OAK GROVE CONDOMINIUMS

MAINTENANCE PLAN UPDATE

RESERVE STUDY

LEVEL II: UPDATE WITH VISUAL SITE INSPECTION

2015

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A Professional Corporation
Members American Institute of Certified Public Accountants / Oregon Society of Certified Public Accountants

OAK GROVE CONDOMINIUMS

Executive Summary

Year of Report:

January 1, 2015 to December 31, 2015

Number of Units:

53 Units

Parameters:

Beginning Balance: $250,000

Year 2015 Suggested Contribution: $28,000

Year 2015 Projected Interest Earned: $2,218

Inflation: 2.50%

Annual Increase to Suggested Contribution: 5.75%

Lowest Cash Balance Over 30 Years (Threshold): $92,162

Average Reserve Assessment per Unit: $44.03

Prior Year's Actual Contribution: $28,000

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Oak Grove Condominiums
Maintenance Plan Update
Reserve Study Update – Onsite
Disclosure Information
2015

We have conducted an onsite reserve study update and maintenance plan update for Oak Grove Condominiums for the year beginning January 1, 2015, in accordance with guidelines established by Community Associations Institute and the American Institute of Certified Public Accountants.

This reserve study and maintenance plan is in compliance with the legislative changes made in 2007 to ORS Chapters 94 and 100.

In addition to providing the reserve study and maintenance plan, we also provide tax services to the Association.

Schwindt & Company believes that every Association should have a complete building envelope inspection within 12 months of completion of all construction and again after 25 years of existence. This inspection must be performed by a licensed building envelope inspector. Ongoing inspections of the property should be performed by a licensed inspector, with the exception of a roof inspection which may be performed by a licensed roofing contractor.

Assumptions used for inflation, interest and other factors are detailed in page 25. Income tax factors were not considered due to the uncertainty of factors affecting net taxable income and the election of tax form to be filed.

David T. Schwindt, the representative in charge of this report is a designated Reserve Study Specialist, Professional Reserve Analyst, and Certified Public Accountant licensed in the State of Oregon.

All information regarding the useful lives and costs of reserve components were derived by the developer, local venders, and various construction pricing and scheduling manuals.

The terms *RS Means*, *National Construction Estimator*, and *Fannie Mae Expected Useful Life Tables and Forms* refer to construction industry estimating databases that are used throughout the industry to establish cost estimates and useful life estimates for common building components and products. We suggest that the Association obtain firm bids for these services.

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According to the Supplemental Declaration, Article 3, Section 3.2: **"Each unit shall be bounded by the interior unfinished surfaces of its perimeter and bearing wall, floors, and ceilings. All lath furring, wallboard, plaster board, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof shall be a part of the unit, except those portions of the walls, floors, or ceilings that materially contribute to the structural or shear capacity of the Condominium. All other portions of the walls, floors or ceilings shall be a part of the common elements. The unit shall include windows, window frames, exterior and interior doors, door frames, air space, nonbearing interior partitions, and all other appliances, fixtures, and improvements contained therein. In addition, each unit shall include the outlet of any utility service lines, including, but not limited to, water, sewage, gas, electricity, and ventilating ducts within the unit, but shall not include any part of such lines or ducts themselves. Other than in common, the owners of the respective units shall not be deemed to own the undecorated or unfinished surfaces of the exterior walls and roofs surrounding the respective units, nor shall the owners be deemed to own pipes, wires, conduits, or other public utility lines running through the respective units which are utilized for and serve more than one unit, except as tenants-in-common with other Unit Owners."**

According to the Supplemental Declaration/Stage V, Article 4: **"The general common elements consist of the following, to the extent they exist on the property, and except as portions thereof are expressly designated in this Supplemental Declaration or the Declaration as variable property or as part of a unit or limited common element: (a) The land, roadways, pathways, driveways (except where described as limited common elements), fences, grounds, parking spaces, exterior storage rooms, and laundry room and facilities; (b) The foundations, columns, girders, beam; supports, bearing and shear walls, perimeter wall, main walls, roofs, and exterior porches, corridors, lobbies, stairs, fire escapes, entrances and exits of the building(s); (c) Installations of central services, such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, waste disposal and incinerators, up to the outlets within any units; (d) The tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use; (e) A single story community building; (f) All other elements of any building necessary or convenient to its existence, maintenance and safety, or normally in common use. Declarant continues to reserve the right to create additional general elements within the variable property.**

According to the Supplemental Declaration/Stage V, Article 5: **The following constitute limited common elements, the use of which shall be restricted to the unit: The exterior patios adjoining the unit shall pertain to the unit. Stairway entries and landings shall pertain equally to the two upper units they adjoin. The parking spaces adjacent to each building are designated as limited common elements in the Plat, each of which shall pertain to the unit indicated below:**

According to the Supplemental Declaration, Article 7, Section 7.2: **"Maintenance and repair of the common elements and all exterior building surfaces, including roofs and walls, exterior and interior portions of carports, gutters, downspout; fences, trees, shrubs, grass, landscaped areas, walks and other exterior improvements shall be the responsibility of the Unit Owners' Association (hereinafter referred to as the "Association"). Such exterior maintenance shall not include glass surfaces. In addition, the Association shall provide maintenance and repair to all building drains and building sewers which lie in or on the common areas in the resident's locations."**

According to the Amended and Restated Bylaws, Article 7, Section 7.1: **"Except as otherwise provided in Section 7.3 for damage or destruction caused by casualty: (a) All maintenance of and repairs to any unit shall be made by the owner of such unit, which shall keep the same in good order, condition and repair and shall do all redecorating, painting and staining that at any time shall be necessary to maintain the good appearance and condition of the unit. In addition, each unit owner shall be responsible for the maintenance, repair or replacement of windows and doors and any plumbing, heating or air conditioning fixtures, telephones, water heaters, automatic garage door openers, fans, vents, lighting fixtures and lamps, electrical outlets, blinds, garbage disposals, fireplaces, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in or connected with such owner's unit.... (b) All maintenance, repairs and replacements to the general and limited common elements and to Association property shall be made by the Association and shall be charged to all unit owners as a common expense. Each unit owner, however, shall keep the limited common elements that pertain to such owner's unit in a safe, neat, clean and sanitary condition."**

An earthquake insurance deductible is not included in the reserve study .

We are not aware of any material issues which, if not disclosed, would cause a material distortion of this report.

Certain information, such as the beginning balance of reserve funds and other information as detailed on the component

detail reports, was provided by Association representatives and is deemed to be reliable by us. This reserve study is a reflection of the information provided to us and cannot be used for the purpose of performing an audit, a quality/forensic analysis, or background checks of historical records.

Site visits should not be considered a project audit or quality inspection of the Association's property. This site visit does not evaluate the condition of the property to determine the useful life or needed repairs. Schwindt & Company suggests that the Association perform a building envelope inspection to determine the condition, performance, and the useful life of all the components.

Certain costs outlined in the reserve study are subjective and, as a result, are for planning purposes only. The Association should obtain firm bids at the time of work. Actual costs will depend upon the scope of work as defined at the time the repair, replacement, or restoration is performed. All estimates relating to future work are good faith estimates and projections are based on the estimated inflation rate, which may or may not prove accurate. All future costs and life expectancies should be reviewed and adjusted annually.

This reserve study, unless specifically stated in the report, assumes no 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), or termites on the property. The existence of any of these substances may adversely affect the accuracy of this reserve study. Schwindt & Company assumes no responsibility regarding such conditions, as we are not qualified to detect substances, determine the impact, or develop remediation plans/costs.

Since destructive testing was not performed, this reserve study does not attempt to address latent and/or patent defects. Neither does it address useful life expectancies that are abnormally short due either to improper design, installation, nor to subsequent improper maintenance. This reserve study assumes all components will be reasonably maintained for the remainder of their life expectancy.

Physical Analysis:

New projects generally include information provided by developers and/or refer to drawings.

Full onsite reserve studies generally include field measurements and do not include destructive testing. Drawings are usually not available for existing projects.

Onsite updates generally include observations of physical characteristics, but do not include field measurements.

Please note that the Association has not had a complete building envelope inspection. The effects of not having information relating to this inspection are not known.

The client is considered to have deemed previously developed component quantities as accurate and reliable. The current work is reliant on the validity of prior reserve studies.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require homeowners to pay on demand (as a special assessment) their share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

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Oak Grove Condominiums
Category Detail Index

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OAK GROVE CONDOMINIUMS

MAINTENANCE PLAN UPDATE

2015

Oak Grove Condominiums
Executive Summary of Maintenance Plan

Regular maintenance of common elements is necessary to insure the maximum useful life and optimum performance of components. Of particular concern are items that may present a safety hazard to residents or guests if they are not maintained in a timely manner and components that perform a water-proofing function.

This maintenance plan is a cyclical plan that calls for maintenance at regular intervals. The frequency of the maintenance activity and the cost of the activity at the first instance follow a short descriptive narrative. This maintenance plan should be reviewed on an annual basis when preparing the annual operating budget for the Association

The enclosed checklists, developed by Reed Construction Data, Inc., plan can be photocopied or accessed from the RS Means web site:

<http://www.rsmeans.com/supplement/67346.asp>

They can be used to assess and document the existing condition of an association's common elements and to track the carrying out of planned maintenance activities.

Oak Grove Condominiums

Maintenance Plan

2015

Pursuant to Oregon State Statutes Chapters 94 and 100, which require a maintenance plan as an integral part of the reserve study, the maintenance procedures are as follows:

The Board of Directors should refer to this maintenance plan each year when preparing the annual operating budget for the Association to ensure that annual maintenance costs are included in the budget for the years that they are scheduled.

Property Inspection

Schwindt & Company recommends that a provision for the annual inspection of common area components be included in the maintenance plan for all associations. This valuable management tool will help to ensure that all components achieve a maximum useful life expectancy and that they function as intended throughout their lifespan.

The inspection should be performed by a qualified professional and should include a written summary of conclusions with specific recommendations for any needed repairs or maintenance.

We suggest that the Association obtain firm bids for this service.

This expense should be included in the annual operating budget for the Association.

Frequency: Annually

Building Envelope Inspection

Schwindt & Company recommends that all associations perform a building envelope inspection within 12 months of substantial completion of all construction or immediately upon detection of any water intrusion or mold problems. This inspection process may involve invasive testing if the problems detected are serious enough to warrant such measures.

The inspection should be performed by an architect, engineer, or state-licensed inspector who is specifically trained in forensic waterproofing analysis. The report should include a written summary of findings with recommendations for needed repairs or maintenance procedures.

All reserve studies and maintenance plans prepared by Schwindt & Company assume that any such recommendations will be followed and that all work will be performed by qualified professionals.

A complete envelope inspection will usually be required only one time although a visual review of the building exterior may be advisable on a periodic basis under certain circumstances. The Association should consult with the inspector(s) who performed the original assessment to determine the best course of action for their individual situation.

This expense should be included in the annual operating budget for the Association for the year in which it is scheduled. We suggest that the Association obtain firm bids for this service.

Frequency: Once

Roof Inspection

Schwindt & Company recommends that a provision for the periodic inspection and maintenance of roofing and related components be included in the maintenance plan for all associations.

The frequency of this inspection will vary based on the age, condition, complexity, and remaining useful life of the roof system. As the roof components become older, the Association is well advised to consider increasing the frequency of this critical procedure.

The inspection should be performed by a qualified roofing professional and should include a written summary of conclusions with specific recommendations for any needed repairs or maintenance. Recommended maintenance should be performed promptly by a licensed roofing contractor.

We suggest that the Association obtain firm bids for this service.

This expense should be included in the annual operating budget for the Association.

Frequency: Refer to roof warranty for frequency

Automatic Entry Gates

Automatic entry gates to and from the grounds and buildings should be inspected bi-weekly, as they are critical points of vehicular and pedestrian security and safety.

The automatic vehicular gates should be reviewed for the following: binding integrity, condition of the parts, hinge and bracket condition, security, stability, and overall condition.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

This expense should be included in the annual operating budget for the Association.

Frequency: Biweekly

Lighting: Exterior & Common Area Interior – Inspection/Maintenance

Note: Replacement of flickering or burned-out bulbs or lamps should be immediate.

Lighting is a crucial element in the provision of safety and security. All lighting systems should be inspected frequently and care must be taken to identify and correct deficiencies.

Various fixture and lamp types may be used according to area needs. Lighting systems should be designed to provide maximum, appropriate illumination at minimal energy expenditures. Lighting maintenance processes should include a general awareness of factors that cause malfunctions in lighting systems, such as dirt accumulation and lumen depreciation. It is important to fully wash, rather than dry-wipe, exterior surfaces to reclaim light and prevent further deterioration.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

Repairs and inspections should be completed by a qualified professional.

This expense should be included in the annual operating budget for the Association as general property maintenance expense.

Frequency: Bi-Weekly

Security Systems – Inspection/Maintenance

Preventive maintenance of security systems is critical for occupant safety. Due to the technical nature of most security systems and services, it is recommended that security components be serviced by independent contractors. However, maintenance personnel should monitor the contractors' work and should conduct the following general inspections:

Review surveillance cameras and monitors for overall function, fixture integrity, mounting condition/stability, location accuracy, general console condition, and overall condition.

The following should be reviewed for overall function: restricted gates' operation, security, stability, hardware condition, overall function and communication system function; emergency call box station for lighting function and phone function/condition.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

Inspections and maintenance should be performed by a qualified, licensed service provider.

We understand that this expense should be included in the annual operating budget for the Association.

Frequency: Biweekly

Clubhouse Areas

The clubhouse may experience heavy traffic that can have a dramatic impact on the life expectancy of the equipment. Preventive maintenance is critical. Consult the manufacturers of exercise and weight equipment for specific maintenance. The overall condition of the floors and mats should be reviewed for deficiencies such as excessive wear, stains, tears, and tripping hazards. The overall condition of the following should be reviewed: walls/ceilings, lighting fixture protection, exercise/weight equipment; location of signs and fire safety devices, fire extinguishers, and trash receptacles. Mirrors and glass should be reviewed for cracked/broken surfaces or rough edges.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

This expense should be included in the annual operating budget for the Association as general property maintenance expense.

Frequency: Monthly

Clubhouse–Kitchen–Review

In condo facilities, common area kitchenettes and dining areas may contain pieces of equipment that can jeopardize life safety if preventive maintenance is neglected. The following monthly checklist includes common cooking equipment and dining furniture.

Review the electrical outlet load for fire safety (per manufacturer and code); check that paper/flammable materials are positioned away from heat sources; insure there is an accessible route, and there is sufficient visibility of emergency exits.

A fire extinguisher review should include: tag currency, placement, housing condition, hose condition, and overall condition.

Equipment, such as dishwashers, garbage disposals, refrigerators, and sinks should undergo review. ***Note: Always follow manufacturer's guidelines.*** For each item, check overall condition, switches, timer, piping and valves for leaks, wiring, pilots, doors, gaskets, and belts where applicable. Gas connections should be checked.

The flooring systems should be reviewed for deficiencies such as excessive wear, stains, and tripping hazards.

Review the exhaust system for hood function and condition, grease trap function, cleanliness and condition, filter condition, exhaust duct condition, and fan function and condition

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

Frequency: Monthly

Exterior Decks & Patios

A method should be adopted for owners to report problems.

Individual decks should be carefully checked, particularly concrete and wood, on a monthly basis. Concrete should be reviewed for deficiencies such as alkali-aggregate expansion, honeycombing, chips, cracks, stains, lifted areas, tripping hazards, and/or unevenness. Railings should be reviewed for stability, hardware, and overall condition. Wood should be reviewed for deficiencies, such as dry rot, termites, instability, worn edges, cracks, holes and splintering. Footing/foundation should be reviewed for stability and overall condition deficiencies, such as cracks and broken or missing components. A safety review should include, but not be limited to, the sufficient distance maintained between flammables and other surfaces, as well as the overall condition of access points such as doors, windows, screens and thresholds.

Frequency: Monthly

Hot Water Heater – Clubhouse (Common Area Only) – Inspection/Maintenance

Maintenance of the hot water heater includes regularly scheduled inspections and maintenance.

The water heater and related components should be checked for water leaks and fuel supply leaks. The water heater and related components should also be checked for proper operation and settings. Filters should be changed and all components serviced as required. The surrounding area should be cleaned at the time of servicing.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

Inspections and maintenance should be performed by a qualified, licensed service provider.

We understand that this expense should be included in the annual operating budget for the Association.

Frequency: Monthly to Annually

Property Entrance - Review

The property entrance is a significant reflection on the development as a whole and is often the first stop in the development for residents, prospective residents or buyers, and visitors. The area should be consistently clean, functional, and accessible. In addition to serving as a point of initial access, the main

entry may feature mailboxes, security equipment, which should be secure and operational.

Mailboxes: Review overall condition and function of locks; proper lubrication of working parts; cleanliness of face plates; security of housing, in compliance with current postal regulations; accuracy and visibility of signage/accessibility of tactile lettering, where required; condition and function of slots and depositories for outgoing mail and packages.

Communication Devices/Buzzers/Intercom: Review overall function, appropriateness of audible signals, tone and volume; security and cleanliness of housing; visibility and legibility of clear instructions; security of mounting.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

This expense should be included in the annual operating budget for the Association as general property maintenance expense.

Frequency: Monthly

Windows & Doors

The performance of and payment for the maintenance and repairs of windows and doors is solely the responsibility of the owners. Owners should be made aware of the consequence of not maintaining their property. A method should be adopted for owners to report problems.

These maintenance procedures should also be performed on the common area buildings including the clubhouse.

Exterior window and door casings, sashes, and frames should be inspected annually for twisting, cracking, deterioration, or other signs of distress. Hardware and weather stripping should be checked for proper operation and fit. Gaskets and seals should be reviewed for signs of moisture intrusion. Weep holes should be cleaned. These building envelope components should be repaired and replaced as necessary.

Frequency: Monthly

Fence–Vinyl Perimeter–Inspection

The fence located along the property should be checked semi-annually for overall integrity and safety. The overall condition of the fence should be checked for deficiencies such as vegetation encroachment, debris buildup, holes, sagging areas, missing segments, rot, fungus, and/or vandalism.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted

by the maintenance contractor and/or association representatives.

Frequency: Semiannually

Gutters & Downspouts

Schwindt & Company recommends that all gutters and downspouts be cleaned, visually inspected, and repaired as required every six months in the spring and fall.

This important maintenance procedure will help to ensure that the gutters and downspouts are free-flowing at all times, thus preventing the backup of water within the drainage system. Such backup can lead to water ingress issues along the roof edges, around scuppers or other roof penetrations, and at sheet metal flashing or transition points that rely on quick and continuous discharge of water from surrounding roof surfaces to maintain a watertight building exterior.

This expense should be included in the annual operating budget for the Association.

Frequency: Semiannually, more often if necessary

HVAC–Clubhouse Air Conditioning Unit (Common Area Only)

Regular preventive maintenance of HVAC (heating, ventilation, and air-conditioning) systems is crucial to the quality of air and comfort level within the condominium community. Preventive maintenance is also important for energy efficiency and maximizing equipment life. HVAC systems should always sufficiently control temperature and humidity, distribute outside air uniformly, and isolate and remove odors and pollutants. Improper function and maintenance can cause indoor air pollution by allowing stale or contaminated air to remain in the building. It is essential that both the building's common HVAC system and those for individual units have fully functional and regularly inspected pressure control, filtration, and exhaust equipment. HVAC systems must also be properly sized in proportion to the area and number of occupants.

Management may opt to contract outside professionals to handle this task, although the following preventive maintenance procedures can be conducted by in-house maintenance personnel. If an outside service contractor is used, be sure to validate their performance by an audit of service performed.

When performing any maintenance procedures, always refer to manufacturer's recommendations. Diagnostic tools, such as a digital HVAC analyzer, can also be of help.

For all types of HVAC systems, change filters twice a year and post a sticker on the HVAC unit with the

date of change and initials of the mechanic. If an outside service is used, plot the date of service on the wall chart and verify that performance is as per contract.

Frequency: Semiannually

Exterior Walls

The siding, trim, and other building components should be inspected for loose, missing, cracked or otherwise damaged components. Sealant joints should be checked for missing or cracked sealant.

Painted surfaces should be checked for paint deterioration, bubbling, or other signs of deterioration.

Dryer vents should be checked **twice a year** and cleared of lint. Also check operation of exhaust baffles to make sure they are present and that they move freely. Exhaust ducts should be cleared of debris **every 3 years**.

The payment for maintenance and the performance of maintenance repair of dryer vents, exhaust baffles, and exhaust ducts is solely the responsibility of the owners.

Any penetrations of the building envelope such as utility lines and light fixtures should be checked annually for signs of water intrusion. Hose bibs should be checked for leaks and other failures. Each hose bib should be shut off and drained during the winter to prevent damage from freezing.

The payment for and performance of maintenance and repair of all outlets of utility service lines, including water, sewerage, gas or electricity is solely the responsibility of the Owners.

Annual inspections to check for signs of water intrusion should be made of the building envelope interfaces such as where the windows intersect with the walls and where the walls intersect with the roof.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

Inspections should be made by a qualified professional.

This expense should be included in the annual operating budget for the Association.

Frequency: Annually

Fire Extinguishers – Common Areas Only

The following annual preventive maintenance checklist is for the fire extinguishers located in the

common areas. This inspection and certification must be conducted by a licensed specialty contractor and should be scheduled in advance to ensure that the date on extinguishers will not expire. Monthly inspections of fire extinguishers' general condition, housing, and locations per code should be conducted as part of preventive maintenance procedures. In addition to the annual preventive maintenance tasks outlined below, check the pressure and weight of each extinguisher in the facility every 6 months, according to its manufacturer's label. If the pressure is below the recommended minimum or if the extinguisher has been used, it should be recharged. Consult the National Fire Protect Association's (NFPA) Standard 10 for the specific requirements regarding the proper locations of fire extinguishers and signage.

Annual preventive maintenance checklist consists of the following: certification; housing condition; hose condition; proper location per code; count per code; and overall condition.

This expense should be included in the annual operating budget for the Association.

Frequency: Annually

Trees - Maintenance

The Association will be responsible for trimming trees in the common area throughout the property. Trees and shrubs should be kept clear of the building components.

We suggest that the Association obtain firm bids for this service.

This expense should be included in the Association's operating budget.

Frequency: Annually

Landscape Maintenance

The Association will be responsible for maintenance and upkeep of common area landscape throughout the property. This may include mowing lawn, removal of weeds, and dead-heading of flowers. Landscape techniques vary depending on the foliage and season.

We suggest that the Association obtain firm bids for this service.

This expense should be included in the Association's operating budget.

Frequency: Annually

Lawn Irrigation System

Periodic maintenance to the lawn irrigation system should be anticipated with this type of component. These maintenance procedures will include replacement of the control mechanism, replacement of damaged piping, upgrading of sprinkler heads and valve components, and any other work that is advised

by repair professionals.

In recent years, improvements have been made to this type of system which has increased the efficiency of the water distribution process. Such improvements can be expected to continue to be made and the owners of such systems are well advised to plan on periodic upgrades to maintain the efficiency of their systems.

Lawn irrigation systems also require periodic testing to ensure proper operation. Sometimes this testing is mandated by ordinance or building codes. All work on lawn irrigation systems must be performed by licensed contractors who specialize in this type of work.

This expense should be included in the annual operating budget for the Association.

Frequency: Annually

Storm Drains

Storm drains or sewers are underground systems used to collect and dispose of surface water. They carry large quantities of water away from paved surface areas, and should be kept clean to prevent the accumulation of dirt and debris. They should be cleaned and flushed annually to ensure blockages are removed and piping is functional. If drains tend to become clogged frequently, they should be inspected and cleaned more often.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

This expense should be included in the annual operating budget for the Association as a general property maintenance expense.

Frequency: Annually

Exterior Vinyl Siding – Cleaning

Maintenance of the exterior siding includes regularly scheduled cleaning and inspection of the surface areas for cracks, blisters, deterioration of the base material, and failure of caulking or other sealant materials that serve a waterproofing function.

This expense should be included in the Association's annual operating budget for the year in which it is scheduled.

Frequency: Every 2 years, beginning in 2016

Asphalt – Seal Coating

Maintenance of asphalt paving includes the periodic application of an asphalt emulsion sealer or "seal

coat". This procedure is typically performed every 4 to 7 years, depending on a variety of factors that can affect the useful life of the sealer.

Vehicle traffic is one such factor, and associations that have asphalt paving that carries considerable vehicle traffic should consider a maintenance program that calls for seal coating of asphalt driving surfaces as frequently as every 4 years.

This maintenance procedure involves thoroughly cleaning all pavements, filling of any surface cracks and patching of any locally damaged pavement surfaces. The emulsion sealer is then applied.

Parking area demarcation lines will need to be renewed each time a seal coat is applied. The component expense includes the cost of this work as well as the seal coating cost.

This work should be performed by a licensed paving contractor.

This expense is included in the reserve study for the Association.

Frequency: Every 7 years, beginning in 2017

Clubhouse - Interior Paint

The interior painted surfaces of the clubhouse should be cleaned, repaired as required, primed and painted with premium quality interior house paint in accordance with the manufacturer's specifications. The work should be performed by a qualified, licensed painting contractor.

This expense is included in the reserve study for the Association.

Frequency: Every 15 years, beginning in 2019

Attics & Crawl Spaces

Attic should be inspected annually to make sure all vents are free of obstructions and exhaust ducts are tight lined to the exterior. Owners should consult a professional if mold is detected.

Crawl spaces should be checked annually to make sure all vents are free of obstructions. Owners should make sure that the finish grade is below the height of the vents and vents are clear of debris. Crawl space should be checked for signs of water intrusion or moisture damage to the building structure.

Owners should consult a professional if water related damage is discovered.

Frequency: Annually

Concrete Pavement

Maintenance of the concrete pavement should include cleaning the surface areas with pressure washing

equipment. The pavement should also be visually reviewed for signs of undue stress and cracking. Noticeable cracks should be filled with a suitable concrete crack filler to prevent penetration of moisture below the concrete surface which will undermine the integrity of the base material over time.

Frequency: Annually

This maintenance plan is designed to preserve and extend the useful life of assets and is dependent upon proper inspection and follow up procedures.

OAK GROVE CONDOMINIUMS

RESERVE STUDY

LEVEL II: UPDATE WITH VISUAL SITE INSPECTION

2015

Oak Grove Condominiums
Property Description

Oak Grove Condominiums consists of 11 buildings with a total of 53 units located in Lebanon, Oregon. There are eight four-plexes, one twelve-plex, one eight-plex, and one single family home. The Association was built in phases from 2000 – 2005. The Association shall provide exterior maintenance upon each unit, such as paint, maintenance, repair and replacement of roofs, gutters, downspouts, rain drains, and exterior building surfaces. The individual homeowners are responsible for all maintenance and repair of the interior of their home including windows and doors.

This study uses information supplied by the developer, local venders, and various construction pricing and scheduling manuals to determine useful lives and replacement costs.

A site visit was performed by Schwindt & Company in 2014. Schwindt and Company did not investigate components as to condition and estimated useful life.

Funds are being accumulated in the replacement fund based on estimates of future need for repairs and replacement of common property components. Actual expenditures, investment income and provisions for income taxes however, may vary from estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future funding needs.

If additional funds are needed, the Association has the right, subject to board approval, to increase regular assessments or levy special assessments, or it may delay repairs or replacements until funds are available.

Oak Grove Condominiums
Lebanon, Oregon
Cash Flow Method - Threshold Funding Model Summary

Report Date	**August 01, 2014**
Account Number	**2OAKGR**
Budget Year Beginning	**January 01, 2015**
Budget Year Ending	**December 31, 2015**
Total Units	**53**

Report Parameters

Inflation	**2.50%**
Annual Assessment Increase	**5.75%**
Interest Rate on Reserve Deposit	**0.85%**
2015 Beginning Balance	**$250,000.00**

Threshold Funding
Fully Reserved Model Summary

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. The threshold method assumes that the threshold method is funded with a positive threshold balance, therefore, "fully reserved".
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage; foundation/footings; storm drains; telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **$28,000** in **2015** and increases **5.75%** each year for the remaining years of the study. A minimum balance of **$92,162** is maintained.
- The Association believes will it be able to earn and interest rate of .85%.
- **This reserve study funding scenario uses a contribution increase higher than the estimated inflation rate. This puts the Association at a higher risk of special assessment.**
- The purpose of this study is to insure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

Cash Flow Method - Threshold Funding Model Summary of Calculations

Required Month Contribution	**$2,333.33**
$44.03 per unit monthly	
Average Net Month Interest Earned	**$184.81**
Total Month Allocation to Reserves	**$2,518.15**
$47.51 per unit monthly	

Oak Grove Condominiums
Cash Flow Method - Threshold Funding Model Projection

Beginning Balance: $250,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2015	1,065,010	28,000	2,218	5,250	274,968
2016	1,089,585	29,610	2,444	4,612	302,409
2017	1,116,824	31,313	2,713	1,471	334,963
2018	1,144,745	33,113	2,970	4,846	366,200
2019	1,173,364	35,017	2,906	44,611	359,512
2020	1,202,698	37,031	3,195	5,091	394,647
2021	1,232,765	39,160	3,418	15,239	421,986
2022	1,263,584	41,411	3,382	48,105	418,674
2023	1,295,174	43,793	3,775		466,242
2024	1,327,553	46,311	1,285	340,764	173,073
2025	1,360,742	48,974	1,703		223,750
2026	1,394,761	51,790	2,098	5,904	271,733
2027	1,429,630	54,767	2,376	22,965	305,910
2028	1,465,370	57,917	2,825	6,203	360,449
2029	1,502,005	61,247	3,233	14,715	410,214
2030	1,539,555	64,768	3,744	6,517	472,209
2031	1,578,044	68,493	4,328	2,078	542,951
2032	1,617,495	72,431	4,541	50,018	569,905
2033	1,657,932	76,596	5,217		651,717
2034	1,699,380	81,000	4,777	135,749	601,744
2035	1,741,865	85,658	5,530		692,932
2036	1,785,412	90,583	6,032	35,087	754,460
2037	1,830,047	95,791	6,880		857,131
2038	1,875,798	101,299	7,693	10,411	955,712
2039	1,922,693	107,124	8,557	10,852	1,060,541
2040	1,970,760	113,284	9,502	8,343	1,174,983
2041	2,020,029	119,798	10,579		1,305,360
2042	2,070,530	126,686	11,105	72,495	1,370,656
2043	2,122,293	133,970	12,259	6,489	1,510,397
2044	2,175,351	141,674	230	1,560,138	92,162

Oak Grove Condominiums
Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Roofing								
Clubhouse - Roof - Layer	2004	2024	20	0	9	2,457 SF	2.15	5,283
Clubhouse - Roof - Replacement	2004	2044	40	0	29	2,457 SF	2.15	5,283
Condo - Roof - Layer	2004	2024	20	0	9	55,494 SF	2.15	119,312
Condo - Roof - Replacement	2004	2044	40	0	29	55,494 SF	3.00	166,482
Roofing - Total								$296,359
Siding								
Siding - Power Washing	2014	2016	2	0	1	1 Total	4,500.00	4,500
Siding - Replacement	2004	2044	40	0	29	76,000 SF	5.00	380,000
Siding - Total								$384,500
Painting								
Clubhouse - Paint Interior - Replacement	2004	2019	15	0	4	2,640 SF	1.00	2,640
Common Area Doors - Paint	2004	2015	7	0	0	13 Each	250.00	3,250
Condo - Common Area - Interior Paint	2004	2019	15	0	4	13 Each	500.00	6,500
Painting - Total								$12,390
Building Components								
Sprinkler System Repairs	2004	2019	15	0	4	20 Each	136.09	2,722
Building Components - Total								$2,722
Gutters and Downspouts								
Clubhouse - Gutter & Downspout - Partial ..	2004	2029	25	0	14	194 LF	6.00	1,164
Condo - Gutter & Downspout - Partial Rep..	2002	2027	25	0	12	2,846 LF	6.00	17,076
Gutters and Downspouts - Total								$18,240
Streets/Asphalt								
Asphalt - Overlay	2004	2032	28	0	17	7,000 SF	2.00	14,000
Asphalt - Seal Coat	2004	2017	7	6	2	7,000 SF	0.20	1,400
Streets/Asphalt - Total								$15,400
Fencing/Security								
Condo Entry Systems - Replacement	2004	2024	20	0	9	13 Each	1,500.00	19,500
Fence - Chain Link - Replacement	2004	2034	30	0	19	1,200 LF	30.00	36,000
Fence - Wooden - Replacement	2004	2024	20	0	9	72 LF	30.00	2,160
Fence - Wrought Iron - Replacement	2002	2032	30	0	17	330 LF	43.55	14,371
Motorized Entry Gates - Replacement	2004	2019	15	0	4	2 Each	5,000.00	10,000
Fencing/Security - Total								$82,031
Equipment								
Clubhouse - HVAC - Replacement	2004	2019	15	0	4	1 Total	6,053.17	6,053
Equipment - Total								$6,053

Oak Grove Condominiums
Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Decks and Railings								
Trex Deck - Replacement	2004	2024	20	0	9	4,800 SF	20.00	96,000
Decks and Railings - Total								$96,000
Interior Furnishings								
Clubhouse - Interior Carpeting - Replacem..	2004	2024	20	0	9	1 Total	7,000.34	7,000
Clubhouse - Kitchen Appliances - Replace..	2004	2024	20	0	9	1 Total	2,695.62	2,696
Clubhouse - Pool Table - Replacement	2004	2024	20	0	9	1 Total	2,008.65	2,009
Condo - Common Area - Entry Carpeting -..	2004	2019	15	0	4	13 Each	500.00	6,500
Condo - Common Area - Entry Tile - Repair	2006	2021	15	0	6	13 Each	1,010.80	13,140
Interior Furnishings - Total								$31,345
Lighting								
Condo - Common Area - Interior Lighting ..	2002	2022	20	0	7	36 Each	300.00	10,800
Exterior Lighting - Replacement	2002	2022	20	0	7	81 Each	210.12	17,020
Lighting - Total								$27,820
Grounds Components								
Mailboxes - Replacement	2004	2034	30	0	19	4 Each	1,000.00	4,000
Trash Enclosures - Replacement	2004	2024	20	0	9	2 Each	3,500.00	7,000
Tree Work	2014	2019	5	0	4	1 Total	3,000.00	3,000
Grounds Components - Total								$14,000
Doors and Windows								
Clubhouse Doors - Replacement	2004	2044	40	0	29	2 Each	750.00	1,500
Clubhouse Windows - Replacement	2004	2044	40	0	29	10 Each	500.00	5,000
Common Area Doors - Replacement	2004	2044	40	0	29	13 Each	750.00	9,750
Common Area Windows - Replacement	2004	2044	40	0	29	104 Each	500.00	52,000
Doors and Windows - Total								$68,250
Inspections								
Annual Property Inspection	*Unfunded*							
Concrete								
Concrete Driveways, Sidewalks & Patios - ..	2014	2019	5	0	4	300 SF	10.00	3,000
Concrete - Total								$3,000
Clubhouse								
Clubhouse - Furniture - Replacement	2002	2022	20	0	7	1 Total	4,899.15	4,899
Clubhouse - Total								$4,899

Oak Grove Condominiums
Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Contingency								
Insurance Deductible	2014	2015	1	0	0	1 Total	2,000.00	2,000
Contingency - Total								$2,000
Total Asset Summary								$1,065,010

Oak Grove Condominiums
Component Summary By Group

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Capital								
Asphalt - Overlay	2004	2032	28	0	17	7,000 SF	2.00	14,000
Clubhouse - Furniture - Replacement	2002	2022	20	0	7	1 Total	4,899.15	4,899
Clubhouse - Gutter & Downspout - Partial ..	2004	2029	25	0	14	194 LF	6.00	1,164
Clubhouse - HVAC - Replacement	2004	2019	15	0	4	1 Total	6,053.17	6,053
Clubhouse - Interior Carpeting - Replacem..	2004	2024	20	0	9	1 Total	7,000.34	7,000
Clubhouse - Kitchen Appliances - Replace..	2004	2024	20	0	9	1 Total	2,695.62	2,696
Clubhouse - Paint Interior - Replacement	2004	2019	15	0	4	2,640 SF	1.00	2,640
Clubhouse - Pool Table - Replacement	2004	2024	20	0	9	1 Total	2,008.65	2,009
Clubhouse - Roof - Layer	2004	2024	20	0	9	2,457 SF	2.15	5,283
Clubhouse - Roof - Replacement	2004	2044	40	0	29	2,457 SF	2.15	5,283
Clubhouse Doors - Replacement	2004	2044	40	0	29	2 Each	750.00	1,500
Clubhouse Windows - Replacement	2004	2044	40	0	29	10 Each	500.00	5,000
Common Area Doors - Replacement	2004	2044	40	0	29	13 Each	750.00	9,750
Common Area Windows - Replacement	2004	2044	40	0	29	104 Each	500.00	52,000
Condo - Common Area - Entry Carpeting -..	2004	2019	15	0	4	13 Each	500.00	6,500
Condo - Common Area - Interior Lighting ..	2002	2022	20	0	7	36 Each	300.00	10,800
Condo - Common Area - Interior Paint	2004	2019	15	0	4	13 Each	500.00	6,500
Condo - Gutter & Downspout - Partial Rep..	2002	2027	25	0	12	2,846 LF	6.00	17,076
Condo - Roof - Layer	2004	2024	20	0	9	55,494 SF	2.15	119,312
Condo - Roof - Replacement	2004	2044	40	0	29	55,494 SF	3.00	166,482
Condo Entry Systems - Replacement	2004	2024	20	0	9	13 Each	1,500.00	19,500
Exterior Lighting - Replacement	2002	2022	20	0	7	81 Each	210.12	17,020
Fence - Chain Link - Replacement	2004	2034	30	0	19	1,200 LF	30.00	36,000
Fence - Wooden - Replacement	2004	2024	20	0	9	72 LF	30.00	2,160
Fence - Wrought Iron - Replacement	2002	2032	30	0	17	330 LF	43.55	14,371
Mailboxes - Replacement	2004	2034	30	0	19	4 Each	1,000.00	4,000
Motorized Entry Gates - Replacement	2004	2019	15	0	4	2 Each	5,000.00	10,000
Siding - Replacement	2004	2044	40	0	29	76,000 SF	5.00	380,000
Trash Enclosures - Replacement	2004	2024	20	0	9	2 Each	3,500.00	7,000
Trex Deck - Replacement	2004	2024	20	0	9	4,800 SF	20.00	96,000
Capital - Total								$1,031,997
Non Capital								
Annual Property Inspection	*Unfunded*							
Asphalt - Seal Coat	2004	2017	7	6	2	7,000 SF	0.20	1,400
Common Area Doors - Paint	2004	2015	7	0	0	13 Each	250.00	3,250
Concrete Driveways, Sidewalks & Patios - ..	2014	2019	5	0	4	300 SF	10.00	3,000
Condo - Common Area - Entry Tile - Repair	2006	2021	15	0	6	13 Each	1,010.80	13,140
Insurance Deductible	2014	2015	1	0	0	1 Total	2,000.00	2,000
Siding - Power Washing	2014	2016	2	0	1	1 Total	4,500.00	4,500
Sprinkler System Repairs	2004	2019	15	0	4	20 Each	136.09	2,722
Tree Work	2014	2019	5	0	4	1 Total	3,000.00	3,000
Non Capital - Total								$33,012

Oak Grove Condominiums
Component Summary By Group

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Total Asset Summary								$1,065,010

Oak Grove Condominiums
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2015	
Common Area Doors - Paint	3,250
Insurance Deductible	2,000
Total for 2015	**$5,250**
Replacement Year 2016	
Siding - Power Washing	4,612
Total for 2016	**$4,612**
Replacement Year 2017	
Asphalt - Seal Coat	1,471
Total for 2017	**$1,471**
Replacement Year 2018	
Siding - Power Washing	4,846
Total for 2018	**$4,846**
Replacement Year 2019	
Clubhouse - HVAC - Replacement	6,682
Clubhouse - Paint Interior - Replacement	2,914
Concrete Driveways, Sidewalks & Patios - Repair	3,311
Condo - Common Area - Entry Carpeting - Replacement	7,175
Condo - Common Area - Interior Paint	7,175
Motorized Entry Gates - Replacement	11,038
Sprinkler System Repairs	3,004
Tree Work	3,311
Total for 2019	**$44,611**
Replacement Year 2020	
Siding - Power Washing	5,091
Total for 2020	**$5,091**
Replacement Year 2021	
Condo - Common Area - Entry Tile - Repair	15,239
Total for 2021	**$15,239**

Oak Grove Condominiums
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2022	
Clubhouse - Furniture - Replacement	5,824
Common Area Doors - Paint	3,863
Condo - Common Area - Interior Lighting - Replacement	12,838
Exterior Lighting - Replacement	20,231
Siding - Power Washing	5,349
Total for 2022	**$48,105**
No Replacement in 2023	
Replacement Year 2024	
Asphalt - Seal Coat	1,748
Clubhouse - Interior Carpeting - Replacement	8,742
Clubhouse - Kitchen Appliances - Replacement	3,366
Clubhouse - Pool Table - Replacement	2,509
Clubhouse - Roof - Layer	6,597
Concrete Driveways, Sidewalks & Patios - Repair	3,747
Condo - Roof - Layer	149,004
Condo Entry Systems - Replacement	24,353
Fence - Wooden - Replacement	2,698
Siding - Power Washing	5,620
Trash Enclosures - Replacement	8,742
Tree Work	3,747
Trex Deck - Replacement	119,891
Total for 2024	**$340,764**
No Replacement in 2025	
Replacement Year 2026	
Siding - Power Washing	5,904
Total for 2026	**$5,904**
Replacement Year 2027	
Condo - Gutter & Downspout - Partial Replacement	22,965
Total for 2027	**$22,965**
Replacement Year 2028	
Siding - Power Washing	6,203
Total for 2028	**$6.203**

Oak Grove Condominiums
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2029	
Clubhouse - Gutter & Downspout - Partial Replacement	1,645
Common Area Doors - Paint	4,592
Concrete Driveways, Sidewalks & Patios - Repair	4,239
Tree Work	4,239
Total for 2029	**$14,715**
Replacement Year 2030	
Siding - Power Washing	6,517
Total for 2030	**$6,517**
Replacement Year 2031	
Asphalt - Seal Coat	2,078
Total for 2031	**$2,078**
Replacement Year 2032	
Asphalt - Overlay	21,303
Fence - Wrought Iron - Replacement	21,868
Siding - Power Washing	6,847
Total for 2032	**$50,018**
No Replacement in 2033	
Replacement Year 2034	
Clubhouse - HVAC - Replacement	9,677
Clubhouse - Paint Interior - Replacement	4,220
Concrete Driveways, Sidewalks & Patios - Repair	4,796
Condo - Common Area - Entry Carpeting - Replacement	10,391
Condo - Common Area - Interior Paint	10,391
Fence - Chain Link - Replacement	57,551
Mailboxes - Replacement	6,395
Motorized Entry Gates - Replacement	15,987
Siding - Power Washing	7,194
Sprinkler System Repairs	4,351
Tree Work	4,796
Total for 2034	**$135,749**

Oak Grove Condominiums
Annual Expenditure Detail

Description	Expenditures
No Replacement in 2035	
Replacement Year 2036	
Common Area Doors - Paint	5,459
Condo - Common Area - Entry Tile - Repair	22,070
Siding - Power Washing	7,558
Total for 2036	**$35,087**
No Replacement in 2037	
Replacement Year 2038	
Asphalt - Seal Coat	2,470
Siding - Power Washing	7,941
Total for 2038	**$10,411**
Replacement Year 2039	
Concrete Driveways, Sidewalks & Patios - Repair	5,426
Tree Work	5,426
Total for 2039	**$10,852**
Replacement Year 2040	
Siding - Power Washing	8,343
Total for 2040	**$8,343**
No Replacement in 2041	
Replacement Year 2042	
Clubhouse - Furniture - Replacement	9,543
Condo - Common Area - Interior Lighting - Replacement	21,036
Exterior Lighting - Replacement	33,151
Siding - Power Washing	8,765
Total for 2042	**$72,495**
Replacement Year 2043	
Common Area Doors - Paint	6,489
Total for 2043	**$6,489**

Oak Grove Condominiums
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2044	
Clubhouse - Interior Carpeting - Replacement	14,326
Clubhouse - Kitchen Appliances - Replacement	5,516
Clubhouse - Pool Table - Replacement	4,111
Clubhouse - Roof - Replacement	10,810
Clubhouse Doors - Replacement	3,070
Clubhouse Windows - Replacement	10,232
Common Area Doors - Replacement	19,952
Common Area Windows - Replacement	106,413
Concrete Driveways, Sidewalks & Patios - Repair	6,139
Condo - Roof - Replacement	340,690
Condo Entry Systems - Replacement	39,905
Fence - Wooden - Replacement	4,420
Siding - Replacement	777,635
Trash Enclosures - Replacement	14,325
Tree Work	6,139
Trex Deck - Replacement	196,455
Total for 2044	**$1,560,138**

Oak Grove Condominiums
Detail Report by Category

Clubhouse - Roof - Layer

		2,457 SF	@ $2.15
		Asset Cost	$5,282.55
	Capital	Percent Replacement	100%
	Roofing	Future Cost	$7,518.72
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

This provision is for the addition of a roofing layer to the clubhouse.

Schwindt and Company estimated 2,457 square feet of roofing.

The cost is based on a per square foot estimate from Horizon Roofing. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Clubhouse - Roof - Replacement

		2,457 SF	@ $2.15
		Asset Cost	$5,282.55
	Capital	Percent Replacement	100%
	Roofing	Future Cost	$16,474.43
Placed in Service	January 2004		
Useful Life	40		
Replacement Year	2044		
Remaining Life	29		

This provision is for the replacement of the roof to the clubhouse.

Schwindt and Company estimated 2,457 square feet of roofing.

The cost is based on a per square foot estimate from Horizon Roofing. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Oak Grove Condominiums
Detail Report by Category

Condo - Roof - Layer

		55,494 SF	@ $2.15
		Asset Cost	$119,312.10
	Capital	Percent Replacement	100%
	Roofing	Future Cost	$169,818.32
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

This provision is for the addition of a roofing layer to the condominium buildings.

Schwindt and Company estimated 55,494 square feet of roofing.

The cost is based on a per square foot estimate from Horizon Roofing. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Condo - Roof - Replacement

		55,494 SF	@ $3.00
		Asset Cost	$166,482.00
	Capital	Percent Replacement	100%
	Roofing	Future Cost	$519,199.33
Placed in Service	January 2004		
Useful Life	40		
Replacement Year	2044		
Remaining Life	29		

This provision is for the replacement of the roofs to the condominium buildings.

Schwindt and Company estimated 55,494 square feet of roofing.

The cost is based on a per square foot estimate from Horizon Roofing. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Roofing - Total Current Cost **$296,359**

Oak Grove Condominiums
Detail Report by Category

Siding - Power Washing

		1 Total	@ $4,500.00
		Asset Cost	$4,500.00
	Non Capital	Percent Replacement	100%
	Siding	Future Cost	$4,680.00
Placed in Service	July 2014		
Useful Life	2		
Replacement Year	2016		
Remaining Life	1		

In order to maintain the appearance of the vinyl siding, it will be power washed every two years.

According to the Association, the siding was power washed in 2014 for $4,500.

Siding - Replacement

		76,000 SF	@ $5.00
		Asset Cost	$380,000.00
	Capital	Percent Replacement	100%
	Siding	Future Cost	$1,185,087.55
Placed in Service	January 2004		
Useful Life	40		
Replacement Year	2044		
Remaining Life	29		

This provision is for the replacement of the vinyl siding.

Schwindt and Company estimated 76,000 square feet of vinyl siding.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Siding - Total Current Cost **$384,500**

Oak Grove Condominiums
Detail Report by Category

Clubhouse - Paint Interior - Replacement

		2,640 SF	@ $1.00
		Asset Cost	$2,640.00
	Capital	Percent Replacement	100%
	Painting	Future Cost	$3,088.43
Placed in Service	January 2004		
Useful Life	15		
Replacement Year	2019		
Remaining Life	4		

This provision is to paint the clubhouse interior.

Schwindt and Company estimated 2,640 square feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Common Area Doors - Paint

		13 Each	@ $250.00
		Asset Cost	$3,250.00
	Non Capital	Percent Replacement	100%
	Painting	Future Cost	$3,250.00
Placed in Service	January 2004		
Useful Life	7		
Replacement Year	2015		
Remaining Life	0		

This provision is for the painting of the common area entrance doors to each building.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Oak Grove Condominiums
Detail Report by Category

Condo - Common Area - Interior Paint

		13 Each	@ $500.00
		Asset Cost	$6,500.00
	Capital	Percent Replacement	100%
	Painting	Future Cost	$7,604.08
Placed in Service	January 2004		
Useful Life	15		
Replacement Year	2019		
Remaining Life	4		

This provision is to paint the common area entrances to the condominiums.

According to the developer, each entrance has approximately 170 square feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Painting - Total Current Cost **$12,390**

Oak Grove Condominiums
Detail Report by Category

Sprinkler System Repairs

		20 Each	@ $136.09
		Asset Cost	$2,721.80
	Non Capital	Percent Replacement	100%
	Building Components	Future Cost	$3,184.12
Placed in Service	January 2004		
Useful Life	15		
Replacement Year	2019		
Remaining Life	4		

This provision is for the repair of the sprinkler system.

There are currently 20 zones per developer and were initially installed at a cost of $10,000.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Building Components - Total Current Cost **$2,722**

Oak Grove Condominiums
Detail Report by Category

Clubhouse - Gutter & Downspout - Partial Replacement

		388 LF	@ $6.00
		Asset Cost	$1,164.00
	Capital	Percent Replacement	50%
	Gutters and Downspouts	Future Cost	$2,015.67
Placed in Service	January 2004		
Useful Life	25		
Replacement Year	2029		
Remaining Life	14		

This provision is for the partial replacement of the gutters and downspouts on the clubhouse. This is only for damaged sections which is estimated to be 50%.

Schwindt and Company estimated 388 lineal feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Condo - Gutter & Downspout - Partial Replacement

		5,692 LF	@ $6.00
		Asset Cost	$17,076.00
	Capital	Percent Replacement	50%
	Gutters and Downspouts	Future Cost	$27,339.23
Placed in Service	July 2002		
Useful Life	25		
Replacement Year	2027		
Remaining Life	12		

This provision is for the partial replacement of the gutters and downspouts on the condominiums. This is only for damaged sections which is estimated to be 50%.

Schwindt and Company estimated 5,692 lineal feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Condo - Gutter & Downspout - Partial Replacement continued...

updated to reflect the actual component cost.

Gutters and Downspouts - Total Current Cost	**$18,240**

Oak Grove Condominiums
Detail Report by Category

Asphalt - Overlay

		7,000 SF	@ $2.00
		Asset Cost	$14,000.00
	Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	$27,270.61
Placed in Service	January 2004		
Useful Life	28		
Replacement Year	2032		
Remaining Life	17		

This provision is for the asphalt to be overlaid.

Schwindt and Company estimated 7,000 square feet of asphalt.

The cost is based on a per square foot estimate from Coast Pavement. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Asphalt - Seal Coat

		7,000 SF	@ $0.20
		Asset Cost	$1,400.00
	Non Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	$1,514.24
Placed in Service	January 2004		
Useful Life	7		
Adjustment	6		
Replacement Year	2017		
Remaining Life	2		

This provision is for the asphalt to be seal coated.

Schwindt and Company estimated 7,000 square feet of asphalt.

The cost is based on a per square foot estimate from Coast Pavement. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Oak Grove Condominiums
Detail Report by Category

Streets/Asphalt - Total Current Cost **$15,400**

Oak Grove Condominiums
Detail Report by Category

Condo Entry Systems - Replacement

		13 Each	@ $1,500.00
		Asset Cost	$19,500.00
	Capital	Percent Replacement	100%
	Fencing/Security	Future Cost	$27,754.58
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

Schwindt and Company recommends the Association contract a vendor to maintain the systems. The reserve study should be updated once more information is available.

This provision is for the replacement of the condo entrance systems.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Fence - Chain Link - Replacement

		1,200 LF	@ $30.00
		Asset Cost	$36,000.00
	Capital	Percent Replacement	100%
	Fencing/Security	Future Cost	$75,846.57
Placed in Service	January 2004		
Useful Life	30		
Replacement Year	2034		
Remaining Life	19		

This provision is for the replacement of the chain link fence on the property.

According to the developer, there is 1,200 lineal feet of chain link fence.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Oak Grove Condominiums
Detail Report by Category

Fence - Wooden - Replacement

		72 LF	@ $30.00
		Asset Cost	$2,160.00
	Capital	Percent Replacement	100%
	Fencing/Security	Future Cost	$3,074.35
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

This provision is for the replacement of the wood privacy fences.

Schwindt and Company estimated 72 lineal feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Fence - Wrought Iron - Replacement

		330 LF	@ $43.55
		Asset Cost	$14,371.50
	Capital	Percent Replacement	100%
	Fencing/Security	Future Cost	$27,994.25
Placed in Service	July 2002		
Useful Life	30		
Replacement Year	2032		
Remaining Life	17		

This provision is for the replacement of the metal fence on the property.

According to the developer, there is 330 lineal feet of metal fence.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Oak Grove Condominiums
Detail Report by Category

Motorized Entry Gates - Replacement

		2 Each	@ $5,000.00
		Asset Cost	$10,000.00
	Capital	Percent Replacement	100%
	Fencing/Security	Future Cost	$11,698.59
Placed in Service	January 2004		
Useful Life	15		
Replacement Year	2019		
Remaining Life	4		

Schwindt and Company recommends the Association contract a vendor to maintain the systems. The reserve study should be updated once more information is available.

This provision is for the replacement of the entrance gates.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Fencing/Security - Total Current Cost **$82,031**

Oak Grove Condominiums
Detail Report by Category

Clubhouse - HVAC - Replacement

		1 Total	@ $6,053.17
		Asset Cost	$6,053.17
	Capital Equipment	Percent Replacement	100%
		Future Cost	$7,081.35
Placed in Service	January 2004		
Useful Life	15		
Replacement Year	2019		
Remaining Life	4		

This provision is for the replacement of the clubhouse HVAC system.

The cost is based on information from the developer. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Equipment - Total Current Cost **$6,053**

Oak Grove Condominiums
Detail Report by Category

Trex Deck - Replacement

		4,800 SF	@ $20.00
		Asset Cost	$96,000.00
	Capital	Percent Replacement	100%
	Decks and Railings	Future Cost	$136,637.93
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

This provision is for the replacement of the wood decks on the property.

According to the developer, each deck measures 400 square feet.

The cost is based on a per square foot estimate from Ricks Custom Decking and Fencing. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Decks and Railings - Total Current Cost **$96,000**

Oak Grove Condominiums
Detail Report by Category

Clubhouse - Interior Carpeting - Replacement

		1 Total	@ $7,000.34
		Asset Cost	$7,000.34
	Capital	Percent Replacement	100%
	Interior Furnishings	Future Cost	$9,963.67
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

This provision is for the replacement of the interior carpet at the clubhouse.

Schwindt and Company estimated 1,000 square feet of carpet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Clubhouse - Kitchen Appliances - Replacement

		1 Total	@ $2,695.62
		Asset Cost	$2,695.62
	Capital	Percent Replacement	100%
	Interior Furnishings	Future Cost	$3,836.71
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

This provision is for the replacement of the kitchen appliances at the clubhouse.

This includes two microwaves, refrigerator, ice machine and dishwasher.

The cost is based on information from the developer. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Oak Grove Condominiums
Detail Report by Category

Clubhouse - Pool Table - Replacement

		1 Total	@ $2,008.65
		Asset Cost	$2,008.65
	Capital	Percent Replacement	100%
	Interior Furnishings	Future Cost	$2,858.93
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

This provision is for the replacement of the pool table at the clubhouse.

The cost is based on information from the developer. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Condo - Common Area - Entry Carpeting - Replacement

		13 Each	@ $500.00
		Asset Cost	$6,500.00
	Capital	Percent Replacement	100%
	Interior Furnishings	Future Cost	$7,604.08
Placed in Service	January 2004		
Useful Life	15		
Replacement Year	2019		
Remaining Life	4		

Estimate to replace the entryway interior carpeting in the condo Building B of phase 1.

Estimated square feet: 18.67 square feet per 4-plex double

Estimated cost:

$179.10 - Material (18.67 square feet x $9.95/square foot)
$125 - Labor

$304.10 - Total

Information provided by the developer.

Oak Grove Condominiums
Detail Report by Category

Condo - Common Area - Entry Tile - Repair

		13 Each	@ $1,010.80
		Asset Cost	$13,140.40
	Non Capital	Percent Replacement	100%
	Interior Furnishings	Future Cost	$16,626.80
Placed in Service	August 2006		
Useful Life	15		
Replacement Year	2021		
Remaining Life	6		

Estimate to replace the tile in the entryways of condos F, G & H.

Estimated area of the tile per entry is 155 square feet. The estimated replacement cost is $5.99 per square foot.

155 square feet x $5.99/square foot = $928.45 per entry.

Information provided by the developer.

Interior Furnishings - Total Current Cost **$31,345**

Oak Grove Condominiums
Detail Report by Category

Condo - Common Area - Interior Lighting - Replacement

		36 Each	@ $300.00
		Asset Cost	$10,800.00
	Capital	Percent Replacement	100%
	Lighting	Future Cost	$14,212.06
Placed in Service	July 2002		
Useful Life	20		
Replacement Year	2022		
Remaining Life	7		

Estimate to replace the entry way interior lighting fixtures for Building B. This estimate includes the chandelier and lighting on the walls.

Entryways

4 - 4-plex double

1 - TOTAL

Estimated cost is $300

Information provided by the developer.

Exterior Lighting - Replacement

		81 Each	@ $210.12
		Asset Cost	$17,019.72
	Capital	Percent Replacement	100%
	Lighting	Future Cost	$22,396.79
Placed in Service	July 2002		
Useful Life	20		
Replacement Year	2022		
Remaining Life	7		

This provision is for the replacement of the exterior lights.

According to the developer the inventory is a follows:

68 - Exterior Lights
13 - Lamps
81 - Total

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Oak Grove Condominiums
Detail Report by Category

Lighting - Total Current Cost **$27,820**

Oak Grove Condominiums
Detail Report by Category

Mailboxes - Replacement

		4 Each	@ $1,000.00
		Asset Cost	$4,000.00
	Capital	Percent Replacement	100%
	Grounds Components	Future Cost	$8,427.40
Placed in Service	January 2004		
Useful Life	30		
Replacement Year	2034		
Remaining Life	19		

This provision is for the replacement of the mailboxes.

Schwindt and Company estimated 4 mailboxes.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Trash Enclosures - Replacement

		2 Each	@ $3,500.00
		Asset Cost	$7,000.00
	Capital	Percent Replacement	100%
	Grounds Components	Future Cost	$9,963.18
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	9		

This provision is for the replacement of the trash enclosures.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Oak Grove Condominiums
Detail Report by Category

Tree Work

		1 Total	@ $3,000.00
		Asset Cost	$3,000.00
	Non Capital	Percent Replacement	100%
	Grounds Components	Future Cost	$3,509.58
Placed in Service	January 2014		
Useful Life	5		
Replacement Year	2019		
Remaining Life	4		

This provision is for any tree work that maybe needed. It is recommended the Association contact an arborist to come up with a plan of action. The reserve study should be updated when more information is available.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Grounds Components - Total Current Cost **$14,000**

Oak Grove Condominiums
Detail Report by Category

Clubhouse Doors - Replacement

		2 Each	@ $750.00
		Asset Cost	$1,500.00
	Capital	Percent Replacement	100%
	Doors and Windows	Future Cost	$4,677.98
Placed in Service	January 2004		
Useful Life	40		
Replacement Year	2044		
Remaining Life	29		

This provision is for the replacement of the clubhouse doors.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Clubhouse Windows - Replacement

		10 Each	@ $500.00
		Asset Cost	$5,000.00
	Capital	Percent Replacement	100%
	Doors and Windows	Future Cost	$15,593.26
Placed in Service	January 2004		
Useful Life	40		
Replacement Year	2044		
Remaining Life	29		

This provision is for the replacement of the clubhouse windows.

Schwindt and Company estimated 10 windows.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Oak Grove Condominiums
Detail Report by Category

Common Area Doors - Replacement

		13 Each	@ $750.00
		Asset Cost	$9,750.00
	Capital	Percent Replacement	100%
	Doors and Windows	Future Cost	$30,406.85
Placed in Service	January 2004		
Useful Life	40		
Replacement Year	2044		
Remaining Life	29		

This provision is for the replacement of the common area entrance doors to each building.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Common Area Windows - Replacement

		104 Each	@ $500.00
		Asset Cost	$52,000.00
	Capital	Percent Replacement	100%
	Doors and Windows	Future Cost	$162,169.87
Placed in Service	January 2004		
Useful Life	40		
Replacement Year	2044		
Remaining Life	29		

This provision is for the replacement of the common area windows.

Schwindt and Company estimated 104 windows.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Oak Grove Condominiums
Detail Report by Category

Doors and Windows - Total Current Cost **$68,250**

Oak Grove Condominiums
Detail Report by Category

Annual Property Inspection

		1 Total	@ $1,088.70
		Asset Cost	$1,088.70
	Non Capital	Percent Replacement	100%
	Inspections	Future Cost	$1,088.70
Placed in Service	January 2014		
Useful Life	1		
Replacement Year	2015		
Remaining Life	0		

A well planned, timely and properly executed maintenance plan for common area building components is strongly recommended by Schwindt & Co as it is the most critical and least costly measure that can be taken by the Association in it's efforts to prolong the life and maintain the value of commonly owned assets.

We also recommend that a unit owner's survey be conducted at the time of the annual property inspection in order to obtain input from the individuals who occupy the buildings as their day to day use of the property can often provide additional insight into potential maintenance and repair issues that might otherwise be overlooked.

The cost of this component has been included in the annual operating budget for the Association, but it is a recurring expense that should be scheduled for each year through out the life of this study

Inspections - Total Current Cost **$0**

Oak Grove Condominiums
Detail Report by Category

Concrete Driveways, Sidewalks & Patios - Repair

		30,000 SF	@ $10.00
		Asset Cost	$3,000.00
	Non Capital	Percent Replacement	1%
	Concrete	Future Cost	$3,509.58
Placed in Service	January 2014		
Useful Life	5		
Replacement Year	2019		
Remaining Life	4		

This provision is for the repair of the concrete driveways, sidewalks and patios.

Schwindt and Company estimated 30,000 square feet of concrete.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

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

Concrete - Total Current Cost **$3,000**

Oak Grove Condominiums
Detail Report by Category

Clubhouse - Furniture - Replacement

		1 Total	@ $4,899.15
		Asset Cost	$4,899.15
	Capital	Percent Replacement	100%
	Clubhouse	Future Cost	$6,446.95
Placed in Service	July 2002		
Useful Life	20		
Replacement Year	2022		
Remaining Life	7		

This provision is for the replacement of the furniture at the clubhouse.

This includes the tables with chairs, 4 bar stools, 3 ceiling fans, 2 couches, 3 small tables and the tv.

The cost is based on information from the developer. The Association should obtain a bid to confirm this estimate.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Clubhouse - Total Current Cost **$4,899**

Oak Grove Condominiums
Detail Report by Category

Insurance Deductible

		1 Total	@ $2,000.00
		Asset Cost	$2,000.00
	Non Capital	Percent Replacement	100%
	Contingency	Future Cost	$2,000.00
Placed in Service	January 2014		
Useful Life	1		
Replacement Year	2015		
Remaining Life	0		

This provision is for the insurance deductible in the event a claim is made.

Contingency - Total Current Cost **$2,000**

Additional Disclosures

Levels of Service

The following three categories describe the various types of Reserve Studies from exhaustive to minimal.

I. Full: A Reserve Study in which the following five Reserve Study tasks are performed:
- Component Inventory
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

II. Update, With Site Visit/On-Site Review: A Reserve Study update in which the following five Reserve Study tasks are performed:
- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

III. Update, No Site Visit/Off Site Review: A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:
- Life and Valuation Estimates
- Fund Status
- Funding Plan

Terms and Definitions

CASH FLOW METHOD: A method of developing a reserve *Funding Plan* where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve *Funding Plans* are tested against the anticipated schedule of reserve expenses until the desired *Funding Goal* is achieved.

COMPONENT: The individual line items in the *Reserve Study* developed or updated in the *Physical Analysis*. These elements form the building blocks for the *Reserve Study*. *Components* typically are: 1) association responsibility; 2) with limited *Useful Life* expectancies; 3) predictable *Remaining Useful Life* expectancies; 4) above a minimum threshold cost; and 5) as required by local codes.

COMPONENT INVENTORY: The task of selecting and quantifying reserve *Components*. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s) of the Association or cooperative.

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

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

CURRENT REPLACEMENT COST: See *Replacement Cost*.

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

EFFECTIVE AGE: The difference between *Useful Life* and *Remaining Useful Life*. Not always equivalent to chronological age since some *Components* age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a *Reserve Study* where current status of the reserves (measured as cash or *Percent Funded*) and a recommended reserve contribution rate (reserve *Funding Plan*) are derived, and the projected reserve income and expense over time is presented. The *Financial Analysis* is one of the two parts of a *Reserve Study*.

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

FULLY FUNDED BALANCE (FFB): Total accrued depreciation, an indicator against which actual or projected *Reserve Balance* can be compared. The *Reserve Balance* that is in direct proportion to the fraction of life "used up" of the current repair or *Replacement Cost*. This number is calculated for each *Component*, then added together for an association total. Two formulas can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

FFB = Current Cost X *Effective Age* / *Useful Life*

or

FFB = (Current Cost X *Effective Age* / *Useful Life*) + [(Current Cost X *Effective Age* / *Useful Life*) / (1 + Interest Rate) ^ Remaining Life] - [(Current Cost X *Effective Age* / *Useful Life*) / (1 + Inflation Rate) ^ Remaining Life]

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding. The Association appears to be adequately funded as the threshold method.

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of *Funding Plan* goals:

- Baseline Funding: Establishing a reserve funding goal of keeping the reserve cash balance above zero.
- Full Funding: Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.
- Statutory Funding: Establishing a reserve funding goal of setting aside the specific minimum amount of reserves required by local statues.
- Threshold Funding: Establishing a reserve funding goal of keeping the *Reserve Balance* above a specified dollar

or *Percent Funded* amount. Depending on the threshold, this may be more or less conservative than fully funding.

FUNDING PLAN: An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

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

LIFE AND VALUATION ESTIMATES: The task of estimating *Useful Life*, *Remaining Useful Life*, and repair or *Replacement Costs* for the reserve *Components*.

PERCENT FUNDED: The ratio at a particular point of time (typically the beginning of the Fiscal Year) of the actual or projected *Reserve Balance* to the *Fully Funded Balance*, expressed as a percentage.

PHYSICAL ANALYSIS: The portion of the *Reserve Study* where the *Component Inventory*, *Condition Assessment*, and *Life and Valuation Estimate* tasks are performed. This represents one of the two parts of the *Reserve Study*.

REMAINING USEFUL LIFE (RUL): Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve *Component* can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" *Remaining Useful Life*.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a reserve *Component* to its original functional condition. The *Current Replacement Cost* would be the cost to replace, repair, or restore the *Component* during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the Association has identified for use to defray the future repair or replacement of those major *Components* which the Association is obligated to maintain. Also known as reserves, reserve accounts, or cash reserves. Based upon information provided and not audited.

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

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

RESPONSIBLE CHARGE: A reserve specialist in *Responsible Charge* of a *Reserve Study* shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a *Reserve Study* of which he was in *Responsible Charge*. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

- The regular and continuous absence from principal office premises from which professional services are rendered, except for performance of field work or presence in a field office maintained exclusively for a specific

project;

- The failure to personally inspect or review the work of subordinates where necessary and appropriate;

- The rendering of a limited, cursory, or perfunctory review of plans or projects in lieu of an appropriate detailed review;

- The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

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* greater than the *Fully Funded Balance*.
The opposite would be a *Deficit*.

USEFUL LIFE (UL): Total *Useful Life* or depreciable life. The estimated time, in years, that a R*eserve Component* can be expected to serve its intended function if properly constructed in its present application or installation.