

Funding Reserve Analysis
for
Summerlake Townhomes
Fort Mill, SC

January 30, 2019



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GLOBAL Solution Partners, LLC

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January 30, 2019

Ms. Kelly Bradshaw
Summerlake Townhomes
Summerlake Dr., Firefly Ln., & Stargazer Ln.
Fort Mill, SC 29715

Ms. Bradshaw,

Global Solution Partners is pleased to present to Kelly Bradshaw and the Summerlake Townhomes the requested Reserve Funding Study. We believe that you will find the attached study to be thorough and complete. After you have had an opportunity to review the report you may have questions. Please do not hesitate to write or call - we would be pleased to answer any questions you may have.

Project Description

Summerlake Townhomes is a newly-constructed townhome community comprised of 20 two-story townhome buildings with a total of 101 individual townhome units. Some of the common assets of Summerlake Townhomes include the buildings' exterior surfaces and roofs, the asphalt roadways, the concrete curbs and gutters, fencing, mailboxes, and street lighting. The community was constructed circa 2016.

Executive Summary

Based on the information collected during the Reserve Study process, the recommended reserve fund contribution for 2019 is \$71,500.00. The annual contribution recommendations have been set to meet future expenses while avoiding special assessments and minimizing dues increases. The recommended contributions increase by five percent annually in an effort to have today's homeowners and future homeowners share a fair and equitable portion of the financial obligations to maintain the community.

Most association board members find the cash flow report on page 18 and the dues summary report on page 20 to be helpful overviews of the study. The cash flow report shows the recommended annual dues contributions by year for the entire 30 year study period. The dues summary report breaks-down the annual contribution based on the number of unit owners in the community and shows how much they will individually be contributing to the reserves on a monthly and annual basis.

It is important to realize that this study is a snapshot based on current conditions and circumstance which no doubt will change. With this in mind it is essential to have the study updated periodically to maintain its relevance.

Date of Site Visit

The site visit for Summerlake Townhomes was conducted by Mr. Russell Snider of Global Solution Partners on January 09, 2019.

Depth of Study

A site visit was made to verify the existing condition as it relates to the average life expectancies of the various reserve study components and to verify component quantities. In place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

Summerlake Townhomes Funding Study Summary - Continued

Summary of Financial Assumptions

The below table contains a partial summary of information including desired study start date, number of dues paying members, and beginning reserve fund balance, provided by the client or client's representative for the Summerlake Townhomes funding study.

<i>Reserve Study by Calendar Year Starting</i>	<i>January 1, 2019</i>
<i>Funding Study Length</i>	<i>30 Years</i>
<i>Number of Dues Paying Members</i>	<i>101</i>
<i>Reserve Balance as of January 1, 2019¹</i>	<i>\$ 19,761</i>
<i>Annual Inflation Rate</i>	<i>2.50%</i>
<i>Tax Rate on Reserve Interest</i>	<i>30.00%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$ 0</i>
<i>Dues Change Period</i>	<i>1 Year</i>
<i>Annual Operating Budget</i>	<i>\$ 0</i>

¹ See "Financial Condition of Association" in this report.

Recommended Payment Schedule

The below table contains Global Solution Partners recommended schedule of reserve fund contribution payments for the next five years. Failure to follow the proposed schedule of payments below and in the Modified Cash Flow Analysis exhibit may result in inadequate reserve funds or require the use of Special Assessments in the future.

Proposed Modified Payment

Calendar Year	Member Monthly Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment	Proposed Reserve Balance
2019	\$ 58.99	\$ 5,958	\$ 71,500	\$ 91,630
2020	\$ 61.94	\$ 6,256	\$ 75,075	\$ 167,588
2021	\$ 65.04	\$ 6,569	\$ 78,829	\$ 230,972
2022	\$ 68.29	\$ 6,898	\$ 82,770	\$ 315,625
2023	\$ 71.71	\$ 7,242	\$ 86,909	\$ 353,528
2024	\$ 75.29	\$ 7,605	\$ 91,254	\$ 447,551

* Annual Reserve Payments have been manually modified.

The recommended reserve fund contributions have been set to meet future capital expenses while avoiding special assessments and minimizing dues increases.

Reserve Study Assumptions

The below listed assumptions are implicit in this reserve study

- Cost estimates and financial information are accurate and current
- No unforeseen circumstances will cause a significant reduction of reserves
- Sufficient comprehensive property insurance exists to protect from insurable risks
- The association plans to continue to maintain the existing common areas and amenities
- Reserve payments occur at the end of every calendar month
- Expenses occur at the end of the expense year

Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the Association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful

life, effectively moving the component expense into the future which reduces the reserve funding payments of the Association. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the Association.

Inflation Estimate

Inflation for the last year has been reviewed. An inflation multiplier of 2.50 percent per annum has been applied to all future expenses.

Initial Reserves

Initial reserves for this Reserve Study were reported by the client to be \$19,761.32 on January 1, 2019. An interest rate of 1.00 percent per annum has been factored into this Reserve Study. The implicit assumption has been made that the reserve accounts were not drawn down between the date of the known reserve balance and the study start date.

Financial Condition of Association

It is recommended that the association adjust its reserve fund contributions to align with the cash flows and dues summary pages contained in this study.

Special Assessments

Special Assessments have not been factored into this Reserve Study.

Reserve Funding Goal

The reserve fund goal is a minimum account balance consistent with the cash demands of maintenance and replacement of reserve items (Baseline Funding).

Study Method

Every reserve item has been given an estimated remaining useful life, an estimated useful life when new, a present cost and an estimated future cost based on inflation. The present costs of the reserve items in this report have been estimated using a variety of sources including professional cost estimating resources, any actual costs provided by the client, our proprietary database and the knowledge and experience of our Reserve Analyst. Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end of period payment method. Interest earned, if applicable, on accumulated reserve funds and taxes on the reserve interest are also calculated. As you review this report, you may find the specifics e.g. quantities, costs, life expectancies, etc. of each reserve item in the "Reserve Study Expense Item Listing" report. We hope that you will appreciate the level of detail that is used in developing your customized funding plan.

Summary of Findings

Global Solution Partners has estimated future projected expenses for Summerlake Townhomes based upon preservation of existing components within the community that the association is responsible for maintaining. The attached funding study is limited in scope to those expense items listed in the attached "Summerlake Townhomes Reserve Study Expense Item Listing". Expense items which have an expected life of more than 30 Years may not be included in this reserve study unless payment for these items overlaps the 30 Years reserve study envelope.

Of primary concern is the preservation of a positive funding balance with funds sufficient to meet projected expenses throughout the study life. Based upon the attached funding study, it is our professional opinion that the annual reserve fund contributions recommended in the "Annual Dues" column of the "Summerlake Townhomes Cash Flow Analysis Report" and subsequent breakdown of those contributions as member monthly fees shown in the attached "Summerlake Townhomes Dues Summary" report will realize this goal.

In the process of developing the study Global Solution Partners gathered specific information about the property by

conducting a site visit and performing research through various sources. Additionally, information e.g. current reserve fund balances, number of dues paying members, desired start date, pertinent maintenance history, etc. was obtained directly from the client and/or the client's representative. Global Solution Partners relies on such information provided by the client and assumes it to be complete and accurate. Where the age of a particular Reserve Item (as listed in the Reserve Study) is unknown, the client or client's representative provided to Global Solution Partners the client's best-estimated age of that item. If the client or client's representative was unable to provide an estimate of a Reserve Item's age, Global Solution Partners made its own estimate of age of the Reserve Item based on visual observation. The Reserve Study is created for the association's use, and is a reflection of information gathered by and provided to Global Solution Partners. This information is not for the purpose of performing an audit, historical records, quality or forensic analyses. Any on-site evaluation is not considered to be a project audit, quality inspection, or engineering study.

Keeping Your Reserve Study Current

Global Solution Partners believes that funding studies are an essential part of property management. People and property are constantly changing and evolving. Reserve Studies should be updated at a minimum per any applicable state regulations. However, industry best practices dictate that updates be performed annually and an update with a site visit be performed no greater than every three years.

Additionally, this reserve study should be updated when any of the following occur:

- At changes in interest rates
- At changes in inflation rates
- At changes in the number of dues paying members
- Before starting new improvements
- Before making changes to the property
- After a material change in the known or estimated cost of repair or replacement of an asset
- After a flood or fire
- After the change of ownership or management
- After Annexation or Incorporation

Items Beyond the Scope of this Report

- Building or land appraisals for any purpose
- State or local zoning ordinance violations
- Building code violations
- Soils conditions, soils contamination or geological stability of site
- Engineering analysis or structural stability of site
- Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
- Water quality or other environmental hazards
- Invasions by termites and any or all other destroying organisms or insects
- Damage or destruction due to birds, bats or animals to buildings or site
- This study is not a pest inspection
- Adequacy or efficiency of any system or component on site
- Specifically excluded reserve items
- Septic systems and septic tanks
- Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items
- Items concealed by signs, carpets or other things
- Missing or omitted information not supplied by the client for purposes of reserve study preparation
- Hidden improvements such as sewer lines, water lines, or other buried or concealed items
- A Property Condition Assessment or other specialty or comprehensive inspection

Governing Documents

The CCRs (conditions, covenants and restrictions) governing documents were not provided and therefore not reviewed as part of this study.

Items Considered to be Long Lived

Items considered to be Long Lived are intentionally not included in this study. Long Lived items are typically those items that have a useful life expectancy beyond the current study period.

The following items have been identified as Long Lived and therefore are not included in this study:

- The buildings' structures

Although the concrete surfaces could be considered to be Long Lived, a repair and maintenance allowance has been factored into this analysis. Routine maintenance of these items will not only enhance the look of the community, it may extend the design life of these items.

Items Considered to be Operational

Items considered to be typically included in the Operational Budget are intentionally not included in this study.

Operational Budget items typically include routine maintenance and lower cost items.

The following items have been identified as Operational Budget items and therefore are not included in this study:

- The general landscaping
- The landscaping lights at the monument signage
- The general maintenance of the irrigation system

Items Maintained by Others

Items maintained by other entities or individuals including but not limited to municipalities, individual dwelling unit owners, other associations, leasing agents, and utility companies are intentionally not included in this study. The following items have been identified as being maintained by others and therefore are not included in this study:

- The interiors of the individual townhome units
- The rear doors, windows, and garage doors that service the individual townhome units
- The mechanical equipment that services the individual townhome units
- The concrete driveways and patios that service the individual townhome units
- The building mounted lighting at the exteriors of the individual townhome units
- The rear section of privacy fencing enclosing the individual rear townhome yards on some lots
- The concrete surfaces and footbridge of the Heritage Lake Trail
- The water supply system
- The sewer system
- The transformers
- The fire hydrants

Summary of Property Observations

The following is a summary of some of the conditions observed during the property site visit and/or information gathered from the client's representatives.

- The community is in good like new condition and appears to have been constructed in phases; therefore, Global Solution Partners has factored in the replacement of the roofs, gutters, and the vinyl siding in three equal cycles to allow the association the flexibility to decide which buildings to address in each cycle as the community ages.
- Per information provided by the client, the community is experiencing water penetration issues and roof leaks. Recommend consultation with a qualified contractor to determine cause to cure and associated costs.

- Per information provided by the client, the community's asphalt roadways have received their final layer of asphalt from the developer; however, the roads have not yet been re-sealed. Asphalt surfaces should be resealed on a five-year schedule to provide protection from oxidation due to exposure to the sun and elements, minimize surface cracking, and enhance the aesthetics of the community.
- A portion of concrete is spalled where the concrete of the Heritage Lake Trail meets the asphalt walkway at the eastern perimeter of the property. The concrete surface of the Heritage Trail is assumed to not be the responsibility of Summerlake Townhomes.

Statement of Qualifications

Global Solution Partners is a professional firm in the business of preparing Reserve Studies and other related property services for resorts, hotels, and community associations. We are familiar with construction practices, construction costs, and contracting practices. Our staff members have vast experience in property due diligence and hold many certifications and licenses including but not limited to; contracting, engineering, roofing, code inspection, real estate, project management, home inspection, and pest control.

Conflict of Interest

As the preparer of this reserve study, Global Solution Partners certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Global Solution Partners would like to thank Summerlake Townhomes for the opportunity to be of service in the preparation of the attached Funding Study. Again, please feel free to write or call at our letterhead address if you have any questions.

Prepared by:

Cheryl Rorrer
Solution Partner

Enclosures:

- 1 Page of Photographs Attached
- Category Photograph of Building Exteriors
- Category Photograph of Site Elements
- Category Photograph of Fencing
- Category Photograph of Paving

Prepared by Global Solution Partners
Summerlake Townhomes Funding Study Summary - Continued



Typical townhome building front



Typical townhome building rear



Asphalt path



Typical storm water drain



Community view



Community view

Reserve Category - Building Exteriors



Category Photograph with Reserve Items in the Category: Building Exteriors

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Asphalt shingle roofing replacement - cycle 1	\$ 223,491.56	17 Yrs	20 Yrs	2036	\$ 350,340.51	Yes
Asphalt shingle roofing replacement - cycle 2	\$ 223,491.56	18 Yrs	20 Yrs	2037	\$ 359,200.08	Yes
Asphalt shingle roofing replacement - cycle 3	\$ 223,491.56	19 Yrs	20 Yrs	2038	\$ 368,283.69	Yes
Aluminum rain gutters replacement - cycle 1	\$ 24,259.20	27 Yrs	30 Yrs	2046	\$ 48,816.47	Yes
Aluminum rain gutters replacement - cycle 2	\$ 24,259.20	28 Yrs	30 Yrs	2047	\$ 50,050.96	Yes
Aluminum rain gutters replacement - cycle 3	\$ 24,259.20	29 Yrs	30 Yrs	2048	\$ 51,316.68	Yes
Vinyl exterior siding surfaces replacement - cycle 1	\$ 315,126.78	22 Yrs	25 Yrs	2041	\$ 559,686.56	Yes
Vinyl exterior siding surfaces replacement - cycle 2	\$ 315,126.78	23 Yrs	25 Yrs	2042	\$ 573,840.17	Yes
Vinyl exterior siding surfaces replacement - cycle 3	\$ 315,126.78	24 Yrs	25 Yrs	2043	\$ 588,351.70	Yes
Stone and brick veneer refurbishment - 10% every 10 years	\$ 33,877.00	10 Yrs	10 Yrs	2029	\$ 44,587.35	Yes

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Summerlake Townhomes Funding Study Summary - Continued

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Decorative shutter replacement	\$ 17,301.00	20 Yrs	21 Yrs	2039	\$ 29,230.66	Yes
Exterior unit entry doors replacement	\$ 67,165.00	27 Yrs	30 Yrs	2046	\$ 135,155.25	Yes
Exterior trim columns and door painting allowance - per unit	\$ 45,450.00	4 Yrs	7 Yrs	2023	\$ 51,494.90	Yes

Reserve Category - Site Elements



Category Photograph with Reserve Items in the Category: Site Elements

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Irrigation system equipment replacement allowance	\$ 1,425.00	2 Yrs	5 Yrs	2021	\$ 1,535.87	Yes
Entrance and monuments refurbishment	\$ 7,500.00	27 Yrs	30 Yrs	2046	\$ 15,092.15	Yes
Street lighting replacement	\$ 18,240.00	25 Yrs	28 Yrs	2044	\$ 34,915.85	Yes
Mailbox pedestal kiosk replacement	\$ 10,640.00	22 Yrs	25 Yrs	2041	\$ 18,897.36	Yes
Storm water drainage system repair allowance	\$ 68,400.00	15 Yrs	15 Yrs	2034	\$ 101,998.36	Yes

Reserve Category - Fencing



Category Photograph with Reserve Items in the Category: Fencing

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Vinyl privacy fencing - along Summerlake Dr.	\$ 6,019.20	27 Yrs	30 Yrs	2046	\$ 12,112.36	Yes
Vinyl privacy fencing - privacy fencing at rear of units	\$ 10,362.60	27 Yrs	30 Yrs	2046	\$ 20,852.52	Yes

Reserve Category - Paving



Category Photograph with Reserve Items in the Category: Paving

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Asphalt paved streets patch and seal	\$ 13,202.00	2 Yrs	5 Yrs	2021	\$ 14,229.12	Yes
Asphalt paved streets mill and overlay	\$ 70,028.00	22 Yrs	25 Yrs	2041	\$ 124,374.48	Yes
Concrete curb repair allowance (10% every 10 years)	\$ 5,946.64	7 Yrs	10 Yrs	2026	\$ 7,261.73	Yes
Asphalt walkways repair allowance (20% every 5 years)	\$ 1,026.19	2 Yrs	5 Yrs	2021	\$ 1,106.03	Yes

Summerlake Townhomes Reserve Study Expense Item Listing

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Calendar Year	Estimated Future Cost	Raw Annual Payment
Building Exteriors								
Asphalt shingle roofing replacement - cycle 1	\$ 3.62 / sqft	61738 sqft	\$ 223,492	17 Years	20 Years	2036	\$ 350,341	\$ 17,772.27
				20 Years		2056	\$ 577,314	\$ 26,087.25
Asphalt shingle roofing replacement - cycle 2	\$ 3.62 / sqft	61738 sqft	\$ 223,492	18 Years	20 Years	2037	\$ 359,200	\$ 17,173.96
				20 Years		2057	\$ 591,913	\$ 26,746.95
Asphalt shingle roofing replacement - cycle 3	\$ 3.62 / sqft	61738 sqft	\$ 223,492	19 Years	20 Years	2038	\$ 368,284	\$ 16,641.75
				20 Years		2058	\$ 606,881	\$ 27,423.34
Aluminum rain gutters replacement - cycle 1	\$ 5.70 / Inft	4256 Inft	\$ 24,259	27 Years	30 Years	2046	\$ 48,816	\$ 1,511.46
				30 Years		2076	\$ 103,264	\$ 2,953.01
Aluminum rain gutters replacement - cycle 2	\$ 5.70 / Inft	4256 Inft	\$ 24,259	28 Years	30 Years	2047	\$ 50,051	\$ 1,488.43
				30 Years		2077	\$ 105,875	\$ 3,027.69
Aluminum rain gutters replacement - cycle 3	\$ 5.70 / Inft	4256 Inft	\$ 24,259	29 Years	30 Years	2048	\$ 51,317	\$ 1,467.49
Vinyl exterior siding surfaces replacement - cycle 1	\$ 5.89 / sqft	53502 sqft	\$ 315,127	22 Years	25 Years	2041	\$ 559,687	\$ 21,653.04
				25 Years		2066	\$ 1,044,953	\$ 36,808.14
Vinyl exterior siding surfaces replacement - cycle 2	\$ 5.89 / sqft	53502 sqft	\$ 315,127	23 Years	25 Years	2042	\$ 573,840	\$ 21,165.38
				25 Years		2067	\$ 1,071,378	\$ 37,738.96
Vinyl exterior siding surfaces replacement - cycle 3	\$ 5.89 / sqft	53502 sqft	\$ 315,127	24 Years	25 Years	2043	\$ 588,352	\$ 20,724.51
				25 Years		2068	\$ 1,098,471	\$ 38,693.32
Stone and brick veneer refurbishment - 10% every 10 years	\$ 19.00 / sqft	1783 sqft	\$ 33,877	10 Years	10 Years	2029	\$ 44,587	\$ 3,836.23
						2039	\$ 57,236	\$ 5,444.61
						2049	\$ 73,474	\$ 6,989.20
Decorative shutter replacement	\$ 36.50 ea	474	\$ 17,301	20 Years	21 Years	2039	\$ 29,231	\$ 1,251.47
				21 Years		2060	\$ 49,386	\$ 2,114.41

Summerlake Townhomes Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Calendar Year	Estimated Future Cost	Raw Annual Payment
Exterior unit entry doors replacement	\$ 665 ea	101	\$ 67,165	27 Years 30 Years	30 Years	2046 2076	\$ 135,155 \$ 285,901	\$ 4,184.69 \$ 8,175.82
Exterior trim columns and door painting allowance - per unit	\$ 450 ea	101	\$ 45,450	4 Years 7 Years	7 Years	2023 2030 2037 2044 2051	\$ 51,495 \$ 61,332 \$ 73,048 \$ 87,002 \$ 103,623	\$ 10,047.94 \$ 8,462.27 \$ 10,078.81 \$ 12,004.17 \$ 14,297.31
Site Elements								
Irrigation system equipment replacement allowance	\$ 1,425 / lump sum	1 lump sum	\$ 1,425	2 Years 5 Years	5 Years	2021 2026 2031 2036 2041 2046 2051	\$ 1,536 \$ 1,740 \$ 1,972 \$ 2,234 \$ 2,531 \$ 2,868 \$ 3,249	\$ 504.53 \$ 339.54 \$ 384.70 \$ 435.87 \$ 493.84 \$ 559.52 \$ 633.94
Entrance and monuments refurbishment	\$ 7,500 / lump sum	1 lump sum	\$ 7,500	27 Years 30 Years	30 Years	2046 2076	\$ 15,092 \$ 31,925	\$ 467.28 \$ 912.96
Street lighting replacement	\$ 1,520 ea	12	\$ 18,240	25 Years 28 Years	28 Years	2044 2072	\$ 34,916 \$ 70,261	\$ 1,176.45 \$ 2,175.42
Mailbox pedestal kiosk replacement	\$ 1,520 ea	7	\$ 10,640	22 Years 25 Years	25 Years	2041 2066	\$ 18,897 \$ 35,282	\$ 731.10 \$ 1,242.80
Storm water drainage system repair allowance	\$ 1,900 ea	36	\$ 68,400	15 Years	15 Years	2034 2049	\$ 101,998 \$ 148,349	\$ 5,881.15 \$ 9,170.83
Fencing								
Vinyl privacy fencing - along Summerlake Dr.	\$ 17.10 / Inft	352 Inft	\$ 6,019	27 Years 30 Years	30 Years	2046 2076	\$ 12,112 \$ 25,622	\$ 375.02 \$ 732.70
Vinyl privacy fencing - privacy fencing at rear of units	\$ 17.10 / Inft	606 Inft	\$ 10,363	27 Years 30 Years	30 Years	2046 2076	\$ 20,853 \$ 44,110	\$ 645.64 \$ 1,261.41
Paving								
Asphalt paved	\$ 0.23 / sqft	57400 sqft	\$ 13,202	2 Years	5 Years	2021	\$ 14,229	\$ 4,674.22

Summerlake Townhomes Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Calendar Year	Estimated Future Cost	Raw Annual Payment
Asphalt paved streets patch and seal	\$ 0.23 / sqft	57400 sqft	\$ 13,202	5 Years	5 Years	2026	\$ 16,122	\$ 3,145.73
						2031	\$ 18,266	\$ 3,564.11
						2036	\$ 20,695	\$ 4,038.14
						2041	\$ 23,448	\$ 4,575.22
						2046	\$ 26,566	\$ 5,183.73
						2051	\$ 30,100	\$ 5,873.17
Asphalt paved streets mill and overlay	\$ 1.22 / sqft	57400 sqft	\$ 70,028	22 Years	25 Years	2041	\$ 124,374	\$ 4,811.77
				25 Years		2066	\$ 232,211	\$ 8,179.57
Concrete curb repair allowance (10% every 10 years)	\$ 10.36 / Inft	574 Inft	\$ 5,947	7 Years	10 Years	2026	\$ 7,262	\$ 872.27
				10 Years		2036	\$ 9,322	\$ 886.74
						2046	\$ 11,966	\$ 1,138.30
						2056	\$ 15,361	\$ 1,461.22
Asphalt walkways repair allowance (20% every 5 years)	\$ 2.09 / sqft	491 sqft	\$ 1,026	2 Years	5 Years	2021	\$ 1,106	\$ 363.33
				5 Years		2026	\$ 1,253	\$ 244.52
						2031	\$ 1,420	\$ 277.04
						2036	\$ 1,609	\$ 313.88
						2041	\$ 1,823	\$ 355.63
						2046	\$ 2,065	\$ 402.93
						2051	\$ 2,340	\$ 456.52

Raw Annual Payments do not include earned interest, tax adjustments or payments made with initial reserves.

Months Remaining in Calendar Year 2019: 12

Expected annual inflation: 2.50% Interest earned on reserve funds: 1.00% Initial Reserve: \$ 19,761

Summerlake Townhomes Funding Study Modified Cash Flow Analysis

Calendar Year	Annual Dues	Annual Interest	Annual Expenses	Annual Income Tax	Net Reserve Funds
2019	\$ 71,500	\$ 526		\$ 158	\$ 91,630
2020	\$ 75,075	\$ 1,261		\$ 378	\$ 167,588
2021	\$ 78,829	\$ 2,038	\$ 16,871	\$ 611	\$ 230,972
2022	\$ 82,770	\$ 2,690		\$ 807	\$ 315,625
2023	\$ 86,909	\$ 3,556	\$ 51,495	\$ 1,067	\$ 353,528
2024	\$ 91,254	\$ 3,955		\$ 1,186	\$ 447,551
2025	\$ 95,817	\$ 4,916		\$ 1,475	\$ 546,809
2026	\$ 100,608	\$ 5,930	\$ 26,377	\$ 1,779	\$ 625,191
2027	\$ 105,638	\$ 6,737		\$ 2,021	\$ 735,545
2028	\$ 110,920	\$ 7,865		\$ 2,360	\$ 851,971
2029	\$ 116,466	\$ 9,055	\$ 44,587	\$ 2,716	\$ 930,188
2030	\$ 122,289	\$ 9,864	\$ 61,332	\$ 2,959	\$ 998,050
2031	\$ 128,404	\$ 10,571	\$ 21,657	\$ 3,171	\$ 1,112,196
2032	\$ 134,824	\$ 11,742		\$ 3,522	\$ 1,255,239
2033	\$ 141,565	\$ 13,203		\$ 3,961	\$ 1,406,046
2034	\$ 148,643	\$ 14,744	\$ 101,998	\$ 4,423	\$ 1,463,012
2035	\$ 156,076	\$ 15,347		\$ 4,604	\$ 1,629,831
2036	\$ 163,879	\$ 17,052	\$ 384,200	\$ 5,115	\$ 1,421,446
2037	\$ 172,073	\$ 15,005	\$ 432,248	\$ 4,502	\$ 1,171,775
2038	\$ 180,677	\$ 12,548	\$ 368,284	\$ 3,764	\$ 992,952
2039	\$ 189,711	\$ 10,801	\$ 86,467	\$ 3,240	\$ 1,103,757
2040	\$ 199,196	\$ 11,953		\$ 3,586	\$ 1,311,320
2041	\$ 209,156	\$ 14,075	\$ 730,760	\$ 4,222	\$ 799,569
2042	\$ 219,614	\$ 9,005	\$ 573,840	\$ 2,702	\$ 451,646
2043	\$ 230,595	\$ 5,576	\$ 588,352	\$ 1,673	\$ 97,792
2044	\$ 242,124	\$ 2,091	\$ 121,918	\$ 627	\$ 219,462
2045	\$ 254,231	\$ 3,363		\$ 1,009	\$ 476,047
2046	\$ 266,942	\$ 5,987	\$ 275,494	\$ 1,796	\$ 471,686
2047	\$ 280,289	\$ 6,005	\$ 50,051	\$ 1,802	\$ 706,128
2048	\$ 294,304	\$ 8,414	\$ 51,317	\$ 2,524	\$ 955,005
2049	\$ 309,019	\$ 10,970	\$ 221,823	\$ 3,291	\$ 1,049,880
Totals :	\$ 5,059,396	\$ 256,847	\$ 4,209,070	\$ 77,054	

The cash distribution shown in this table applies to repair and replacement cash reserves only.

Basis of Funding Study - Modified Cash Flow

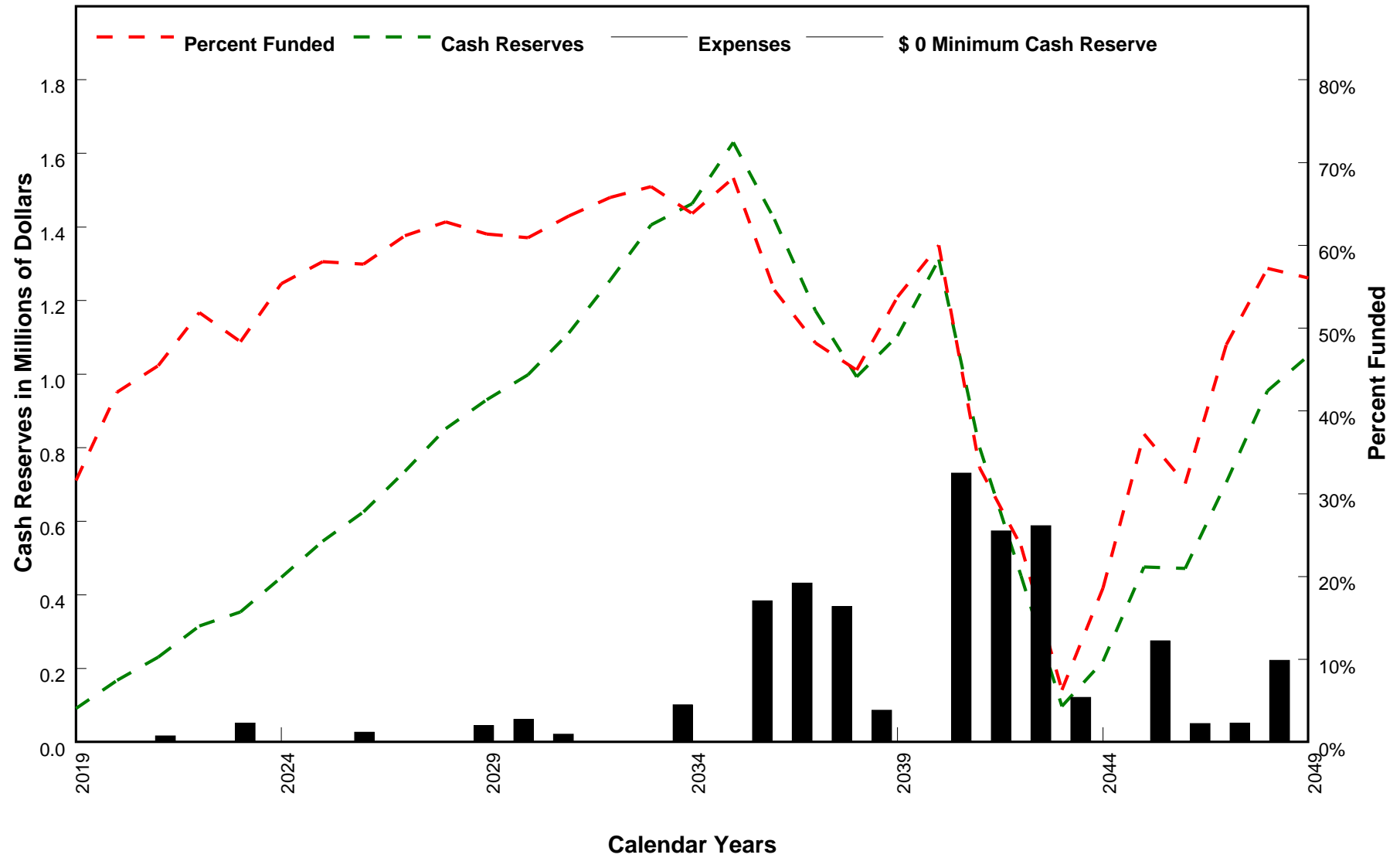
Cash reserves have been set to a minimum of \$ 0

Cash Flow has been modified with the forced Fixed Payments.

Months Remaining in Calendar Year 2019: 12 Inflation = 2.50 % Interest = 1.00 %

Study Life = 30 years Initial Reserve Funds = \$ 19,761.32 Final Reserve Value = \$ 1,049,880.22

Summerlake Townhomes Funding Study Cash Flow by Calendar Year - Continued



Summerlake Townhomes Modified Reserve Dues Summary**Projected Dues by Month and by Calendar Year**

Calendar Year	Member Monthly Operations Payment	Member Monthly Reserve Payment	Member Total Monthly Payment	Member Total Annual Payment	Monthly Reserve Payment	Annual Reserve Payment
2019	NA	\$ 58.99	\$ 58.99	\$ 707.92	\$ 5,958	\$ 71,500
2020	NA	\$ 61.94	\$ 61.94	\$ 743.32	\$ 6,256	\$ 75,075
2021	NA	\$ 65.04	\$ 65.04	\$ 780.48	\$ 6,569	\$ 78,829
2022	NA	\$ 68.29	\$ 68.29	\$ 819.51	\$ 6,898	\$ 82,770
2023	NA	\$ 71.71	\$ 71.71	\$ 860.48	\$ 7,242	\$ 86,909
2024	NA	\$ 75.29	\$ 75.29	\$ 903.51	\$ 7,605	\$ 91,254
2025	NA	\$ 79.06	\$ 79.06	\$ 948.68	\$ 7,985	\$ 95,817
2026	NA	\$ 83.01	\$ 83.01	\$ 996.12	\$ 8,384	\$ 100,608
2027	NA	\$ 87.16	\$ 87.16	\$ 1,045.92	\$ 8,803	\$ 105,638
2028	NA	\$ 91.52	\$ 91.52	\$ 1,098.22	\$ 9,243	\$ 110,920
2029	NA	\$ 96.09	\$ 96.09	\$ 1,153.13	\$ 9,705	\$ 116,466
2030	NA	\$ 100.90	\$ 100.90	\$ 1,210.78	\$ 10,191	\$ 122,289
2031	NA	\$ 105.94	\$ 105.94	\$ 1,271.32	\$ 10,700	\$ 128,404
2032	NA	\$ 111.24	\$ 111.24	\$ 1,334.89	\$ 11,235	\$ 134,824
2033	NA	\$ 116.80	\$ 116.80	\$ 1,401.63	\$ 11,797	\$ 141,565
2034	NA	\$ 122.64	\$ 122.64	\$ 1,471.72	\$ 12,387	\$ 148,643
2035	NA	\$ 128.78	\$ 128.78	\$ 1,545.30	\$ 13,006	\$ 156,076
2036	NA	\$ 135.21	\$ 135.21	\$ 1,622.57	\$ 13,657	\$ 163,879
2037	NA	\$ 141.97	\$ 141.97	\$ 1,703.70	\$ 14,339	\$ 172,073
2038	NA	\$ 149.07	\$ 149.07	\$ 1,788.88	\$ 15,056	\$ 180,677
2039	NA	\$ 156.53	\$ 156.53	\$ 1,878.32	\$ 15,809	\$ 189,711
2040	NA	\$ 164.35	\$ 164.35	\$ 1,972.24	\$ 16,600	\$ 199,196
2041	NA	\$ 172.57	\$ 172.57	\$ 2,070.85	\$ 17,430	\$ 209,156
2042	NA	\$ 181.20	\$ 181.20	\$ 2,174.40	\$ 18,301	\$ 219,614
2043	NA	\$ 190.26	\$ 190.26	\$ 2,283.12	\$ 19,216	\$ 230,595
2044	NA	\$ 199.77	\$ 199.77	\$ 2,397.27	\$ 20,177	\$ 242,124
2045	NA	\$ 209.76	\$ 209.76	\$ 2,517.13	\$ 21,186	\$ 254,231
2046	NA	\$ 220.25	\$ 220.25	\$ 2,642.99	\$ 22,245	\$ 266,942
2047	NA	\$ 231.26	\$ 231.26	\$ 2,775.14	\$ 23,357	\$ 280,289
2048	NA	\$ 242.82	\$ 242.82	\$ 2,913.90	\$ 24,525	\$ 294,304
2049	NA	\$ 254.97	\$ 254.97	\$ 3,059.59	\$ 25,752	\$ 309,019

Dues Summary has been modified with forced Fixed Payments.

In the context of the Reserve Payment Summary, the "Annual Reserve Payment" corresponds with the "Annual Revenue" in the Cash Flow report.

Number of Payment Months in Calendar Year 2019: 12

Number of Years of Constant Payments: 1

No of Dues Paying Members: 101

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Year	Category	Item Name	Expense
2021	Site Elements	Irrigation system equipment replacement allowance	\$ 1,536
	Paving	Asphalt paved streets patch and seal	\$ 14,229
		Asphalt walkways repair allowance (20% every 5 years)	\$ 1,106
		Paving Subtotal = \$ 15,335.00	
2021 Annual Expense Total = \$ 16,871			
2023	Building Exteriors	Exterior trim columns and door painting allowance - per unit	\$ 51,495
2023 Annual Expense Total = \$ 51,495			
2026	Site Elements	Irrigation system equipment replacement allowance	\$ 1,740
	Paving	Asphalt paved streets patch and seal	\$ 16,122
		Concrete curb repair allowance (10% every 10 years)	\$ 7,262
		Asphalt walkways repair allowance (20% every 5 years)	\$ 1,253
		Paving Subtotal = \$ 24,637.00	
2026 Annual Expense Total = \$ 26,377			
2029	Building Exteriors	Stone and brick veneer refurbishment - 10% every 10 years	\$ 44,587
2029 Annual Expense Total = \$ 44,587			
2030	Building Exteriors	Exterior trim columns and door painting allowance - per unit	\$ 61,332
2030 Annual Expense Total = \$ 61,332			
2031	Site Elements	Irrigation system equipment replacement allowance	\$ 1,972
	Paving	Asphalt paved streets patch and seal	\$ 18,266
		Asphalt walkways repair allowance (20% every 5 years)	\$ 1,420
		Paving Subtotal = \$ 19,686.00	
2031 Annual Expense Total = \$ 21,658			
2034	Site Elements	Storm water drainage system repair allowance	\$ 101,998
2034 Annual Expense Total = \$ 101,998			
2036	Building Exteriors	Asphalt shingle roofing replacement - cycle 1	\$ 350,341

Year	Category	Item Name	Expense	
2036	Site Elements	Irrigation system equipment replacement allowance	\$ 2,234	
	Paving	Asphalt paved streets patch and seal	\$ 20,695	
		Concrete curb repair allowance (10% every 10 years)	\$ 9,322	
		Asphalt walkways repair allowance (20% every 5 years)	\$ 1,609	
	Paving Subtotal = \$ 31,626.00			
2036 Annual Expense Total = \$ 384,201				
2037	Building Exteriors	Asphalt shingle roofing replacement - cycle 2	\$ 359,200	
		Exterior trim columns and door painting allowance - per unit	\$ 73,048	
	Building Exteriors Subtotal = \$ 432,248.00			
2037 Annual Expense Total = \$ 432,248				
2038	Building Exteriors	Asphalt shingle roofing replacement - cycle 3	\$ 368,284	
2038 Annual Expense Total = \$ 368,284				
2039	Building Exteriors	Stone and brick veneer refurbishment - 10% every 10 years	\$ 57,236	
		Decorative shutter replacement	\$ 29,231	
	Building Exteriors Subtotal = \$ 86,467.00			
2039 Annual Expense Total = \$ 86,467				
2041	Building Exteriors	Vinyl exterior siding surfaces replacement - cycle 1	\$ 559,687	
	Site Elements	Irrigation system equipment replacement allowance	\$ 2,531	
		Mailbox pedestal kiosk replacement	\$ 18,897	
	Site Elements Subtotal = \$ 21,428.00			
	Paving	Asphalt paved streets patch and seal	\$ 23,448	
		Asphalt paved streets mill and overlay	\$ 124,374	
		Asphalt walkways repair allowance (20% every 5 years)	\$ 1,823	
	Paving Subtotal = \$ 149,645.00			
2041 Annual Expense Total = \$ 730,760				
2042	Building Exteriors	Vinyl exterior siding surfaces replacement - cycle 2	\$ 573,840	
2042 Annual Expense Total = \$ 573,840				
2043	Building Exteriors	Vinyl exterior siding surfaces replacement - cycle 3	\$ 588,352	
2043 Annual Expense Total = \$ 588,352				
2044	Building Exteriors	Exterior trim columns and door painting allowance - per unit	\$ 87,002	
	Site Elements	Street lighting replacement	\$ 34,916	

Year	Category	Item Name	Expense
2044 Annual Expense Total = \$ 121,918			
2046	Building Exteriors	Aluminum rain gutters replacement - cycle 1	\$ 48,816
		Exterior unit entry doors replacement	\$ 135,155
	Building Exteriors Subtotal = \$ 183,971.00		
	Site Elements	Irrigation system equipment replacement allowance	\$ 2,868
		Entrance and monuments refurbishment	\$ 15,092
	Site Elements Subtotal = \$ 17,960.00		
	Fencing	Vinyl privacy fencing - along Summerlake Dr.	\$ 12,112
		Vinyl privacy fencing - privacy fencing at rear of units	\$ 20,853
	Fencing Subtotal = \$ 32,965.00		
	Paving	Asphalt paved streets patch and seal	\$ 26,566
		Concrete curb repair allowance (10% every 10 years)	\$ 11,966
		Asphalt walkways repair allowance (20% every 5 years)	\$ 2,065
Paving Subtotal = \$ 40,597.00			
2046 Annual Expense Total = \$ 275,493			
2047	Building Exteriors	Aluminum rain gutters replacement - cycle 2	\$ 50,051
2047 Annual Expense Total = \$ 50,051			
2048	Building Exteriors	Aluminum rain gutters replacement - cycle 3	\$ 51,317
2048 Annual Expense Total = \$ 51,317			
2049	Building Exteriors	Stone and brick veneer refurbishment - 10% every 10 years	\$ 73,474
	Site Elements	Storm water drainage system repair allowance	\$ 148,349
2049 Annual Expense Total = \$ 221,823			