000/court; Higher estimate for more labor

Source of Information: Cost Database

General Notes:

6,070 GSF

**Cost estimate to replace with post tension concrete:
\$40,000 - \$45,000**

Comp #: 1202 Tennis Court - Recoat/Paint



Observations:

Location: **Pool Area**
 Quantity: **(1) Court**
 Life Expectancy: **5** Remaining Life: **0**
 Best Cost: **\$4,500**
 \$4,500/court; Est. to repaint/coat
 Worst Cost: **\$5,250**
 \$5,250/court; Higher estimate
 Source of Information: Cost Database

General Notes:

Comp #: 1405 Furnishings - Replace 25%



Observations:

Location: **Clubhouse**

Quantity: **(45) Pieces**

Life Expectancy: **4** Remaining Life: **0**

Best Cost: **\$6,750**

Estimate to replace

Worst Cost: **\$7,600**

Higher estimate for higher quality.

Source of Information: Cost Database

General Notes:

(1) - Pool Table
(1) - Sectional
(2) - Gliders
(6) - Chairs
(7) - Bar Chairs
(1) - Recliner
(1) - 7 piece dining set
(1) - Desk
(1) - Table
(1) - Sofa Table
(1) - Coffee Table
(20) - Folding Chairs
(2) - Folding Tables

TOTAL - 45 Pieces

Comp #: 1413 Restroom - Remodel



Observations:

Location: **Clubhouse**

Quantity: **(2) Restrooms**

Life Expectancy: **24** Remaining Life: **12**

Best Cost: **\$10,000**

Estimate to remodel Restroom

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

Higher estimate for higher quality

Source of Information: Cost Database

General Notes:

Men's -
(1) - Sink
(1) - Vanity
(1) - mirror
(1) - wall light

Women's -
(1) - Sink
(1) - Vanity
(1) - mirror
(1) - wall light

Comp #: 1414 Kitchen - Remodel



Observations:

Location: **Clubhouse**

Quantity: **(1) Small Kitchen**

Life Expectancy: **24** Remaining Life: **12**

Best Cost: **\$6,000**

Estimate to remodel

Worst Cost: **\$8,000**

Higher estimate for higher quality

Source of Information: Cost Database

General Notes:

(1) - Stove
(1) - Fridge
(1) - Sink
(1) - Microwave

Counter Top - 40 GSF
Flooring - 72 GSF

Comp #: 1501 Carpeting - Replace



Observations:

Location: **Clubhouse**

Quantity: **Approx. 115 GSY**

Life Expectancy: **12** *Remaining Life:* **0**

Best Cost: **\$4,600**

\$40/GSY; Estimate for medium grade

Worst Cost: **\$5,750**

\$50/GSY; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Comp #: 1601 Interior Lights - Replace



Observations:

Location: **Clubhouse**

Quantity: **Approx. (6) Lights**

Life Expectancy: **24** Remaining Life: **12**

Best Cost: **\$1,200**

\$200; Estimate to replace and install new

Worst Cost: **\$1,500**

\$250/fixture; Higher estimate

Source of Information: Cost Database

General Notes:

Spotlights - (4)

Hanging Lights over pool table - (2)

Comp #: 1602 Exterior Wall Mount - Replace 25%



Observations:

Location: **See General Notes**

Quantity: **Approx. (268) Lights**

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

Best Cost: **\$8,375**

\$125/light; Estimate to replace

Worst Cost: **\$10,500**

\$150/light; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Unit Buildings - (264)
Clubhouse - (4)

Comp #: 1604 Pole Lights - Replace



Observations:

Location: **Common Areas**

Quantity: **(20) Pole Lights**

Life Expectancy: **18** *Remaining Life:* **9**

Best Cost: **\$5,000**

\$250/fixture; Estimate to replace with similar

Worst Cost: **\$6,000**

\$300/fixture; Higher estimate for different fixture

Source of Information: Cost Database

General Notes:

Common Area Pole Lights - (12)
Flood Lights for tennis court - (8)

Comp #: 1608 Can Lights - Replace



Observations:

Location: **See General Notes**

Quantity: **Approx. (14) Lights**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information: Cost Database

General Notes:

**Clubhouse - (10)
Mailbox Kiosk - (4)
No expectation to replace all lights at one time. Replace individual lights as necessary as an operating expense. No reserve funding necessary.**

Comp #: 1701 Irrigation System - Major Repairs and Replacement



Observations:

Location: **Throughout the Property**

Quantity: **Moderate Area**

Life Expectancy: **4** Remaining Life: **3**

Best Cost: **\$20,000**

Allowance for major repairs and renovating system

Worst Cost: **\$24,000**

Higher allowance for more repairs

Source of Information: Cost Database

General Notes:

This line item is for irrigation repairs and replacement of irrigation controllers.

Comp #: 1801 Landscaping - Replenish



Observations:

Location: **Throughout the Property**

Quantity: **Moderate Area**

Life Expectancy: **4** Remaining Life: **3**

Best Cost: **\$5,500**

Allowance for major improvements

Worst Cost: **\$6,500**

Higher allowance for mor improvements

Source of Information: Cost Database

General Notes:

This line item is for improvements outside of the landscaping contract.

Comp #: 2005 Storage Shed - Replace



Observations:

Location: **Pool Area**

Quantity: **(1) Medium Storage Shed**

Life Expectancy: **30** Remaining Life: **20**

Best Cost: **\$3,500**

Estimate to replace

Worst Cost: **\$4,000**

Higher estimate for higher quality

Source of Information: Cost Database

General Notes:

(1) - 8x10 Storage Shed

Funding Summary For Quail Ridge THCA

Beginning Assumptions

Financial Information Source	Research With Client
# of units	112
Fiscal Year End	April 30, 2017
Monthly Dues from 2015 budget	\$26,258.00
Monthly Reserve Allocation from 2015 Budget	\$7,833.00
Projected Starting Reserve Balance (as of 1/1/2016)	\$76,208
Reserve Balance: Average Per Unit	\$680
Ideal Starting Reserve Balance (as of 1/1/2016)	\$626,338
Ideal Reserve Balance: Average Per Unit	\$5,592

Economic Factors

Past 20 year Average Inflation Rate (Based on CCI)	3.50%
Current Average Interest Rate	1.00%

Current Reserve Status

Current Balance as a % of Ideal Balance	12%
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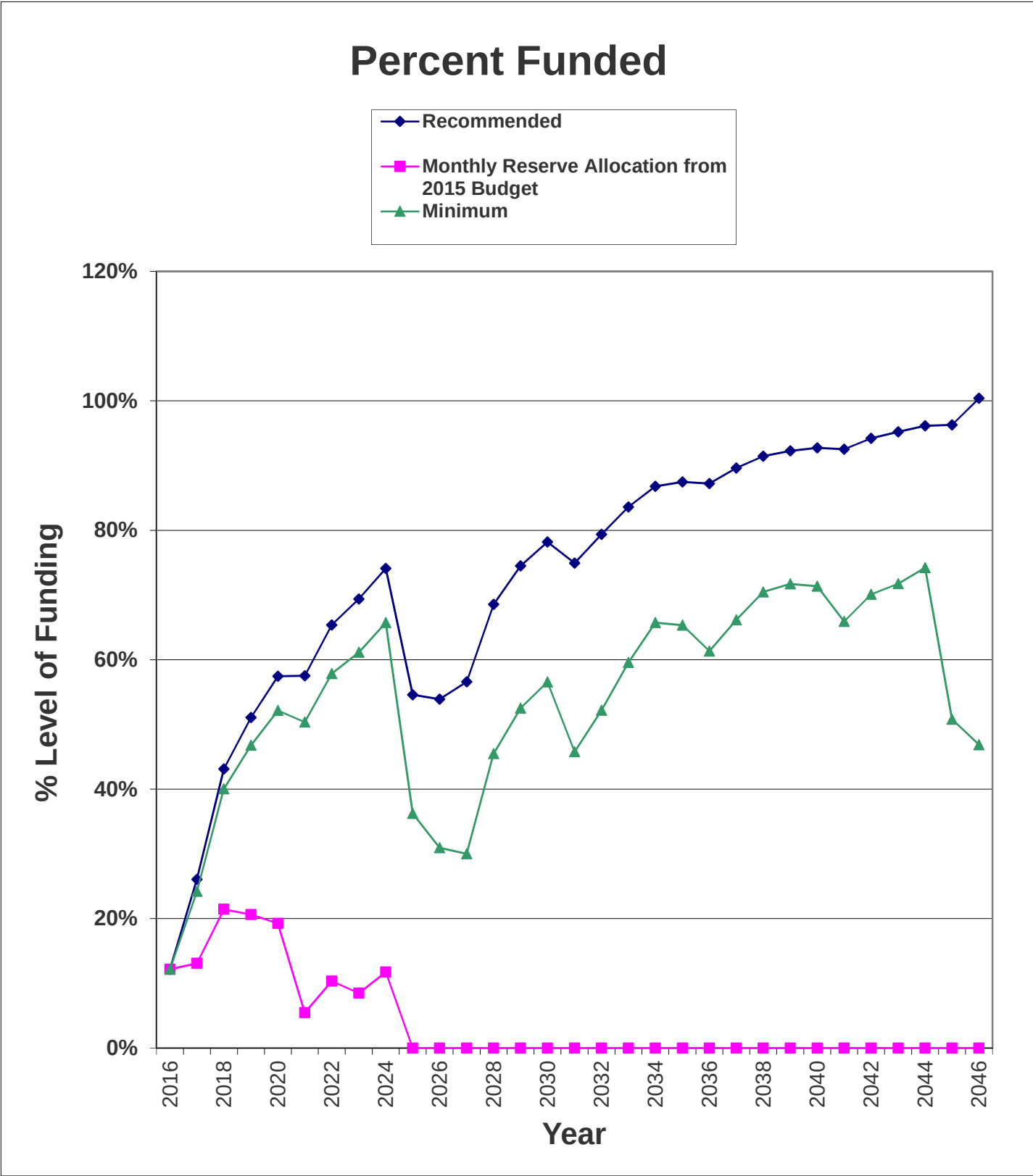
Recommendations for 2016 - 2017 Fiscal Year

Monthly Reserve Allocation	\$15,325
Per Unit	\$136.83
Minimum Monthly Reserve Allocation	\$14,250
Per Unit	\$127.23
Primary Annual Increases	2.00%
# of Years	15
Secondary Annual Increases	4.00%
# of Years	15
Special Assessment	\$0
Per Unit	\$0

Changes From Prior Year (2015/16 to 2016/17)

Increase/Decrease to Reserve Allocation	\$7,492
as Percentage	96%
Per Unit	\$66.89

Percent Funded Graph For Quail Ridge THCA



Component Inventory for Quail Ridge Townhome Community Associat

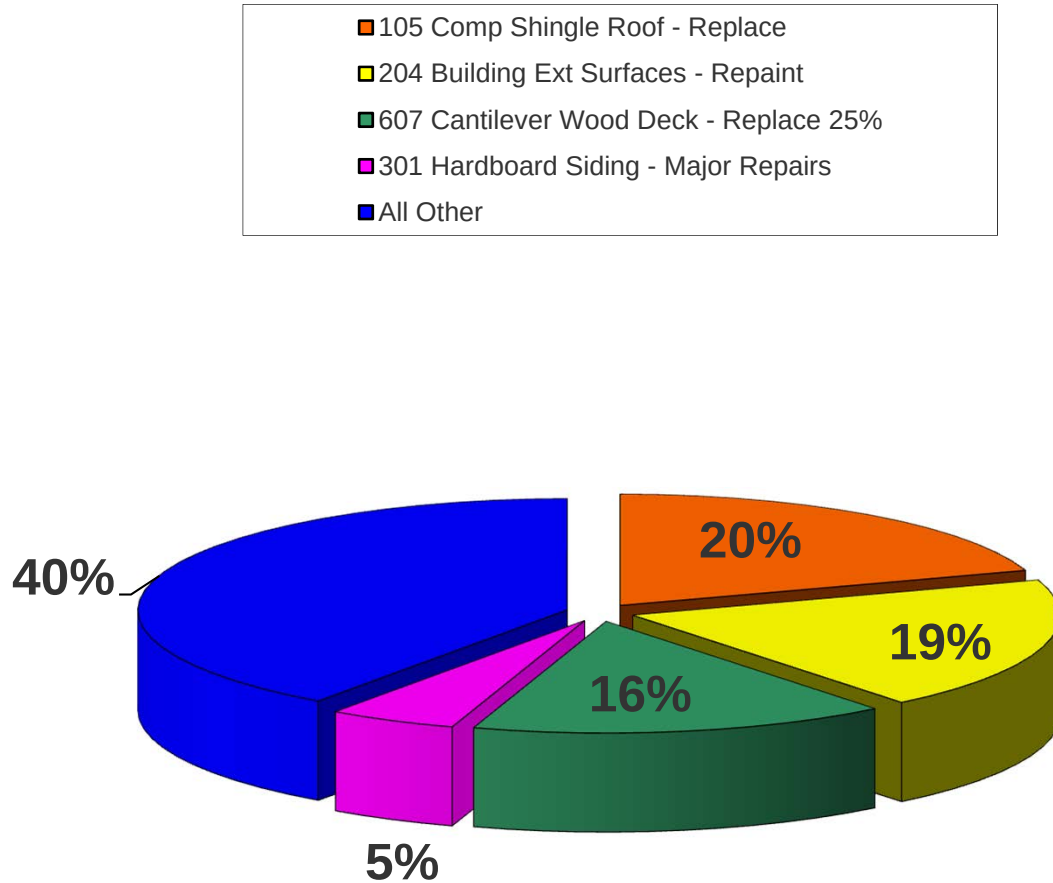
Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	105	Comp Shingle Roof - Replace	20	8	\$476,400	\$535,950
	120	Gutters/Downspouts - Replace	20	8	\$53,350	\$60,975
Painted Surfaces	204	Building Ext Surfaces - Repaint	5	4	\$112,000	\$134,400
	207	Metal Fencing - Repaint	4	1	\$2,050	\$2,325
	209	Wood Fencing - Restain	4	0	\$14,475	\$16,525
	216	Interior Surfaces - Repaint	10	3	\$2,750	\$3,175
Siding Materials	301	Hardboard Siding - Major Repairs	5	4	\$28,000	\$33,600
	306	Brick - Replace	N/A		\$0	\$0
Drive Materials	401	Asphalt - Major Overlay (1)	25	23	\$48,760	\$53,890
	402	Asphalt - Major Overlay (2)	25	24	\$48,760	\$53,890
	403	Asphalt - Surface Application (1)	5	3	\$17,965	\$20,530
	404	Asphalt - Surface Application (2)	5	4	\$17,965	\$20,530
	407	Curb and Gutters - Repair	5	3	\$4,925	\$5,360
Property Access	506	Doors/Windows - Replace	30	13	\$19,500	\$22,500
Decking	601	Concrete Flatwork - Partial Replace	5	3	\$27,435	\$29,855
	607	Cantilever Wood Deck - Replace 25%	4	2	\$72,500	\$87,500
Mechanical Equip.	703	Water Heater - Replace	15	6	\$2,000	\$2,500
	706	HVAC System - Replace	15	6	\$3,250	\$3,500
Prop. Identification	801	Monument - Rebuild	25	15	\$10,000	\$12,000
	803	Mailboxes - Replace	20	5	\$8,100	\$9,250
Security	903	TV Security System - Replace	7	1	\$1,250	\$1,500
Fencing/Walls	1001	Wood Fencing - Replace	20	10	\$68,150	\$78,475
	1002	Metal Fencing - Replace	30	15	\$13,050	\$13,925
	1005	Block Wall - Replace	N/A		\$0	\$0
	1010	Trash Enclosures - Major Repairs	10	5	\$7,000	\$9,000
Pool/Spa	1101	Pool - Resurface	12	0	\$9,000	\$10,200
	1102	Spa - Resurface	6	0	\$2,500	\$3,000
	1104	Coping Stone / Tile - Replace	12	0	\$5,625	\$6,250
	1105	Pool Heater - Replace	18	13	\$5,000	\$6,000
	1106	Spa Heater - Replace	18	9	\$2,250	\$2,625
	1108	Pool Filter - Replace	25	12	\$1,200	\$1,500
	1109	Spa Filter - Replace	N/A		\$0	\$0
	1111	Misc. Pool Mechanical Equipment - Repl	5	4	\$2,400	\$3,600
	1113	Pool Cover - Replace	12	5	\$2,730	\$3,150
	1114	Spa Cover - Replace	N/A		\$0	\$0
	1121	Pool Furniture - Replace	8	0	\$5,600	\$6,400
Courts	1201	Tennis Court - Replace	30	0	\$20,000	\$25,000
	1202	Tennis Court - Recoat/Paint	5	0	\$4,500	\$5,250
Interiors	1405	Furnishings - Replace 25%	4	0	\$6,750	\$7,600
	1413	Restroom - Remodel	24	12	\$10,000	\$12,000
	1414	Kitchen - Remodel	24	12	\$6,000	\$8,000
Flooring	1501	Carpeting - Replace	12	0	\$4,600	\$5,750
Light Fixtures	1601	Interior Lights - Replace	24	12	\$1,200	\$1,500
	1602	Exterior Wall Mount - Replace 25%	5	4	\$8,375	\$10,500
	1604	Pole Lights - Replace	18	9	\$5,000	\$6,000
	1608	Can Lights - Replace	N/A		\$0	\$0
Irrig. System	1701	Irrigation System - Major Repairs and Re	4	3	\$20,000	\$24,000
Landscaping	1801	Landscaping - Replenish	4	3	\$5,500	\$6,500

Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Miscellaneous	2005	Storage Shed - Replace	30	20	\$3,500	\$4,000

Significant Components For Quail Ridge THCA

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Comp Shingle Roof - Replace	20	8	\$506,175	\$25,309	19.8929%
120	Gutters/Downspouts - Replace	20	8	\$57,163	\$2,858	2.2465%
204	Building Ext Surfaces - Repaint	5	4	\$123,200	\$24,640	19.3672%
207	Metal Fencing - Repaint	4	1	\$2,188	\$547	0.4298%
209	Wood Fencing - Restain	4	0	\$15,500	\$3,875	3.0458%
216	Interior Surfaces - Repaint	10	3	\$2,963	\$296	0.2329%
301	Hardboard Siding - Major Repairs	5	4	\$30,800	\$6,160	4.8418%
401	Asphalt - Major Overlay (1)	25	23	\$51,325	\$2,053	1.6137%
402	Asphalt - Major Overlay (2)	25	24	\$51,325	\$2,053	1.6137%
403	Asphalt - Surface Application (1)	5	3	\$19,248	\$3,850	3.0257%
404	Asphalt - Surface Application (2)	5	4	\$19,248	\$3,850	3.0257%
407	Curb and Gutters - Repair	5	3	\$5,143	\$1,029	0.8084%
506	Doors/Windows - Replace	30	13	\$21,000	\$700	0.5502%
601	Concrete Flatwork - Partial Replace	5	3	\$28,645	\$5,729	4.5030%
607	Cantilever Wood Deck - Replace 25%	4	2	\$80,000	\$20,000	15.7201%
703	Water Heater - Replace	15	6	\$2,250	\$150	0.1179%
706	HVAC System - Replace	15	6	\$3,375	\$225	0.1769%
801	Monument - Rebuild	25	15	\$11,000	\$440	0.3458%
803	Mailboxes - Replace	20	5	\$8,675	\$434	0.3409%
903	TV Security System - Replace	7	1	\$1,375	\$196	0.1544%
1001	Wood Fencing - Replace	20	10	\$73,313	\$3,666	2.8812%
1002	Metal Fencing - Replace	30	15	\$13,488	\$450	0.3534%
1010	Trash Enclosures - Major Repairs	10	5	\$8,000	\$800	0.6288%
1101	Pool - Resurface	12	0	\$9,600	\$800	0.6288%
1102	Spa - Resurface	6	0	\$2,750	\$458	0.3603%
1104	Coping Stone / Tile - Replace	12	0	\$5,938	\$495	0.3889%
1105	Pool Heater - Replace	18	13	\$5,500	\$306	0.2402%
1106	Spa Heater - Replace	18	9	\$2,438	\$135	0.1064%
1108	Pool Filter - Replace	25	12	\$1,350	\$54	0.0424%
1111	Misc. Pool Mechanical Equipment - Replace	5	4	\$3,000	\$600	0.4716%
1113	Pool Cover - Replace	12	5	\$2,940	\$245	0.1926%
1121	Pool Furniture - Replace	8	0	\$6,000	\$750	0.5895%
1201	Tennis Court - Replace	30	0	\$22,500	\$750	0.5895%
1202	Tennis Court - Recoat/Paint	5	0	\$4,875	\$975	0.7664%
1405	Furnishings - Replace 25%	4	0	\$7,175	\$1,794	1.4099%
1413	Restroom - Remodel	24	12	\$11,000	\$458	0.3603%
1414	Kitchen - Remodel	24	12	\$7,000	\$292	0.2293%
1501	Carpeting - Replace	12	0	\$5,175	\$431	0.3390%
1601	Interior Lights - Replace	24	12	\$1,350	\$56	0.0442%
1602	Exterior Wall Mount - Replace 25%	5	4	\$9,438	\$1,888	1.4836%
1604	Pole Lights - Replace	18	9	\$5,500	\$306	0.2402%
1701	Irrigation System - Major Repairs and Replace	4	3	\$22,000	\$5,500	4.3230%
1801	Landscaping - Replenish	4	3	\$6,000	\$1,500	1.1790%
2005	Storage Shed - Replace	30	20	\$3,750	\$125	0.0983%

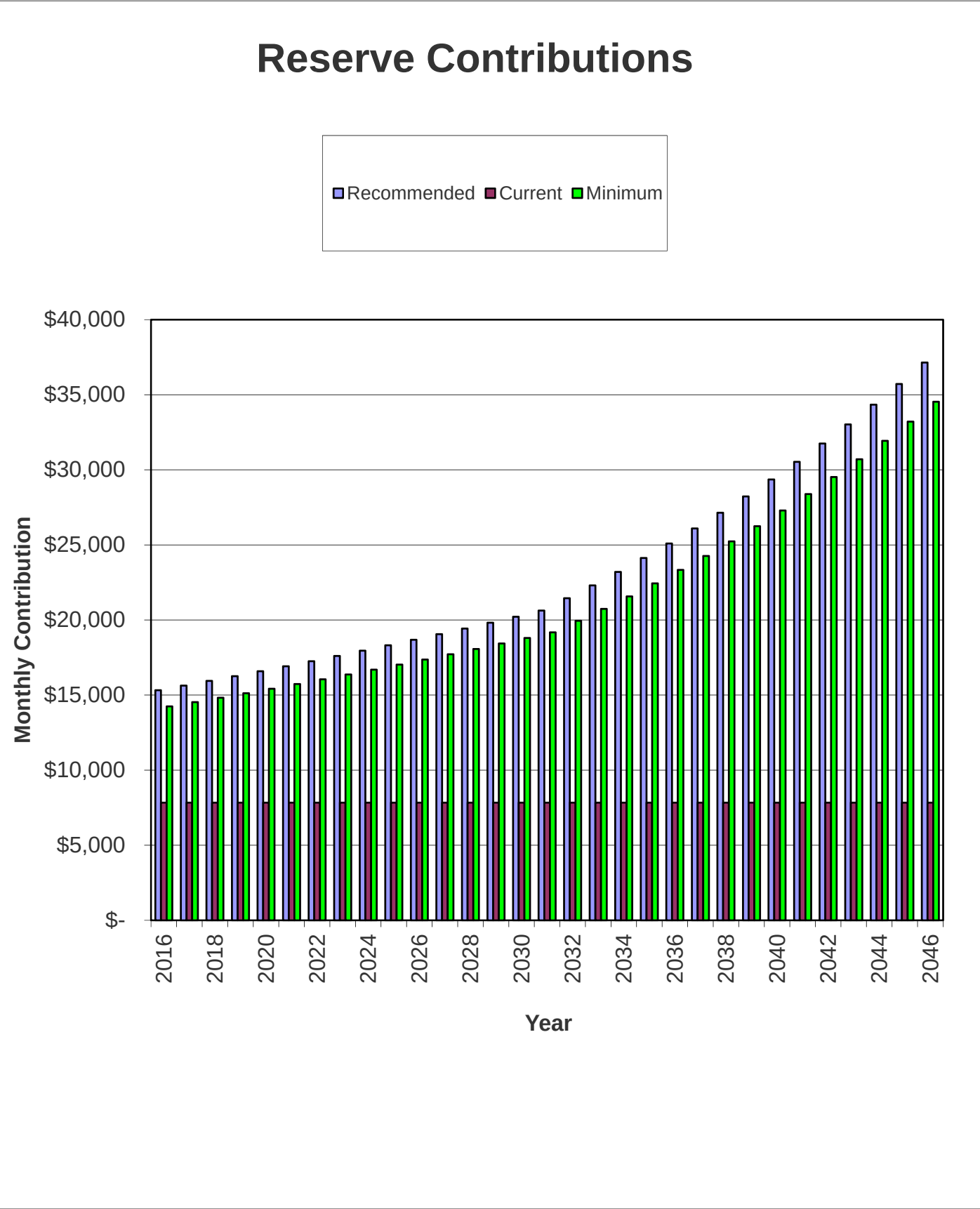
Significant Components Graph For Quail Ridge THCA



Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Comp Shingle Roof - Replace	20	8	\$506,175	\$25,309	20%
204	Building Ext Surfaces - Repaint	5	4	\$123,200	\$24,640	19%
607	Cantilever Wood Deck - Replace 25%	4	2	\$80,000	\$20,000	16%
301	Hardboard Siding - Major Repairs	5	4	\$30,800	\$6,160	5%
All Other	See Expanded Table on Page 4 For Additional Breakdown				\$51,117	40%

Yearly Summary For Quail Ridge THCA

Fiscal Year Start	Fully Funded Balance	Starting Reserve Balance	Percent Funded	Annual Reserve Contribs	Rec. Special Ass'mnt	Interest Income	Reserve Expenses
2016	\$626,338	\$76,208	12%	\$183,900	\$0	\$1,290	\$79,513
2017	\$697,642	\$181,885	26%	\$187,578	\$0	\$2,751	\$3,687
2018	\$854,530	\$368,527	43%	\$191,330	\$0	\$4,233	\$85,698
2019	\$936,799	\$478,391	51%	\$195,156	\$0	\$5,318	\$93,130
2020	\$1,019,191	\$585,736	57%	\$199,059	\$0	\$5,683	\$239,098
2021	\$958,500	\$551,381	58%	\$203,040	\$0	\$6,400	\$31,685
2022	\$1,115,647	\$729,137	65%	\$207,101	\$0	\$7,819	\$108,635
2023	\$1,204,123	\$835,422	69%	\$211,243	\$0	\$9,275	\$35,624
2024	\$1,376,928	\$1,020,316	74%	\$215,468	\$0	\$7,057	\$851,215
2025	\$717,508	\$391,626	55%	\$219,778	\$0	\$3,698	\$266,869
2026	\$645,875	\$348,233	54%	\$224,173	\$0	\$3,504	\$223,139
2027	\$623,277	\$352,770	57%	\$228,657	\$0	\$4,487	\$40,879
2028	\$795,028	\$545,035	69%	\$233,230	\$0	\$6,140	\$100,996
2029	\$917,298	\$683,408	75%	\$237,894	\$0	\$7,395	\$132,444
2030	\$1,018,263	\$796,254	78%	\$242,652	\$0	\$7,058	\$430,063
2031	\$821,934	\$615,901	75%	\$247,505	\$0	\$6,869	\$111,809
2032	\$955,586	\$758,466	79%	\$257,405	\$0	\$8,663	\$49,722
2033	\$1,165,898	\$974,812	84%	\$267,702	\$0	\$11,091	\$9,202
2034	\$1,433,500	\$1,244,403	87%	\$278,410	\$0	\$12,633	\$252,219
2035	\$1,467,216	\$1,283,226	87%	\$289,546	\$0	\$12,282	\$410,810
2036	\$1,346,532	\$1,174,245	87%	\$301,128	\$0	\$12,996	\$62,280
2037	\$1,591,212	\$1,426,088	90%	\$313,173	\$0	\$15,819	\$16,089
2038	\$1,901,434	\$1,738,991	91%	\$325,700	\$0	\$18,235	\$173,452
2039	\$2,069,135	\$1,909,474	92%	\$338,728	\$0	\$19,384	\$298,537
2040	\$2,123,067	\$1,969,049	93%	\$352,277	\$0	\$18,234	\$660,219
2041	\$1,814,712	\$1,679,342	93%	\$366,368	\$0	\$18,429	\$56,098
2042	\$2,131,354	\$2,008,041	94%	\$381,023	\$0	\$21,104	\$195,677
2043	\$2,325,505	\$2,214,491	95%	\$396,264	\$0	\$23,780	\$90,978
2044	\$2,646,088	\$2,543,557	96%	\$412,114	\$0	\$19,212	\$1,674,414
2045	\$1,350,701	\$1,300,469	96%	\$428,599	\$0	\$12,599	\$521,189



Component Funding Information For Quail Ridge THCA

ID	Component Name	Ave Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Comp Shingle Roof - Replace	\$506,175	\$303,705	\$0	\$3,048.58
120	Gutters/Downspouts - Replace	\$57,163	\$34,298	\$0	\$344.28
204	Building Ext Surfaces - Repaint	\$123,200	\$24,640	\$0	\$2,968.03
207	Metal Fencing - Repaint	\$2,188	\$1,641	\$0	\$65.87
209	Wood Fencing - Restain	\$15,500	\$15,500	\$15,500	\$466.77
216	Interior Surfaces - Repaint	\$2,963	\$2,074	\$0	\$35.68
301	Hardboard Siding - Major Repairs	\$30,800	\$6,160	\$0	\$742.01
401	Asphalt - Major Overlay (1)	\$51,325	\$4,106	\$0	\$247.30
402	Asphalt - Major Overlay (2)	\$51,325	\$2,053	\$0	\$247.30
403	Asphalt - Surface Application (1)	\$19,248	\$7,699	\$0	\$463.69
404	Asphalt - Surface Application (2)	\$19,248	\$3,850	\$0	\$463.69
407	Curb and Gutters - Repair	\$5,143	\$2,057	\$0	\$123.89
506	Doors/Windows - Replace	\$21,000	\$11,900	\$0	\$84.32
601	Concrete Flatwork - Partial Replace	\$28,645	\$11,458	\$0	\$690.09
607	Cantilever Wood Deck - Replace 25%	\$80,000	\$40,000	\$0	\$2,409.11
703	Water Heater - Replace	\$2,250	\$1,350	\$0	\$18.07
706	HVAC System - Replace	\$3,375	\$2,025	\$0	\$27.10
801	Monument - Rebuild	\$11,000	\$4,400	\$0	\$53.00
803	Mailboxes - Replace	\$8,675	\$6,506	\$0	\$52.25
903	TV Security System - Replace	\$1,375	\$1,179	\$0	\$23.66
1001	Wood Fencing - Replace	\$73,313	\$36,656	\$0	\$441.55
1002	Metal Fencing - Replace	\$13,488	\$6,744	\$0	\$54.15
1010	Trash Enclosures - Major Repairs	\$8,000	\$4,000	\$0	\$96.36
1101	Pool - Resurface	\$9,600	\$9,600	\$9,600	\$96.36
1102	Spa - Resurface	\$2,750	\$2,750	\$2,750	\$55.21
1104	Coping Stone / Tile - Replace	\$5,938	\$5,938	\$5,938	\$59.60
1105	Pool Heater - Replace	\$5,500	\$1,528	\$0	\$36.81
1106	Spa Heater - Replace	\$2,438	\$1,219	\$0	\$16.31
1108	Pool Filter - Replace	\$1,350	\$702	\$0	\$6.50
1111	Misc. Pool Mechanical Equipment - Replace	\$3,000	\$600	\$0	\$72.27
1113	Pool Cover - Replace	\$2,940	\$1,715	\$0	\$29.51
1121	Pool Furniture - Replace	\$6,000	\$6,000	\$6,000	\$90.34
1201	Tennis Court - Replace	\$22,500	\$22,500	\$22,500	\$90.34
1202	Tennis Court - Recoat/Paint	\$4,875	\$4,875	\$4,875	\$117.44
1405	Furnishings - Replace 25%	\$7,175	\$7,175	\$7,175	\$216.07
1413	Restroom - Remodel	\$11,000	\$5,500	\$0	\$55.21
1414	Kitchen - Remodel	\$7,000	\$3,500	\$0	\$35.13
1501	Carpeting - Replace	\$5,175	\$5,175	\$1,871	\$51.95
1601	Interior Lights - Replace	\$1,350	\$675	\$0	\$6.78
1602	Exterior Wall Mount - Replace 25%	\$9,438	\$1,888	\$0	\$227.36
1604	Pole Lights - Replace	\$5,500	\$2,750	\$0	\$36.81
1701	Irrigation System - Major Repairs and Replacement	\$22,000	\$5,500	\$0	\$662.51
1801	Landscaping - Replenish	\$6,000	\$1,500	\$0	\$180.68
2005	Storage Shed - Replace	\$3,750	\$1,250	\$0	\$15.06

Yearly Cash Flow For Quail Ridge THCA

Year	2016	2017	2018	2019	2020
Starting Balance	\$76,208	\$181,885	\$368,527	\$478,391	\$585,736
<i>Reserve Income</i>	\$183,900	\$187,578	\$191,330	\$195,156	\$199,059
<i>Interest Earnings</i>	\$1,290	\$2,751	\$4,233	\$5,318	\$5,683
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$261,398	\$372,214	\$564,089	\$678,866	\$790,479
Reserve Expenditures	\$79,513	\$3,687	\$85,698	\$93,130	\$239,098
Ending Balance	\$181,885	\$368,527	\$478,391	\$585,736	\$551,381

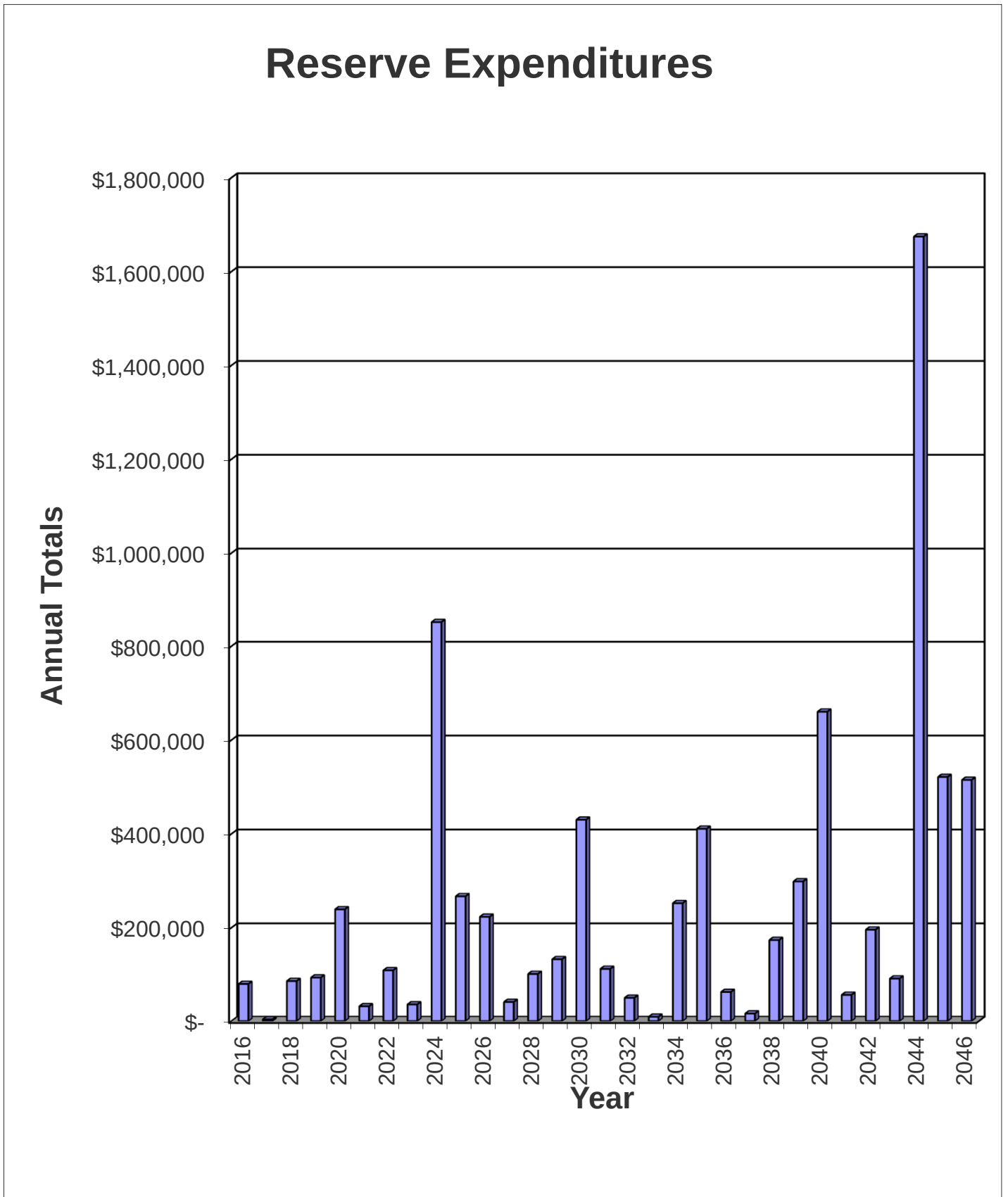
Year	2021	2022	2023	2024	2025
Starting Balance	\$551,381	\$729,137	\$835,422	\$1,020,316	\$391,626
<i>Reserve Income</i>	\$203,040	\$207,101	\$211,243	\$215,468	\$219,778
<i>Interest Earnings</i>	\$6,400	\$7,819	\$9,275	\$7,057	\$3,698
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$760,821	\$944,058	\$1,055,940	\$1,242,841	\$615,102
Reserve Expenditures	\$31,685	\$108,635	\$35,624	\$851,215	\$266,869
Ending Balance	\$729,137	\$835,422	\$1,020,316	\$391,626	\$348,233

Year	2026	2027	2028	2029	2030
Starting Balance	\$348,233	\$352,770	\$545,035	\$683,408	\$796,254
<i>Reserve Income</i>	\$224,173	\$228,657	\$233,230	\$237,894	\$242,652
<i>Interest Earnings</i>	\$3,504	\$4,487	\$6,140	\$7,395	\$7,058
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$575,909	\$585,914	\$784,404	\$928,697	\$1,045,964
Reserve Expenditures	\$223,139	\$40,879	\$100,996	\$132,444	\$430,063
Ending Balance	\$352,770	\$545,035	\$683,408	\$796,254	\$615,901

Year	2031	2032	2033	2034	2035
Starting Balance	\$615,901	\$758,466	\$974,812	\$1,244,403	\$1,283,226
<i>Reserve Income</i>	\$247,505	\$257,405	\$267,702	\$278,410	\$289,546
<i>Interest Earnings</i>	\$6,869	\$8,663	\$11,091	\$12,633	\$12,282
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$870,275	\$1,024,534	\$1,253,605	\$1,535,445	\$1,585,055
Reserve Expenditures	\$111,809	\$49,722	\$9,202	\$252,219	\$410,810
Ending Balance	\$758,466	\$974,812	\$1,244,403	\$1,283,226	\$1,174,245

Year	2036	2037	2038	2039	2040
Starting Balance	\$1,174,245	\$1,426,088	\$1,738,991	\$1,909,474	\$1,969,049
<i>Reserve Income</i>	\$301,128	\$313,173	\$325,700	\$338,728	\$352,277
<i>Interest Earnings</i>	\$12,996	\$15,819	\$18,235	\$19,384	\$18,234
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,488,369	\$1,755,080	\$2,082,925	\$2,267,586	\$2,339,560
Reserve Expenditures	\$62,280	\$16,089	\$173,452	\$298,537	\$660,219
Ending Balance	\$1,426,088	\$1,738,991	\$1,909,474	\$1,969,049	\$1,679,342

Year	2041	2042	2043	2044	2045
Starting Balance	\$1,679,342	\$2,008,041	\$2,214,491	\$2,543,557	\$1,300,469
<i>Reserve Income</i>	\$366,368	\$381,023	\$396,264	\$412,114	\$428,599
<i>Interest Earnings</i>	\$18,429	\$21,104	\$23,780	\$19,212	\$12,599
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$2,064,139	\$2,410,168	\$2,634,535	\$2,974,883	\$1,741,667
Reserve Expenditures	\$56,098	\$195,677	\$90,978	\$1,674,414	\$521,189
Ending Balance	\$2,008,041	\$2,214,491	\$2,543,557	\$1,300,469	\$1,220,478



Projected Reserve Expenditures For Quail Ridge THCA

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2016	209	Wood Fencing - Restain	\$15,500	
	1101	Pool - Resurface	\$9,600	
	1102	Spa - Resurface	\$2,750	
	1104	Coping Stone / Tile - Replace	\$5,938	
	1121	Pool Furniture - Replace	\$6,000	
	1201	Tennis Court - Replace	\$22,500	
	1202	Tennis Court - Recoat/Paint	\$4,875	
	1405	Furnishings - Replace 25%	\$7,175	
	1501	Carpeting - Replace	\$5,175	\$79,513
2017	207	Metal Fencing - Repaint	\$2,264	
	903	TV Security System - Replace	\$1,423	\$3,687
2018	607	Cantilever Wood Deck - Replace 25%	\$85,698	\$85,698
2019	216	Interior Surfaces - Repaint	\$3,285	
	403	Asphalt - Surface Application (1)	\$21,340	
	407	Curb and Gutters - Repair	\$5,702	
	601	Concrete Flatwork - Partial Replace	\$31,759	
	1701	Irrigation System - Major Repairs and Replace	\$24,392	
	1801	Landscaping - Replenish	\$6,652	\$93,130
2020	204	Building Ext Surfaces - Repaint	\$141,375	
	209	Wood Fencing - Restain	\$17,787	
	301	Hardboard Siding - Major Repairs	\$35,344	
	404	Asphalt - Surface Application (2)	\$22,087	
	1111	Misc. Pool Mechanical Equipment - Replace	\$3,443	
	1405	Furnishings - Replace 25%	\$8,233	
	1602	Exterior Wall Mount - Replace 25%	\$10,830	\$239,098
2021	207	Metal Fencing - Repaint	\$2,598	
	803	Mailboxes - Replace	\$10,303	
	1010	Trash Enclosures - Major Repairs	\$9,501	
	1113	Pool Cover - Replace	\$3,492	
	1202	Tennis Court - Recoat/Paint	\$5,790	\$31,685
2022	607	Cantilever Wood Deck - Replace 25%	\$98,340	
	703	Water Heater - Replace	\$2,766	
	706	HVAC System - Replace	\$4,149	
	1102	Spa - Resurface	\$3,380	\$108,635
2023	1701	Irrigation System - Major Repairs and Replace	\$27,990	
	1801	Landscaping - Replenish	\$7,634	\$35,624
2024	105	Comp Shingle Roof - Replace	\$666,536	
	120	Gutters/Downspouts - Replace	\$75,272	
	209	Wood Fencing - Restain	\$20,411	
	403	Asphalt - Surface Application (1)	\$25,345	
	407	Curb and Gutters - Repair	\$6,772	
	601	Concrete Flatwork - Partial Replace	\$37,720	
	903	TV Security System - Replace	\$1,811	
	1121	Pool Furniture - Replace	\$7,901	
	1405	Furnishings - Replace 25%	\$9,448	\$851,215
2025	204	Building Ext Surfaces - Repaint	\$167,909	
	207	Metal Fencing - Repaint	\$2,981	
	301	Hardboard Siding - Major Repairs	\$41,977	
	404	Asphalt - Surface Application (2)	\$26,232	
	1106	Spa Heater - Replace	\$3,322	
	1111	Misc. Pool Mechanical Equipment - Replace	\$4,089	
	1602	Exterior Wall Mount - Replace 25%	\$12,862	
	1604	Pole Lights - Replace	\$7,496	\$266,869

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2026	607	Cantilever Wood Deck - Replace 25%	\$112,848	
	1001	Wood Fencing - Replace	\$103,415	
	1202	Tennis Court - Recoat/Paint	\$6,877	\$223,139
2027	1701	Irrigation System - Major Repairs and Replace	\$32,119	
	1801	Landscaping - Replenish	\$8,760	\$40,879
2028	209	Wood Fencing - Restain	\$23,422	
	1101	Pool - Resurface	\$14,506	
	1102	Spa - Resurface	\$4,155	
	1104	Coping Stone / Tile - Replace	\$8,972	
	1108	Pool Filter - Replace	\$2,040	
	1405	Furnishings - Replace 25%	\$10,842	
	1413	Restroom - Remodel	\$16,622	
	1414	Kitchen - Remodel	\$10,577	
	1501	Carpeting - Replace	\$7,820	
	1601	Interior Lights - Replace	\$2,040	\$100,996
2029	207	Metal Fencing - Repaint	\$3,421	
	216	Interior Surfaces - Repaint	\$4,633	
	403	Asphalt - Surface Application (1)	\$30,102	
	407	Curb and Gutters - Repair	\$8,043	
	506	Doors/Windows - Replace	\$32,843	
	601	Concrete Flatwork - Partial Replace	\$44,800	
	1105	Pool Heater - Replace	\$8,602	\$132,444
2030	204	Building Ext Surfaces - Repaint	\$199,423	
	301	Hardboard Siding - Major Repairs	\$49,856	
	404	Asphalt - Surface Application (2)	\$31,156	
	607	Cantilever Wood Deck - Replace 25%	\$129,496	
	1111	Misc. Pool Mechanical Equipment - Replace	\$4,856	
	1602	Exterior Wall Mount - Replace 25%	\$15,276	\$430,063
2031	801	Monument - Rebuild	\$18,429	
	903	TV Security System - Replace	\$2,304	
	1002	Metal Fencing - Replace	\$22,596	
	1010	Trash Enclosures - Major Repairs	\$13,403	
	1202	Tennis Court - Recoat/Paint	\$8,167	
	1701	Irrigation System - Major Repairs and Replace	\$36,858	
	1801	Landscaping - Replenish	\$10,052	\$111,809
2032	209	Wood Fencing - Restain	\$26,877	
	1121	Pool Furniture - Replace	\$10,404	
	1405	Furnishings - Replace 25%	\$12,441	\$49,722
2033	207	Metal Fencing - Repaint	\$3,926	
	1113	Pool Cover - Replace	\$5,276	\$9,202
2034	403	Asphalt - Surface Application (1)	\$35,752	
	407	Curb and Gutters - Repair	\$9,552	
	601	Concrete Flatwork - Partial Replace	\$53,208	
	607	Cantilever Wood Deck - Replace 25%	\$148,599	
	1102	Spa - Resurface	\$5,108	\$252,219
2035	204	Building Ext Surfaces - Repaint	\$236,852	
	301	Hardboard Siding - Major Repairs	\$59,213	
	404	Asphalt - Surface Application (2)	\$37,003	
	1111	Misc. Pool Mechanical Equipment - Replace	\$5,768	
	1602	Exterior Wall Mount - Replace 25%	\$18,144	
	1701	Irrigation System - Major Repairs and Replace	\$42,295	
	1801	Landscaping - Replenish	\$11,535	\$410,810
2036	209	Wood Fencing - Restain	\$30,842	
	1202	Tennis Court - Recoat/Paint	\$9,700	
	1405	Furnishings - Replace 25%	\$14,277	

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
	2005	Storage Shed - Replace	\$7,462	\$62,280
2037	207	Metal Fencing - Repaint	\$4,505	
	703	Water Heater - Replace	\$4,634	
	706	HVAC System - Replace	\$6,951	\$16,089
2038	607	Cantilever Wood Deck - Replace 25%	\$170,521	
	903	TV Security System - Replace	\$2,931	\$173,452
2039	216	Interior Surfaces - Repaint	\$6,536	
	401	Asphalt - Major Overlay (1)	\$113,229	
	403	Asphalt - Surface Application (1)	\$42,462	
	407	Curb and Gutters - Repair	\$11,345	
	601	Concrete Flatwork - Partial Replace	\$63,194	
	1701	Irrigation System - Major Repairs and Replace	\$48,535	
	1801	Landscaping - Replenish	\$13,237	\$298,537
2040	204	Building Ext Surfaces - Repaint	\$281,306	
	209	Wood Fencing - Restain	\$35,392	
	301	Hardboard Siding - Major Repairs	\$70,327	
	402	Asphalt - Major Overlay (2)	\$117,192	
	404	Asphalt - Surface Application (2)	\$43,948	
	1101	Pool - Resurface	\$21,920	
	1102	Spa - Resurface	\$6,279	
	1104	Coping Stone / Tile - Replace	\$13,557	
	1111	Misc. Pool Mechanical Equipment - Replace	\$6,850	
	1121	Pool Furniture - Replace	\$13,700	
	1405	Furnishings - Replace 25%	\$16,383	
	1501	Carpeting - Replace	\$11,816	
	1602	Exterior Wall Mount - Replace 25%	\$21,549	\$660,219
2041	207	Metal Fencing - Repaint	\$5,170	
	803	Mailboxes - Replace	\$20,501	
	1010	Trash Enclosures - Major Repairs	\$18,906	
	1202	Tennis Court - Recoat/Paint	\$11,521	\$56,098
2042	607	Cantilever Wood Deck - Replace 25%	\$195,677	\$195,677
2043	1106	Spa Heater - Replace	\$6,171	
	1604	Pole Lights - Replace	\$13,924	
	1701	Irrigation System - Major Repairs and Replace	\$55,694	
	1801	Landscaping - Replenish	\$15,189	\$90,978
2044	105	Comp Shingle Roof - Replace	\$1,326,266	
	120	Gutters/Downspouts - Replace	\$149,776	
	209	Wood Fencing - Restain	\$40,613	
	403	Asphalt - Surface Application (1)	\$50,432	
	407	Curb and Gutters - Repair	\$13,474	
	601	Concrete Flatwork - Partial Replace	\$75,055	
	1405	Furnishings - Replace 25%	\$18,800	\$1,674,414
2045	204	Building Ext Surfaces - Repaint	\$334,103	
	207	Metal Fencing - Repaint	\$5,932	
	301	Hardboard Siding - Major Repairs	\$83,526	
	404	Asphalt - Surface Application (2)	\$52,197	
	903	TV Security System - Replace	\$3,729	
	1111	Misc. Pool Mechanical Equipment - Replace	\$8,136	
	1113	Pool Cover - Replace	\$7,973	
	1602	Exterior Wall Mount - Replace 25%	\$25,593	\$521,189
2046	607	Cantilever Wood Deck - Replace 25%	\$224,543	
	1001	Wood Fencing - Replace	\$205,773	
	1102	Spa - Resurface	\$7,719	
	1201	Tennis Court - Replace	\$63,153	
	1202	Tennis Court - Recoat/Paint	\$13,683	\$514,871

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

Asset or Component – Individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association Responsibility, 2) with limited Useful Life expectancies, 3) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Cash Flow Method – A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

Component Inventory – The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

Deficit – An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

Effective Age – The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

Financial Analysis – The portion of the Reserve Study where current status of the Reserves (Measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

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

Fully Fund Balance (aka – Ideal Balance) – An indicator against which Actual (or projected) Reserve Balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, and then summed together for an association total.

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

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

Funding Goals – Independent of methodology utilized, the following represent the basic categories of Funding Plan Goals.

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve Balance above zero.
- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the “Component Fully Funding” method.

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

Funding Principles –

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

Life and Valuation Estimates – The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

Percent Funded – The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) – Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have “0” Remaining Useful Life.

Replacement Cost – The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

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

Reserve Study – A budget-planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

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

Useful Life (UL) – Also known as “Life Expectancy”, or “Depreciable Life”. The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.