Hidden Lake Condominiums

CAPITAL RESERVE STUDY

Beginning Period: September 1st, 2024
Ending: August 31st, 2053

Prepared By:

YKL Consulting

Report Number: 24-10
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1.0 Executive Summary

1.1 Overview

Hidden Lakes Condominiums was visited by consultants from YKL Consulting on June 7th, 2024. Steven Breitling, Property Manager from Earthwork Property Management, provided current financial documentation and background information as to which assets were to be included as part of the reserve fund. At the time of the site visit, a physical assessment of major community components was completed, and components were quantified, logged, and photographed. Hidden Lake Condominiums is a 118-unit Condominium Development with common area amenities in Millcreek, Utah. The community is located off Murray Holladay Blvd at about 1050 East. This is the only access point to the community's private loop road and parking lot. The 118 units are bounded by Big Cottonwood Creek to the north, with residential properties to the east and commercial office to the west. The interiors of all the units are fully maintained by the individual owners, and not HOA responsibility. The HOA maintains the exteriors of the units, including decking. In addition, the HOA maintains common area landscaping with pond and tennis court, clubhouse with pool and other amenities, and private road/parking lot. The development was built in the 1960's and many maintenance cycles have since been completed.

1.2 Major Expenditure Milestones

The most significant component the community needs to save for is reroofing of all the buildings. The community roofing was replaced in 2012 and has a 30-year projected life span. In 2042, new roofing is projected to be needed at a present cost of nearly $650K, about $5,500 per unit. In 2042, the community is projected to need over $1.1M in the reserve account assuming a 3% inflation rate to cover the expenses of this component. This is the single most significant component in the community and drives the financial model and recommendations of the reserve study.

The second highest expense is private road maintenance. It is anticipated that in 2038 a 2" mill and overlay will be needed. This cost is currently estimated to be around $400K in 2024 dollars. By 2038, inflation could require the need for over $600K in the reserve account to cover this expense. In addition, a crack and slurry seal should be programmed every six years, with 2026 the

next year of treatment. This is estimated to be about $60K in 2024 dollars. The slurry and crack seal treatments are skipped in 2038, due to the mill & overlay being programmed.

Another significant expense for the community is clubhouse and pool maintenance. This primarily consists of roof replacement, painting (exterior and interior), pool resurfacing and equipment replacement. Every fifteen years interior painting should be done. This is projected to occur in 2029 and 2044. Current costs are projected to be about $9K per occurrence. Pool Equipment includes pumps, heater, chemical dispensers, filters, and covers. Each of these components have a shorter life cycle, 6-10 years, and cumulatively require five-figures in replacement costs each cycle. Pool and Hot Tub Resurfacing are recommended to be completed on a 12-year cycles, with about $20K in present costs estimated for this item.

Beginning in 2025 and every 5 years thereafter an allowance of $12K - $15K is provided for any needed concrete repair. This allowance will allow spot replacement of cracked, damaged, or spalling concrete as needed. Another allowance for major tree trimming or remove/replacement of HOA common area trees is also programmed every 5 years, with $3-5K set aside for this cost. Other allowances are provided for brick/stone repair, major irrigation repairs, fencing maintenance, and retaining wall spot replacement.

1.3 Capital Reserve Account Savings Recommendations

A savings plan is recommended based on a high estimate of component costs. As of July 2024, the reserve fund had a balance of $75,386. This is currently 10% of a ‘fully funded’ reserve account. At 100% fully funded, the community would have $741,260 in the account, which is a calculation of the current costs prorated by the number of years the unit has aged in its life cycle. Generally, under 30% is considered poor, and over 70% is considered healthy. It is recommended that a capital reserve deposit of **$102/unit per month for 2025. This amount increases annually at a rate of 4%.** This amount is dependent on a constant savings and inflation rate, and as such, a revised study should be completed every three to six years to confirm conditions have not changed significantly. A lower amount was calculated assuming lower replacement costs and inflation. This is shown in Section 5.0, summary and recommendations. If the reserve fund does not meet the minimum

expenditures needed, then a situation will arise where special assessments, deferred maintenance, and lower property values are inevitable.

Table 1.3.1 – Summary of initial conditions, assumptions, and recommendations.

Description	Value
Current Reserve Account Balance	$75,386
Assumed Earned Interest	0.9%
Assumed Rate of Inflation	3.0%
Recommended Monthly Unit Deposit to Reserve Account 2025	$102
Annual Percent Increase 2026-2042	4%
Recommended Monthly Unit Deposit to Reserve Account 2043-54	$175

2.0 Purpose of Capital Reserve Study

This capital reserve study has been prepared to provide guidance necessary to adequately prepare the association to meet financial obligations associated with maintenance, repair, and replacement of common area components. Ideally, these financial obligations are met using resources that have been set aside as part of a reserve fund. Following the recommendations of the reserve study will help prevent a financial assessment of unit owners beyond the required association fees. The association board has fiduciary duty to manage and plan for these obligations while also balancing association membership fees and long-term property value. The reserve study helps facilitate this responsibility.

Many states have laws that require HOA's perform reserve studies. Utah Legislative bill SB278, passed March 2010, amended the Condominium Ownership Act (Utah Code 57-8-7.5) and the Community Association Act (Utah Code 57-8a-211) to require the following within the state of Utah:

• Conduct a reserve analysis every six years.

(2) (a) (i) ... cause a reserve analysis to be conducted no less frequently than every six years .. .

• Conduct a reserve analysis before July 1, 2012.

(2) (a) (ii) .. .if no reserve analysis has been conducted since March 1, 2008, cause a reserve analysis to be conducted before July 1,2012...

• Update a reserve analysis every three years.

(2) (b) ...update a previously conducted reserve analysis no less frequently than every three years.

The Department of Housing and Urban Development has made reserve studies mandatory for all new condominium conversions applying for FHA insured loans approval. This guideline went into effect September 1, 2011. For condominiums that fail to submit a compliant, recent and accurate reserve study, the development must add a budget reserve line item in its budget equal to 10% of the yearly assessment income. The FHA enforces the 10% budget line item requirement nationally by prohibiting lending in developments that are non-compliant with this requirement.

In addition to the legal requirements, a properly prepared reserve study will benefit the community by aiding property management and boards in making budget and reserve account decisions based on solid analysis and information. It has been found that in-house reserve calculations done by the developer may not accurately reflect any changes that may have taken place during construction. These have generally been found to be inadequate, and have, at times, resulted in untimely assessments of unit owners.

This capital 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 you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

The Board should be careful about deviating from reserve study recommendations. A reserve study recommends a funding plan that steers the association away from special assessments. If the board decides to fund reserves less than recommended, the risk of special assessments grows.

If a special assessment is needed due to underfunding, a case could be made that the board did not fulfill its fiduciary duty and be held personally liable. Just as importantly, past owners who have

sold will not have paid their fair share. Unless there is a compelling reason to deviate, the board should follow the recommendations of this study.

This reserve study was based on an evaluation of the association's repair and replacement obligations of existing components. Determination of costs and timing of repairs/replacements along with determination of available reserve capital form the base line for projected future costs.

These components are found by means of a physical analysis (Section 3.0) and funding analysis (Section 4.0). The physical analysis consists of a site visit to observe the existing condition of the HOA common components. A list of pertinent components was compiled and assessed according to age and condition, as discussed hereafter. Based on this assessment, it is possible to estimate the replacement costs.

According to the association funding goals, and the existing financial store, contributions are recommended such that the reserve account can be fully funded. The account is considered "fully funded" when all financial obligations can be met, without forcing an assessment on unit owners.

3.0 Physical Analysis

3.1 Site Visit

Hidden Lakes Condominiums was visited by consultants from YKL Consulting on June 7th, 2024. Steven Breitling, Property Manager from Earthwork Property Management, provided current financial documentation and background information as to which assets were to be included as part of the reserve fund. At the time of the site visit, a physical assessment of major community components was completed and components were quantified, logged, and photographed. Also, photographs depicting current the condition of these items were taken. These photographs are included in Section 10 for reference.

3.2 Component Criteria

The components assessed in this study must meet four general criteria. First, the components must be under the jurisdiction of the association – or common property. Second, the component must

meet a minimum cost threshold. Costs required for small, regular maintenance on daily, weekly, or monthly basis, are assumed to be met with funds set aside for routine property care; the association operating account. Third, the component must have limited life cycle. This study forecasts expenses over 30 years, thus lifecycles estimated beyond the study period would be excluded. Finally, the component must have predictable life duration. Damage to components associated with settlement, fire, earthquakes, flooding, impact damage, or misuse is not considered predictable nor measurable. Generally a cost for repair of this type of damage (except flooding) is covered by an association insurance policy. Flood damage is usually the responsibility of an individual homeowner's insurance policy.

Typically landscape irrigation systems are never replaced as a whole system but rather maintained as parts break. This item should be accounted for within the annual operating account. There are too many external factors beyond design life that contribute to sprinkler damage to accurately determine a life expectancy (i.e. driving/aerating over heads, sand infiltration, freeze damage, etc.).

Sewer and culinary water lines are typically the responsibility of the local government or utility company. In the event they are private, we will incorporate them into the report only if they have aged significantly. Water and sewer lines have a life expectancy ranging 50 to 100 years and typically are beyond the scope of a reserve study report, which only forecasts 30 years. The only way for a PVC sewer line to fail is by traumatic force or unusual excessive wear; PVC sewer lines in general are very durable and if designed properly will have enough slope on the pipe for sewage to reach a velocity which scours the pipe and prevents sediment build-up. A properly designed and built sewer line will last beyond 100 years. Water lines are slightly different in that they are pressurized. They are prone to infrequent breaks; but in general will last up to 50 years or more. Failures are difficult to predict as the pipe is not observable without excavation, which is beyond the scope of this report. Many failures are due to improper installation, which does not manifest itself for many years.

3.3 Determining Useful Life and Remaining Useful Life of Assets

The projected useful life of a component is determined by manufacturers' recommendations, current age and condition, and our experience with the item. Generally the manufacturer of a

product will provide guidelines for its estimated functional duration. In order to provide a meaningful estimate of remaining useful life of an asset, it is crucial to know its age. Construction of Hidden Lake Condominiums occurred in the 1960's. At the time of this report several maintenance cycles have been established. Information provided to YKL combined with construction dates allowed us to estimate existing life spans. During the site visit each component was observed and assessed. This assessment provides us with the ability to modify the manufacturers' useful life recommendation to reflect current conditions. Some components may have experienced overuse, requiring a reduction in the useful life, while others may have been underused, allowing an increase in their life. Thus, the actual age of the item may or may not represent its current condition. It is important to recognize the determination of useful life and remaining useful life is subjective.

Where a component necessitates specialized services beyond the expertise of the preparers of this report, including items that are not easily observable, is encountered, the appropriate service provider, familiar with such items, was contacted to supplement this study with accurate and representative information.

3.4 Estimating Replacement Costs of Assets

Determining the replacement cost of assets accurately is accomplished in several ways. The current cost associated with repairing or replacing an asset can be found from local vendors, manufacturers, or contractors. Also, comparisons can be made to other common interest developments of similar size and geographic location. Finally, estimates can be made using resources prepared in collaborative effort by construction industry professionals.

Once the current repair or replacement cost of each asset is finalized, it must be adjusted for future costs. Future costs incorporate inflation, account for some market variability, and represent the anticipated cost of the asset at the end of its useful life when it is scheduled for repair or replacement.

3.5 Maintenance Assumptions

Based on the site visit, the preparers of this report have made every effort to account for the current condition, and projected future condition of the subject components. However, we must assume the components will be properly maintained and cared for as per manufacturer's recommendations.

4.0 Funding Analysis

4.1 Funding Goals

Ultimately, the funding goals must be derived by the board elected by the association board members. It is likely that full funding of the reserve account will require several years. This report documents the current projected reserve status over the next 30 years, as well as the projected reserve status over the next 30 years for minimum and maximum recommended funding option.

4.2 Capital Reserve Fund Income

Income for the reserve fund is a function of monthly association fees paid by unit owners as well as interest paid on the account balance. The funding analysis was performed using both the present association fee rates, and recommended HOA fee rates, with associated after-tax interest income. The post-tax interest rate used for the analysis was 0.9%. Additionally, a rate of 3.0% was used to account for inflation in the high-cost scenario; a rate of 2.5% was used in the low-cost scenario. As of July 2024, the reserve fund had a projected balance of $75,386.

4.3 Projected Expenditures and Reserve Fund Needs

Projected expenditures and reserve fund needs are included in Table 4.3.1. Table 4.3.2 tabulates the estimated expenditures per component per life cycle. The total anticipated expenditure per component over the study period has also been included. For components that have multiple recurrences over the study period the component life cycle is multiplied by the anticipated number of recurrences. Year New does not always indicate true year built, but instead projected aging due to existing conditions. This is estimated in the field by evaluating the existing conditions of a component, then predicting the remaining life span of the component. The "year new" date is then back calculated based on typical life spans. Poor maintenance, rigorous use, and improper installation techniques can significantly reduce a components life span.

Component Name	Useful Life	Year New*	Remaining Life	Low Cost ($)	High Cost ($)	Unit	Quantity	Recurrence
2" Asphalt Mill & Overlay	24	2014	14	3.00	3.50	sf	117,553	1
Asphalt Crack & Slurry Seal	6	2020	2	0.40	0.50	sf	117,553	4
Concrete Repair /Replace Allowance	5	2020	1	12,000	15,000	ls	1	6
Exterior Paint Phased 3-year cycle	3	2023	2	2.00	3.00	sf	35,089	10
Shake Siding	30	2004	10	8.00	10.00	sf	708	1
Brick/Stone Repair Allowance	8	2020	4	8,000	10,000	ls	1	4
Architectural Shingles	30	2012	18	4.50	5.00	sf	125,825	1
Aluminum Roof Gutters	30	2012	18	10.00	12.00	lf	9,726	1
Light Fixture Replacement	5	2020	1	100.00	125.00	ea	70	6
Metal Railing Maintenance	10	2014	0	5.00	7.00	lf	3,920	3
Mailboxes	25	2014	15	1,500	2,000	ea	5	1
Bridges	30	2024	30	4,500	5,500	ea	2	1
Landscape & Irrigation Allowance	5	2025	6	4,000	6,000	ls	1	5
Basketball Hoop	15	2014	5	1,200	2,500	ea	1	2
Pond Pumps	10	2019	5	2,000	3,000	ea	1	3
Tree Trimming Allowance	5	2025	6	3,000	5,000	ls	1	5
Signs	5	2025	6	1,000	1,500	ls	1	5
Fence Repair & Maintenance	8	2020	4	7,000	10,000	ls	1	4
Retaining Wall Spot Replacement	5	2020	1	4,000	6,000	ls	1	6
Clubhouse Exterior Repaint	12	2023	11	2.00	3.00	sf	3,431	2
Clubhouse Shingle Replacement	30	2012	18	4.50	5.00	sf	3,472	1
Clubhouse Gutter & Downspout	30	2012	18	10.00	12.00	lf	360	1

Component Name	Useful Life	Year New*	Remaining Life	Low Cost ($)	High Cost ($)	Unit	Quantity	Recurrence
Clubhouse Interior Repaint	15	2014	5	1.50	2.00	sf	4,736	2
Clubhouse Carpet Replacement	12	2012	0	4.50	6.50	sf	1,497	3
Wood Flooring Replacement	60	1974	10	5.00	8.00	sf	144	1
Clubhouse Kitchen Renovation	40	1994	10	0	25,000	ls	1	1
Clubhouse Restroom Renovation	40	1994	10	10,000	15,000	ea	2	1
Clubhouse Furniture Replacement	10	2020	6	0	5,500	ls	1	3
Air Conditioners	20	2004	0	6,000	7,000	ea	2	2
Furnace Replacement	20	2004	0	4,000	6,000	ea	2	2
Hot Water Heater Replacement	12	2024	12	1,500	1,800	ea	2	2
Retractable Awning	15	2014	5	3,000	6,000	ea	1	2
Pool Heater	12	2018	6	3,000	4,000	ea	2	3
Pool Sand Filter	12	2012	0	2,800	3,200	ea	2	3
Pool Pumps	10	2018	4	2,000	3,000	ea	2	3
Pool Chemical Controllers	10	2020	6	3,500	4,500	ea	2	3
Dehumidifier	10	2019	5	3,000	3,500	ea	1	3
Automated Pool Cover Housing	12	2023	11	4,500	5,00	ea	1	2
Pool Cover	5	2019	0	1,500	2,000	ea	1	7
Pool Resurfacing	12	2016	4	10.00	12.00	sf	1595	3
Hot Tub Resurfacing	12	2020	8	10.00	12.00	sf	189	2
Pool Furniture	10	2020	6	2,000	3,000	ea	1	3
Cedar Wood Paneling	40	2004	20	18.00	22.00	sf	817	1

Table 4.3.1 – List of components and corresponding data used in the analysis.

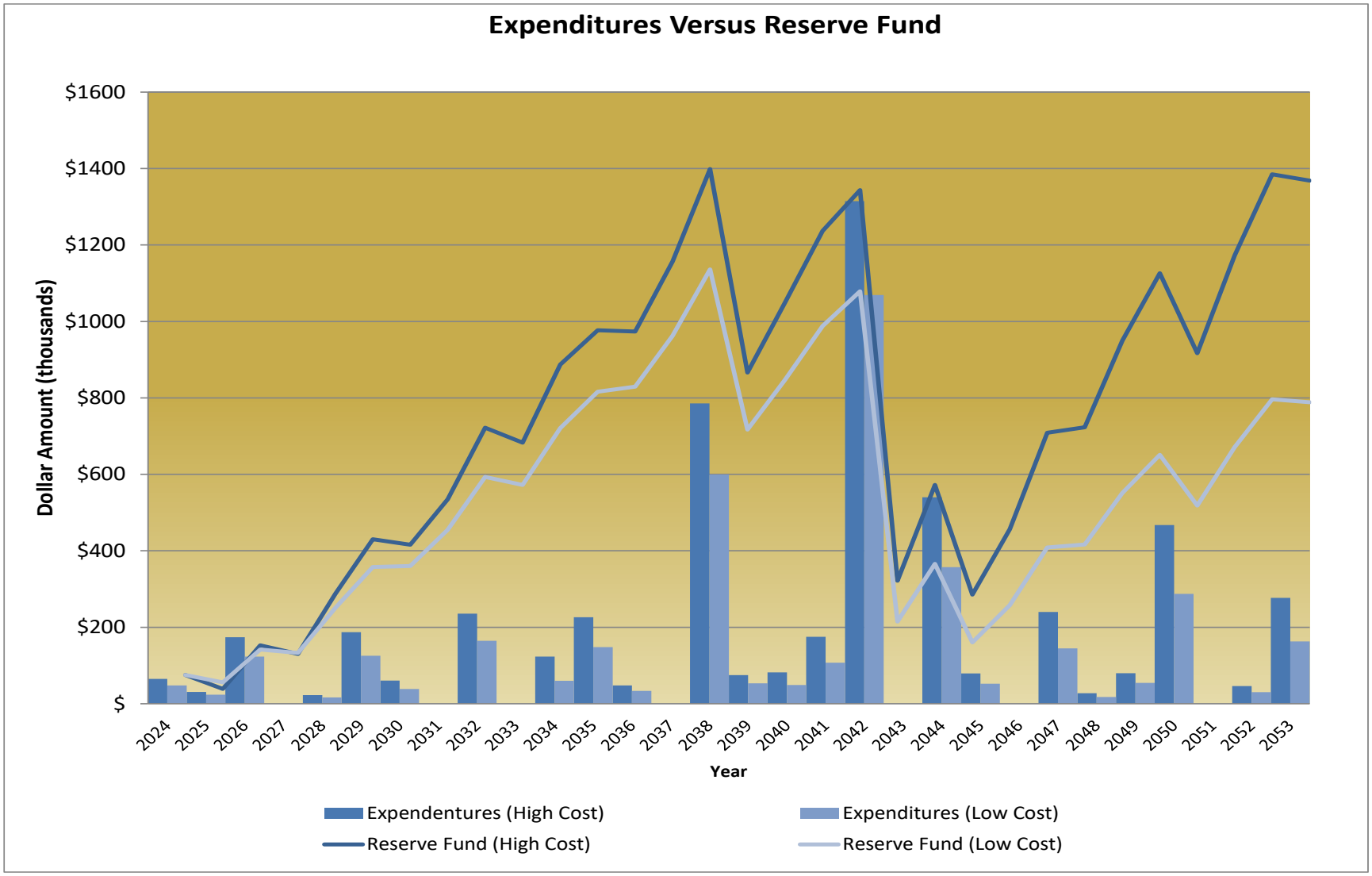
Component Name	Low Cost/ Recurrence ($)	Total Low Cost/ Study ($)	High Cost/ Recurrence ($)	Total High Cost/Study ($)	Expenditure Years*			
2” Asphalt Mill & Overlay	352,659	352,659	411,436	411,436	2038			
Asphalt Crack & Slurry Seal	47,021	188,085	58,777	235,106	2026	2032	2044	2050
Concrete Repair /Replace Allowance	12,000	72,000	15,000	90,000	2025	2030	2035	2040
Exterior Paint Phased 3-year cycle	70,178	701,780	105,267	1,052,670	2026	2029	2032	2035
Shake Siding	5,664	5,664	7,080	7,080	2034			
Brick/Stone Repair Allowance	8,000	32,000	10,000	40,000	2028	2036	2044	2052
Architectural Shingles	566,213	566,213	629,125	629,125	2042			
Aluminum Roof Gutters	97,260	97,260	116,712	116,712	2042			
Light Fixture Replacement	7,000	42,000	8,750	52,500	2025	2030	2035	2040
Metal Railing Maintenance	19,600	58,800	27,440	82,320	2024	2034	2044	
Mailboxes	7,500	7,500	10,000	10,000	2039			
Bridges	9,000	9,000	11,000	11,000	2053			
Landscape & Irrigation Allowance	4,000	20,000	6,000	30,000	2030	2035	2040	2045
Basketball Hoop	1,200	2,400	2,500	5,000	2029	2044		
Pond Pumps	2,000	6,000	3,000	9,000	2029	2039	2049	
Tree Trimming Allowance	3,000	15,000	5,000	25,000	2030	2035	2040	2045
Signs	1,000	5,000	1,500	7,500	2030	2035	2040	2045
Fence Repair & Maintenance	7,000	28,000	10,000	40,000	2028	2036	2044	2052
Retaining Wall Spot Replacement	4,000	24,000	6,000	36,000	2025	2030	2035	2040
Clubhouse Exterior Repaint	6,862	13,724	10,293	20,586	2035	2047		
Clubhouse Shingle Replacement	15,624	15,624	17,360	17,360	2042			
Clubhouse Gutter & Downspout	3,600	3,600	4,320	4,320	2042			

Component Name	Low Cost/ Recurrence ($)	Total Low Cost/ Study ($)	High Cost/ Recurrence ($)	Total High Cost/Study ($)	Expenditure Years*			
Clubhouse Interior Repaint	7,104	14,208	9,472	18,944	2029	2044		
Clubhouse Carpet Replacement	6,737	20,210	9,731	29,192	2024	2036	2048	
Wood Flooring Replacement	720	720	1,152	1,152	2034			
Clubhouse Kitchen Renovation	0	0	25,000	25,000	2034			
Clubhouse Restroom Renovation	20,000	20,000	30,000	30,000	2034			
Clubhouse Furniture Replacement	0	0	5,500	16,500	2030	2040	2050	
Air Conditioners	12,000	24,000	14,000	28,000	2024	2044		
Furnace Replacement	8,000	16,000	12,000	24,000	2024	2044		
Hot Water Heater Replacement	3,000	6,000	3,600	7,200	2036	2048		
Retractable Awning	3,000	6,000	6,000	12,000	2029	2044		
Pool Heater	3,000	9,000	4,000	12,000	2030	2042	2054	
Pool Sand Filter	2,800	8,400	3,200	9,600	2024	2036	2048	
Pool Pumps	2,000	6,000	3,000	9,000	2028	2038	2048	
Pool Chemical Controllers	3,500	10,500	4,500	13,500	2030	2040	2050	
Dehumidifier	3,000	9,000	3,500	10,500	2029	2039	2049	
Automated Pool Cover Housing	4,500	9,000	5,000	10,000	2035	2047		
Pool Cover	1,500	10,500	2,000	14,000	2024	2029	2034	2039
Pool Resurfacing	15,950	47,850	19,140	57,420	2028	2040	2052	
Hot Tub Resurfacing	1,890	3,780	2,268	4,536	2032	2044		
Pool Furniture	2,000	6,000	3,000	9,000	2030	2040	2050	
Cedar Wood Paneling	14,706	14,706	17,974	17,974	2044			

Table 4.3.2 – Component cost per recurrence in present dollars; the total for the study period in present dollars; includes anticipated expenditure years.

Components with less than 8-year maintenance cycles will have more than four occurrences over the 30-year study period. This has been included in the total component costs. Slurry Seal is skipped in 2038, as that is the year a mill and overlay is programmed.

Figure 4.3.1 - Graphical representation of expenditures over the thirty-year reserve study period. Expenditures vs. reserve fund balance for high and low component costs. The light and dark blue bar columns represent anticipated expenditures based on the lowest cost scenario, and the highest cost scenario. The corresponding light and dark blue lines indicate the reserve fund balance for the low and high funding, according to the allotments recommended in section 5.2



5.0 Summary and Recommendations

5.1 Current Reserve Fund Status

At the time of this report, Hidden Lake Condominiums had a balance of $75,386 in the reserve fund. This is reflected in Figure 5.1.1, which demonstrates the current projected reserve fund versus low and high expenditures, assuming a contribution of $39.26 per unit per month with no annual increases. This is the amount the community is adding to the reserve account in 2024. It is important to note that in 2029, when exterior painting is needed for the second cycle, the reserve fund will be depleted. Either a large special assessment of several thousand dollars per unit will be required, or the infrastructure will continue to age without needed maintenance. It is possible that the HOA could float expenses until 2029 at only $39.26 per unit per month, but this only delays the inevitable expenses. The HOA is in position now to start saving so future special assessments can be avoided.

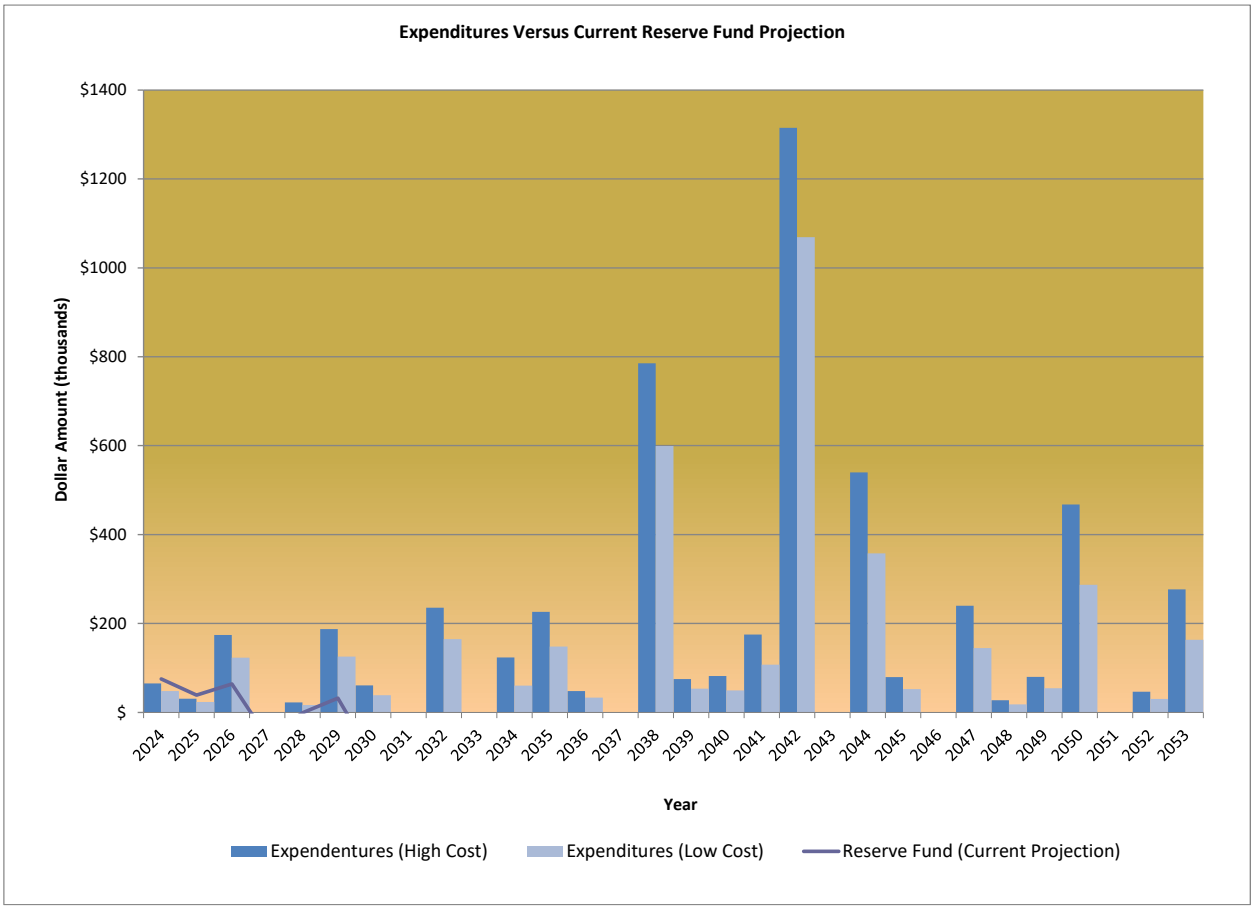


Figure 5.1.1 – Expenditures versus current reserve fund projection.

5.2 Recommended Funding Adjustments

The reserve fund balances shown in Figure 4.3.1 are achieved by adhering to the following recommended monthly unit deposits:

Table 5.2.1 – Recommended monthly unit deposit for low and high component replacement and repair costs

Year	Monthly Unit Deposit (low)	Monthly Unit Deposit (high)
2025	$77.00	$102.00
2026	$79.70	$106.08
2027	$82.48	$110.32
2028	$85.37	$114.74
2029	$88.36	$119.33
2030	$91.45	$124.10
2031	$94.65	$129.06
2032	$97.97	$134.23
2033	$101.39	$139.59
2034	$104.94	$145.18
2035	$108.62	$150.98
2036	$112.42	$157.02
2037	$116.35	$163.31
2038	$120.42	$169.84
2039	$124.64	$176.63

Year	Monthly Unit Deposit (low)	Monthly Unit Deposit (high)
2040	$129.00	$183.70
2041	$133.52	$191.04
2042	$138.19	$198.69
2043	$105.00	$175.00
2044	$105.00	$175.00
2045	$105.00	$175.00
2046	$105.00	$175.00
2047	$105.00	$175.00
2048	$105.00	$175.00
2049	$105.00	$175.00
2050	$105.00	$175.00
2051	$105.00	$175.00
2052	$105.00	$175.00
2053	$105.00	$175.00
2054	$105.00	$175.00

Table 5.2.1 tabulates the recommended monthly unit contributions to the reserve fund. The high-cost recommendation, and the preferred findings of this report, starts at the rate of $102 per unit monthly for 2025, then increases annually at 4%. In 2043 the amount adjusts to $175 and remains flat for the duration of the study. The low-cost recommendation is $77 per unit monthly with a 3.5% annual increase until 2043, then adjusting to $105 through 2054. It is assumed that this study will be updated at a minimum of every three years to six years, so actual inflation and savings rates can be recalculated, along with a revision of construction costs and repair/replacement dates.

6.0 Statement of Limitations

Every effort has been made to correctly predict component expenses over the analysis period, according to the reliability and accuracy of the information provided by manufactures, vendors, and contractors; however, due to the unique unpredictable nature of the future economic climate, the projected values and recommendations included in this study are strictly estimated representations of the true values. The more distant the year, the lower the probability the values are accurate. The model is sensitive to initial expenses – especially when inflated over 30 years – thus, depending on the economic climate, the recommended required association fees may need to be adjusted up or down.

YKL Consulting has relied on Hidden Lake Condominiums to disclose current pertinent financial status of the association. Assumptions regarding interest earned and inflation have been made according to the current financial trends and rates. Component and material quantities were determined by observation during the site visit by YKL associates, as noted in the photographic inventory. Inspection during the site visit was strictly for budgetary purposes. Intrusive or damaging tests were not performed.

YKL Consulting has no present or prospective interest in the property that is the subject of this reserve study, and has no personal interest or bias with respect to the parties involved. The preparers also have no bias with respect to the property that is the subject in this report or to the parties involved with the contract realizing this assignment.

We appreciate the opportunity to be of service to Hidden Lake Condominiums. Contact us with questions regarding the content of this report, or regarding other services we provide.

Best Regards,

Shaun H. Young, B.S. P.E.

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7.0 Author Credentials

Shaun H. Young BS, P.E.:

Shaun graduated from the University of Utah with a bachelor's degree in Civil Engineering. He works for a local commercial and residential land development firm since graduation. His main areas of expertise are in site design, hydraulic analysis, hydrology, traffic analysis, government entitlements, site development cost estimates, land surveying, and project management. Shaun is the current past-president for the board of directors for his HOA; which consists of 228 residential units.

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Ryan C. Kump, MS, P.E.:

A 2005 University of Utah master's degree graduate in Civil Engineering, Ryan has worked as a professional engineer for over twenty years. His in-depth experience with city codes and regulations gives him insight as to public vs. private property rights and responsibilities. He has managed multi-million dollar construction projects and understands the costs and needs of infrastructure, particularly as it applies to roadways and utilities. Ryan has also served as HOA Board President of The Heights at Quarry Bend community.

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8.0 Appendix A – Terms and Definitions[1]

Component – Also referred to as an "Asset." Individual line items in the Reserve Study developed or updated in the physical analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited useful life expectancies, 3) have predictable remaining life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Component Full Funding – When the actual (or projected) cumulative reserve balance for all components is equal to the fully funded balance.

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

Deficit – An actual (or projected reserve balance), which is less than the fully funded balance.

Effective Age – The difference between useful life and remaining useful life (UL - RUL).

Financial Analysis – The portion of the Reserve Study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived, and the projected reserve income and expenses over time is presented. The financial analysis is one of the two parts of the Reserve Study.

Fully Funded Balance – An indicator against which the 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 of a reserve component. This number is calculated for each component, and then summed together for an association total. FFB = Current Cost * Effective Age / Useful Life

[1] Definitions documented by the National Reserve Study Association

Fund Status – The status of the reserve fund as compared to an established benchmark, such as percent funded.

Funding Goals – Independent of calculation methodology utilized, the following represent the basic categories of funding plan goals:

- *Baseline Funding*: Establishing a reserve-funding goal of keeping the reserve balance above zero.
- *Component Full Funding*: Setting a reserve funding goal of attaining and maintaining cumulative reserves at or near 100% funded.
- *Threshold Funding*: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount.

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 contributions through the year
- 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 in time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the ideal fund balance, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the component evaluation, 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 current fiscal year have a "0" remaining useful life.

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

Capital Reserve Balance – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components that the association is obligated to maintain. Also known as "reserves," "reserve accounts," or "cash reserves." In this report the reserve balance is based upon information provided and is not audited.

Capital 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.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Governing documents or local statutes often regulate special assessments.

Surplus – An actual (or projected) reserve balance that is greater than the fully funded balance.

Useful Life (UL) – Also known as "life expectancy." The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed and maintained in its present application of installation.

9.0 Appendix B – Tabulated Inventory

No.	Category	Component Number	Component Name
1	Drive Materials	1001	Asphalt - 2" Overlay
2	Drive Materials	1002	Asphalt - Slurry Seal
3	Drive Materials	1003	6" Concrete - Repair/Replace
4	Residential Building	2001	Exterior Repaint
5	Residential Building	2002	Shake Siding
6	Residential Building	2003	Exterior Brick/Stone Repair
7	Residential Building	2004	Architectural Shingles Replacement
8	Residential Building	2005	Roof Gutters & Downspouts
9	Residential Building	2006	Composite Decking
10	Residential Building	2007	Light Fixture Replacement
11	Residential Building	2008	Privacy Fencing
12	Residential Building	2009	Metal Railing Maintenance
13	Common Development Items	3001	Mailboxes
14	Common Development Items	3002	Bridges
15	Common Development Items	3003	Light Poles
16	Common Development Items	3004	Landscape Irrigation
17	Common Development Items	3005	Sewer and Water Lines
18	Common Development Items	3006	Tennis Court
19	Common Development Items	3007	Basketball Hoop
20	Common Development Items	3008	Pond Pumps
21	Common Development Items	3009	Tree Trimming/Replacement
22	Common Development Items	3010	Signs
23	Common Development Items	3011	Fence Repair & Maintenance
24	Common Development Items	3012	Retaining Walls
25	Clubhouse	4001	Exterior Repaint
26	Clubhouse	4002	Architectural Shingle Replacement
27	Clubhouse	4003	Gutter and Downspout Replacement
28	Clubhouse	4004	Exterior Lights
29	Clubhouse	4005	Interior Lights
30	Clubhouse	4006	Interior Repaint

No.	Category	Component Number	Component Name
31	Clubhouse	4007	Carpet Replacement
32	Clubhouse	4008	Wood Flooring Replacement
33	Clubhouse	4009	Kitchen Remodel
34	Clubhouse	4010	Bathroom Remodel
35	Clubhouse	4011	Furniture Replacement
36	Clubhouse	4012	Air Conditioners
37	Clubhouse	4013	Furnace
38	Clubhouse	4014	Hot Water Heaters
39	Clubhouse	4015	Retractable Awning
40	Pool	5001	Heaters
41	Pool	5002	Filters
42	Pool	5003	Pumps
43	Pool	5004	Automated Chemical Controller
44	Pool	5005	Dehumidifier
45	Pool	5006	Automated Pool Cover Housing
46	Pool	5007	Pool Cover
47	Pool	5008	Pool Resurfacing
48	Pool	5009	Hot Tub Resurfacing
49	Pool	5010	Pool Furniture
50	Pool	5011	Pool Security Fencing
51	Pool	5012	Cedar Wood Paneling

10.0 Appendix C - Photographic Inventory

Component Name:	2” Asphalt Overlay	Date of Photograph:	Friday, June 7, 2024
Component Number:	Drive Materials 1001	Photograph By:	Shaun Young

Component Duration

Component Cost

Component Life Expectancy:	24	years	High Replacement Cost:	$ 411,436
Age of Component:	10	years	Low Replacement Cost:	$ 352,659
Remaining Component Life:	14	years		

Quantity Breakdown

Location		Quantity	Unit
Pintail Court		39,175	Sq. Ft.
Black Swan Drive		21,047	Sq. Ft.
Woodduck Lane		57,331	Sq. Ft.
	Total	117,553	Sq. Ft.

General Description

The AASHTO Pavement Design Guide recommends asphalt paving receive immediate rehabilitation when signs of alligator cracking or longitudinal cracks wider than ¼ inch are present. An asphalt overlay is recommended every 15 to 20 years. The overlay will add new structure to the road and fix any potholes or structural defects that may develop over time. Without an overlay, the road base beneath the paving could deteriorate leading to a complete asphalt replacement.

Areas that show signs of sinking can often be attributed to base course failure. These areas should be repaired prior to a new overlay.

Special Notes, Comments, and Considerations

Component Name:	Asphalt Slurry Seal	Date of Photograph:	Friday, June 7, 2024
Component Number:	Drive Materials 1002	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	6	Years
Age of Component:	4	Years
Remaining Component Life:	2	Years

Component Cost

High Replacement Cost:	$ 58,777
Low Replacement Cost:	$47,021

Quantity Breakdown

Location	Quantity	Unit
Pintail Court	39,175	Sq. Ft.
Black Swan Drive	21,047	Sq. Ft.
Woodduck Lane	57,331	Sq. Ft.
Total	117,553	Sq. Ft.

General Description

A crack and slurry seal is recommended every 5 years. Slurry seal will help protect the asphalt from degradation by sealing cracks, preventing water seepage and damage. It also rejuvenates the surface and renews the oils, keeping the asphalt from becoming overly brittle.

There are 3 types of slurry seal. For parking lot applications or areas of low vehicular volumes a Type 1 or Type 2 slurry is recommended. A Type 1 slurry utilizes the smallest aggregate size and is good to fill in crack and voids. Type 2 uses a larger aggregate. The larger aggregate could possibly be loosened by vehicles making turns at lower speeds. Type 3 slurry should not be used in this development as it is intended for roadways with high volumes moving in a straight line.

Special Notes, Comments, and Considerations

Component Name:	Concrete Repair/Replace	Date of Photograph:	Friday, June 7, 2024
Component Number:	Drive Materials 1003	Photograph By:	Shaun Young

Component Duration

Repair Allowance Every: 5 years

Beginning Year: 2025

Component Cost

High Replacement Cost: $15,000

Low Replacement Cost: $12,000

Quantity Breakdown

Location	Quantity	Unit
Concrete Repair	1	Each

General Description

Concrete panels should be repaired and or replaced when there are 3 or more cracks that extend the full depth of the slab or if there is spalling that covers more than 25% of the panel. Protruding edges should be ground down to prevent further damage and to prevent any safety hazards.

Special Notes, Comments, and Considerations

Component Name:	Exterior Paint	Date of Photograph:	Friday, June 7, 2024
Component Number:	Residential Building 2001	Photograph By:	Shaun Young

Component Duration

Phased Painting Every: 3 years

Beginning Year: 2026

Component Cost

High Replacement Cost: $ 105,267

Low Replacement Cost: $ 70,178

Quantity Breakdown

Name	Quantity	Unit
Building A	17,457	Sq. Ft.
Building AA	5,085	Sq. Ft.
Building B	7,698	Sq. Ft.
Building C	12,783	Sq. Ft.
Building D	13,335	Sq. Ft.
Building E	13,746	Sq. Ft.
Building F	13,881	Sq. Ft.
Building Total	83,985	Sq. Ft.
Garage Total	54,032	Sq. Ft.
Grand Total	138,017	Sq. Ft.
30 Units with Garage	35,089	Sq. Ft.

General Description

Property maintenance noted that a portion of the community gets painted every 3 years. Assuming a useful life of 12 years will result in approximately 30 units being painted during each cycle.

Special Notes, Comments, and Considerations

Component Name:	Shake Siding	Date of Photograph:	Friday, June 7, 2024
Component Number:	Residential Building 2002	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	30	years
Age of Component:	20	years
Remaining Component Life:	10	years

Component Cost

High Replacement Cost:	$ 7,080
Low Replacement Cost:	$ 5,664

Quantity Breakdown

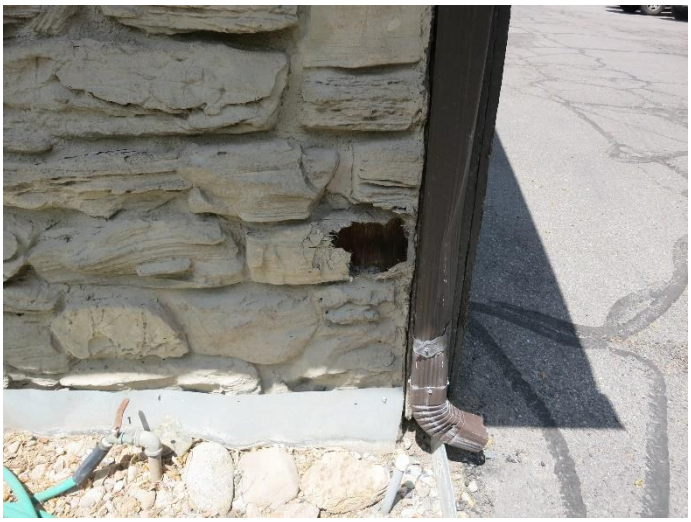
Name	Quantity	Units
Shake Siding	708	Sq. Ft.

General Description

Cedar shaker siding is located on the sides of some of the garages. This component funds the replacement of the siding. It is assumed that the new siding will be a composite material or Hardi-board.

Special Notes, Comments, and Considerations

Component Name:	Brick/Stone Repair	Date of Photograph:	Saturday, February 4, 2023
Component Number:	Residential Building 2003	Photograph By:	Shaun Young



Component Duration

Repair Allowance Every: 8 years

Beginning Year: 2030

Component Cost

High Replacement Cost: $ 10,000

Low Replacement Cost: $ 8,000

Quantity Breakdown

Name	Quantity	Units
Brick Repair	1	Each

General Description

Brick is typically considered a durable material with a useful life extending beyond the range of this report; however, grout damage and wear can occur. An allowance has been provided to repair damaged brick or stone facade.

Special Notes, Comments, and Considerations

Component Name:	Architectural Style Shingles	Date of Photograph:	Friday, June 7, 2024
Component Number:	Residential Building 2004	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	30	years
Age of Component:	12	years
Remaining Component Life:	18	years

Component Cost

High Replacement Cost:	$ 629,125
Low Replacement Cost:	$ 566,213

Quantity Breakdown

Name		Quantity	Unit
Building A		17,157	Sq. Ft
Building AA		4,515	Sq. Ft.
Building B		7,224	Sq. Ft.
Building C		13,545	Sq. Ft.
Building D		13,545	Sq. Ft.
Building E		14,448	Sq. Ft.
Building F		15,351	Sq. Ft.
	Building Total	85,785	Sq. Ft.
Garage Total		40,040	Sq. Ft.
	Grand Total	125,825	Sq. Ft.

General Description

Property maintenance noted that the roofs were replaced in 2012.

Special Notes, Comments, and Considerations

Component Name:	Aluminum Roof Gutters	Date of Photograph:	Friday, June 7, 2024
Component Number:	Residential Building 2005	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	30	years
Age of Component:	12	years
Remaining Component Life:	18	years

Component Cost

High Replacement Cost:	$ 116,712
Low Replacement Cost:	$ 97,260

Quantity Breakdown

Location		Quantity	Unit
Building A		1,140	LF
Building AA		312	LF
Building B		592	LF
Building C		894	LF
Building D		966	LF
Building E		826	LF
Building F		836	LF
	Building Total	5,566	LF
Garage Total		4,160	LF
	Grand Total	9,726	LF

General Description

Aluminum gutters typically fail at the seams and joints. Over time leaking can occur. The typical design life of aluminum gutters is 20 to 30 years. This report will assume gutter replacement at the time of roofing replacement.

Special Notes, Comments, and Considerations

Component Name: Composite Decking
Component Number: Residential Building 2006

Date of Photograph: Friday, June 7, 2024
Photograph By: Shaun Young

Component Duration

Component Life Expectancy: 40+ years
Age of Component: _____ years
Remaining Component Life: _____ years

Component Cost

High Replacement Cost: $ N/A
Low Replacement Cost: $ N/A

Quantity Breakdown

Type	Quantity	Units
Rear Porches	150	Each
Front Stairs and Landing	23	Each

General Description

All of the porches are currently being replaced in 2024 with composite decking. The new composite decking has a useful life extending beyond the range of this report and funding has not been included for replacement.

Special Notes, Comments, and Considerations

Component Name:	Light Fixture Replacement	Date of Photograph:	Friday, June 7, 2024
Component Number:	Residential Building 2007	Photograph By:	Shaun Young

Component Duration

Replacement Allowance Every: 5 Years

Beginning Year: 2025

Component Cost

High Replacement Cost: $ 8,750

Low Replacement Cost: $ 7,000

Quantity Breakdown

Type	Quantity	Units
Light Fixtures	346	Each

General Description

Funding has been provided to replace damaged light fixtures. It is unlikely that all light fixtures will fail at the same time. This report assumes 70 light fixtures will be replaced every 5 years resulting in a 25-year useful life.

Special Notes, Comments, and Considerations

Component Name: Privacy Fencing
Component Number: Residential Building 2008

Date of Photograph: Friday, June 7, 2024
Photograph By: Shaun Young

Component Duration

Component Life Expectancy: N/A years
Age of Component: _____ years
Remaining Component Life: _____ years

Component Cost

High Replacement Cost: $ N/A
Low Replacement Cost: $

Quantity Breakdown

Type	Quantity	Units
Wood Fencing		LF

General Description

Some units have installed wooden privacy fences along their limited common areas. Property maintenance noted that these fences are maintained by the property owner.

Special Notes, Comments, and Considerations

Component Name:	Metal Railing Maintenance	Date of Photograph:	Friday, June 7, 2024
Component Number:	Residential Building 2009	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	10	years
Age of Component:	0	years
Remaining Component Life:	10	years

Component Cost

High Replacement Cost:	$ 27,440
Low Replacement Cost:	$ 19,600

Quantity Breakdown

Type	Quantity	Units
Metal Railing Paint	3,920	LF

General Description

Metal railing is a durable material; however, it is susceptible to rusting where the paint has worn off. Railing should be routinely inspected and maintained to ensure a prolonged life span.

Special Notes, Comments, and Considerations

Component Name:	Mailboxes	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3001	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	25	years
Age of Component:	10	years
Remaining Component Life:	15	years

Component Cost

High Replacement Cost:	$ 10,000
Low Replacement Cost:	$ 7,500

Quantity Breakdown

Location	Quantity	Units
Mailbox Clusters	5	Each

General Description

Special Notes, Comments, and Considerations

Component Name:	Bridges	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3002	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	30	years
Age of Component:	0	years
Remaining Component Life:	30	years

Component Cost

High Repair Cost:	$ 11,000
Low Repair Cost:	$ 9,000

Quantity Breakdown

Name	Quantity	Unit
Bridges	2	Each

General Description

Both bridges were replaced in 2024. The bridges were constructed from composite decking materials.

Special Notes, Comments, and Considerations

Component Name:	Light Poles	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3003	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	N/A	years
Age of Component:		years
Remaining Component Life:		years

Component Cost

High Repair Cost:	$ N/A
Low Repair Cost:	$ N/A

Quantity Breakdown

Name	Quantity	Unit
Light Poles		Each

General Description

Property maintenance noted that all of the streetlights are owned and maintained by the power company. Smaller decorative light poles were located throughout the community. Due to the limited number and relatively low replacement cost; it is recommended that damaged or worn light poles be replaced as needed from the annual maintenance budget.

Special Notes, Comments, and Considerations

Component Name:	Landscape & Irrigation	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3004	Photograph By:	Shaun Young

Component Duration

Repair Cycle Every: 5 Years

Beginning Year: 2030

Component Cost

High Replacement Cost: $ 6,000

Low Replacement Cost: $ 4,000

Quantity Breakdown

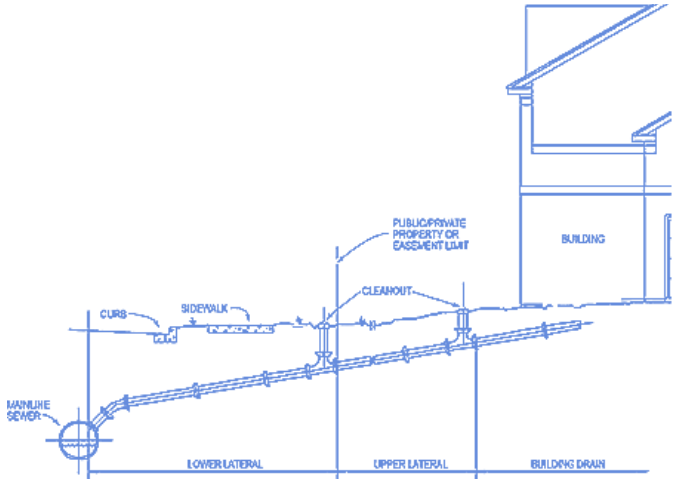
Name	Quantity	Unit
Landscape and Irrigation Repair	1	Each

General Description

Landscaping and irrigation are typically not included in this report. It's very uncommon to have to replace all the landscaping or irrigation system at one time. However, large irrigation repairs can occur, and an allowance has been provided for such repairs.

Special Notes, Comments, and Considerations

Component Name:	Sewer & Water Lines	Date of Photograph:	N/A
Component Number:	Common Development 3005	Photograph By:	Shaun Young



Component Duration

Component Life Expectancy:	N/A	years
Age of Component:		years
Remaining Component Life:		years

Component Cost

High Repair Cost:	$ N/A
Low Repair Cost:	$

Quantity Breakdown

Name	Quantity	Unit
		Each.

General Description

Properly installed sewer and water laterals have a life span extending beyond the range of this report. With proper burial depths these laterals can outlast the longevity of the buildings they serve. Replacement of these lateral can be very costly; but as mentioned previously they are designed to last for the design life of the building.

Special Notes, Comments, and Considerations

Component Name:	Tennis Court	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3006	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	8	years
Age of Component:	8+	years
Remaining Component Life:	0	years

Component Cost

High Repair Cost:	$ N/A
Low Repair Cost:	$ N/A

Quantity Breakdown

Name	Quantity	Unit
Tennis Court	2	Each

General Description

The tennis courts were observed to be in poor condition and are beyond a typical resurfacing. The concrete slabs would require replacement for the tennis courts to be safe for playing. Property maintenance has noted that the tennis courts will not be repaired or replaced, and the HOA is considering alternatives for the use of space. No funding is provided to repair the courts.

Special Notes, Comments, and Considerations

Component Name:	Basketball Hoop	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3007	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	15	years
Age of Component:	10	years
Remaining Component Life:	5	years

Component Cost

High Repair Cost:	$ 2,500
Low Repair Cost:	$ 1,200

Quantity Breakdown

Name	Quantity	Unit
Basketball Hoop	1	Each

General Description

Special Notes, Comments, and Considerations

Component Name:	Pond Pumps	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3008	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	10	years
Age of Component:	5	years
Remaining Component Life:	5	years

Component Cost

High Repair Cost:	$ 3,000
Low Repair Cost:	$ 2,000

Quantity Breakdown

Name	Quantity	Unit
Pond Pump	1	Each

General Description

Special Notes, Comments, and Considerations

Component Name:	Tree Trimming & Replacement	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3009	Photograph By:	Shaun Young

Component Duration

Tree Trim Allowance Every: 5 Years

Beginning Year: 2030

Component Cost

High Repair Cost: $ 5,000

Low Repair Cost: $ 3,000

Quantity Breakdown

Name	Quantity	Unit
Tree Trimming Replacement	1	Each

General Description

An allowance has been provided to trim or replace damaged trees.

Special Notes, Comments, and Considerations

Component Name:	Signs	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3010	Photograph By:	Shaun Young

Component Duration

Replacement Cycle Every: 5 years

Beginning Year: 2030

Component Cost

Maximum Funding: $ 1,500

Minimum Funding: $ 1,000

Quantity Breakdown

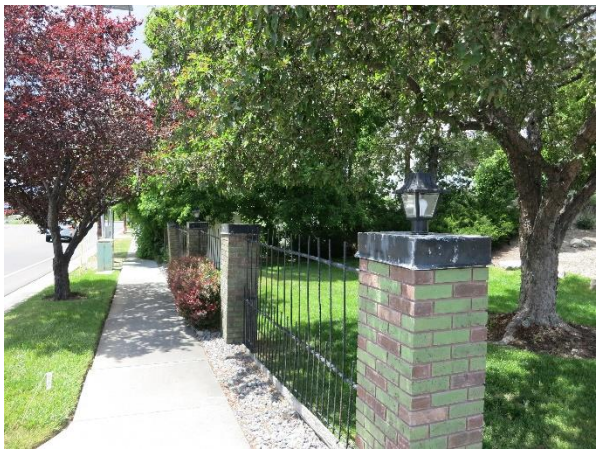
Name	Quantity	Unit
Sign Replacement	1	Each.

General Description

Funding has been provided to replace faded or damaged signs throughout the community.

Special Notes, Comments, and Considerations

Component Name:	Fence Repair & Maintenance	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3011	Photograph By:	Shaun Young



Component Duration

Repair Cycle Every: 8 years

Beginning Year: 2028

Component Cost

Maximum Funding: $ 10,000

Minimum Funding: $ 7,000

Quantity Breakdown

Name	Quantity	Unit
Fence Repair	1	Each

General Description

Much of the perimeter and security fencing is either chain link fencing or wrought iron. These are durable materials with a useful life extending beyond the range of this report; however, damage can occur to the fences or require maintenance. An allowance has been provided for repair and maintenance of the fencing. Wooden fencing is also located along the perimeter that will require routine painting and repairs.

Special Notes, Comments, and Considerations

Component Name:	Retaining Walls	Date of Photograph:	Friday, June 7, 2024
Component Number:	Common Development 3012	Photograph By:	Shaun Young

Component Duration

Repair Cycle Every: 5 years

Beginning Year: 2025

Component Cost

High Repair Cost: $ 6,000

Low Repair Cost: $ 4,000

Quantity Breakdown

Name		Quantity	Unit
Pond Walls		6,564	Sq. Ft.
Parking Lot Walls		2,188	Sq. Ft.
	Total	8,752	Sq. Ft.

General Description

Railroad tie retaining walls have a useful life of approximately 30 years. Concrete walls have a much longer useful life extending beyond the range of this report. The funding for this component is primarily for the replacement of the rail ties and repair of damaged concrete.

An allowance has been provided to repair portions of the walls experiencing high degradation.

Special Notes, Comments, and Considerations

Full replacement of all the walls is estimated to cost between $306,320 and $350,080.

Component Name:	Exterior Repaint	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4001	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	12	years
Age of Component:	1	years
Remaining Component Life:	11	years

Component Cost

High Repair Cost:	$ 10,293
Low Repair Cost:	$ 6,862

Quantity Breakdown

Name	Quantity	Unit
Clubhouse	3,431	Sq. Ft.

General Description

The clubhouse exterior was painted in 2023.

Special Notes, Comments, and Considerations

Component Name:	Shingle Replacement	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4002	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	30	years
Age of Component:	12	years
Remaining Component Life:	18	years

Component Cost

High Repair Cost:	$ 17,360
Low Repair Cost:	$ 15,624

Quantity Breakdown

Name	Quantity	Unit
Shingle Replacement	3,472	Sq. Ft.

General Description

Special Notes, Comments, and Considerations

Component Name:	Gutter & Downspout Replacement	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4003	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	30	years
Age of Component:	12	years
Remaining Component Life:	18	years

Component Cost

High Repair Cost:	$ 4,320
Low Repair Cost:	$ 3,600

Quantity Breakdown

Name	Quantity	Unit
Aluminum Gutters & Downspouts	360	LF

General Description

Special Notes, Comments, and Considerations

Component Name:	Exterior Lights	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4004	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	N/A	years
Age of Component:		years
Remaining Component Life:		years

Component Cost

High Repair Cost:	$ N/A
Low Repair Cost:	$ N/A

Quantity Breakdown

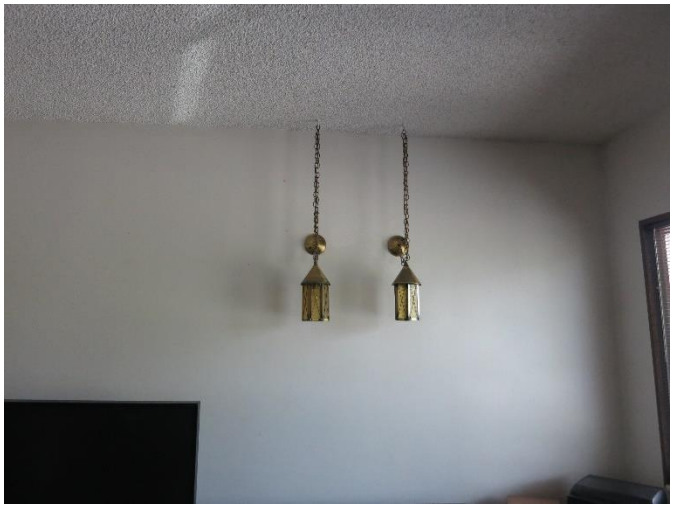
Name	Quantity	Unit
Exterior Lighting		Each

General Description

Due to limited quantity and relatively low replacement cost; it is recommended that damaged or worn light fixtures be replaced using funding from the annual maintenance budget.

Special Notes, Comments, and Considerations

Component Name:	Interior Lights	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4005	Photograph By:	Shaun Young



Component Duration

Component Life Expectancy:	N/A	years
Age of Component:	N/A	years
Remaining Component Life:	N/A	years

Component Cost

High Repair Cost:	$ N/A
Low Repair Cost:	$ N/A

Quantity Breakdown

Name	Quantity	Unit
Interior Lights		Each

General Description

Due to limited quantity and relatively low replacement cost; it is recommended that damaged or worn light fixtures be replaced using funding from the annual maintenance budget. The light fixtures appeared to be in working condition upon observation and original to the building.

Special Notes, Comments, and Considerations

Component Name:	Interior Repaint	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4006	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	15	years
Age of Component:	10	years
Remaining Component Life:	5	years

Component Cost

High Repair Cost:	$ 9,472
Low Repair Cost:	$ 7,103

Quantity Breakdown

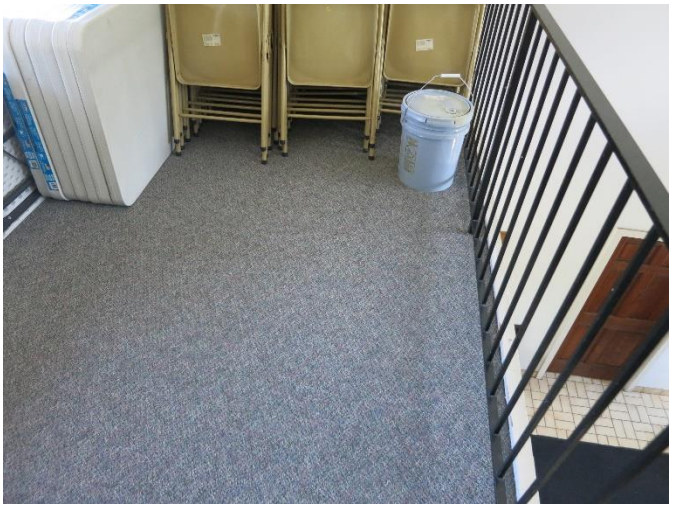
Name	Quantity	Unit
Interior Repaint	4,736	Sq. Ft.

General Description

This estimate includes walls, ceilings, and trim work.

Special Notes, Comments, and Considerations

Component Name:	Carpet Replacement	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4007	Photograph By:	Shaun Young



Component Duration

Component Life Expectancy:	12	years
Age of Component:	12+	years
Remaining Component Life:	0	years

Component Cost

High Repair Cost:	$ 9,731
Low Repair Cost:	$ 6,737

Quantity Breakdown

Name	Quantity	Unit
Carpet Replacement	1,497	Sq. Ft.

General Description

Special Notes, Comments, and Considerations

Component Name:	Wood Flooring Replacement	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4008	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	60	years
Age of Component:	50	years
Remaining Component Life:	10	years

Component Cost

High Repair Cost:	$ 1,152
Low Repair Cost:	$ 720

Quantity Breakdown

Name	Quantity	Unit
Parquet wood flooring	144	Sq. Ft.

General Description

A portion of the upper gathering room has parquet wood flooring.

Special Notes, Comments, and Considerations

Component Name:	Kitchen Renovation	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4009	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	40	years
Age of Component:	30	years
Remaining Component Life:	10	years

Component Cost

High Budget Cost:	$ 25,000
Low Budget Cost:	$ 0.00

Quantity Breakdown

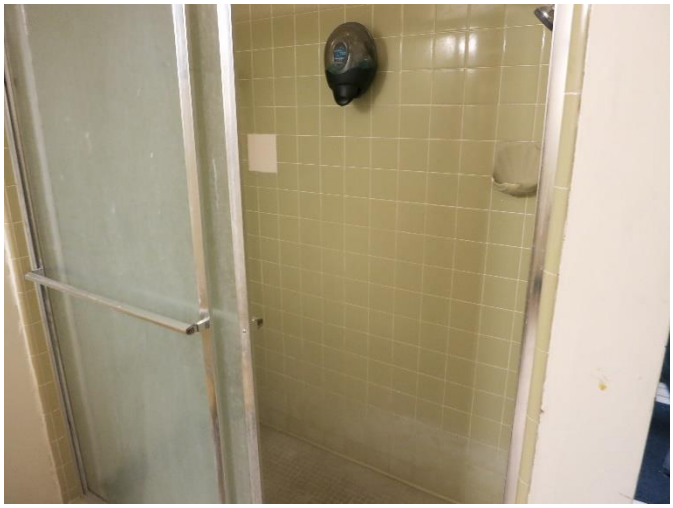
Name	Quantity	Unit
Kitchen Remodel	1	Each

General Description

A remodel budget is being provided for the clubhouse Kitchen. This allowance includes kitchen appliances, cabinetry and flooring. Property management noted that the HOA is not planning on a remodel of the kitchen; therefore, the low budget amount has been set to zero.

Special Notes, Comments, and Considerations

Component Name:	Restroom Renovation	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4010	Photograph By:	Shaun Young



Component Duration

Component Life Expectancy:	40	years
Age of Component:	30	years
Remaining Component Life:	10	years

Component Cost

High Budget Cost:	$ 30,000
Low Budget Cost:	$ 20,000

Quantity Breakdown

Name	Quantity	Unit
Restroom Remodel	2	Each

General Description

A remodel budget is being provided to remodel the bathrooms. The remodel may include new tile for flooring and showers, toilet partitions, fixtures, etc.

Special Notes, Comments, and Considerations

Component Name:	Furniture Replacement	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4011	Photograph By:	Shaun Young

Component Duration

Replacement Allowance Every: 10 Years

Beginning Year: 2030

Component Cost

High Repair Cost: $ 5,000

Low Repair Cost: $ 0

Quantity Breakdown

Name	Quantity	Unit
Clubhouse Furniture	1	Each

General Description

Clubhouse furniture frequently receives damage and sometimes stolen. The amount of traffic through the clubhouse will determine the need for replacement. An allowance is proposed to replace items as needed. The low funding has been set to zero if the HOA elects to not provide new furniture.

Special Notes, Comments, and Considerations

Component Name:	Air Conditioners	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4012	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	20	years
Age of Component:	20	years
Remaining Component Life:	0	years

Component Cost

High Repair Cost:	$ 14,000
Low Repair Cost:	$ 12,000

Quantity Breakdown

Name	Quantity	Unit
Air Conditioners	2	Each

General Description

Special Notes, Comments, and Considerations

Component Name:	Furnace Replacement	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4013	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	20	years
Age of Component:	20	years
Remaining Component Life:	0	years

Component Cost

High Repair Cost:	$ 12,000
Low Repair Cost:	$ 8,000

Quantity Breakdown

Name	Quantity	Unit
Furnace	2	Each

General Description

Special Notes, Comments, and Considerations

Component Name:	Hot Water Heaters	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4014	Photograph By:	Shaun Young

Component Duration

	Unit 1	Unit 2	
Component Life Expectancy:	12	12	years
Age of Component:	12+	1	years
Remaining Component Life:	0	11	years

Component Cost

	Unit 1	Unit 2
High Repair Cost:	$ 1,800	$1,800
Low Repair Cost:	$ 1,500	$1,500

Quantity Breakdown

Item	Quantity	Unit
Air Conditioner Units	2	Each

General Description

One of the two hot water heaters was replaced in July 2023.

Special Notes, Comments, and Considerations

Component Name:	Retractable Awning	Date of Photograph:	Friday, June 7, 2024
Component Number:	Clubhouse 4015	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	15	years
Age of Component:	10	years
Remaining Component Life:	5	years

Component Cost

High Repair Cost:	$ 6,000
Low Repair Cost:	$ 3,000

Quantity Breakdown

Name	Quantity	Unit
Retractable awning	1	Each

General Description

Special Notes, Comments, and Considerations

Component Name:	Heater	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5001	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	12	years
Age of Component:	6	years
Remaining Component Life:	6	years

Component Cost

High Repair Cost:	$ 8,000
Low Repair Cost:	$ 6,000

Quantity Breakdown

Name	Quantity	Unit
Pool Heater	2	Each

General Description

The life expectancy of the pool heaters is 12 years with proper maintenance. It is recommended that the heaters be wiped down to help achieve the design life of the heaters.

Special Notes, Comments, and Considerations

Component Name:	Sand Filter	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5002	Photograph By:	Shaun Young

Component Duration

	F1	F2	
Component Life Expectancy:	12	12	years
Age of Component:	12+	6	years
Remaining Component Life:	0	6	years

Component Cost

	F1	F2
High Repair Cost:	$ 3,200	$3,200
Low Repair Cost:	$ 2,800	$2,800

Quantity Breakdown

Item	Quantity	Unit
Sand Filter	2	Each

General Description

A properly maintained sand filter is expected to have a design life of 12 years is properly maintained. The filters appear to be in good condition and properly maintained which will prolong the life of these units.

Special Notes, Comments, and Considerations

Component Name:	Pumps	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5003	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	10	years
Age of Component:	6	years
Remaining Component Life:	4	years

Component Cost

High Repair Cost:	$ 6,000
Low Repair Cost:	$ 4,000

Quantity Breakdown

Name	Quantity	Unit
Pump	2	Each

General Description

Pool pumps can last anywhere from 8 to 12 years. This report assumes an 10 year life expectancy.

Special Notes, Comments, and Considerations

Component Name:	Chemical Controllers	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5004	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	10	years
Age of Component:	4	years
Remaining Component Life:	6	years

Component Cost

High Repair Cost:	$ 9,000
Low Repair Cost:	$ 7,000

Quantity Breakdown

Name	Quantity	Unit
Chemical Controller	2	Each

General Description

Special Notes, Comments, and Considerations

Component Name:	Dehumidifier	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5005	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	10	years
Age of Component:	5	years
Remaining Component Life:	5	years

Component Cost

High Repair Cost:	$ 3,500
Low Repair Cost:	$ 3,000

Quantity Breakdown

Name	Quantity	Unit
Dehumidifier	1	Each

General Description

Special Notes, Comments, and Considerations

Component Name:	Automated Pool Cover Housing	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5006	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	12	years
Age of Component:	1	years
Remaining Component Life:	11	years

Component Cost

High Repair Cost:	$ 5,000
Low Repair Cost:	$ 4,500

Quantity Breakdown

Name	Quantity	Unit
Automatic Pool Cover	1	Each

General Description

Property maintenance noted that the pool cover is scheduled for replacement in Fall of 2024.

Special Notes, Comments, and Considerations

Component Name:	Pool Cover	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5007	Photograph By:	Shaun Young

N/A

N/A

Component Duration

Component Life Expectancy:	5	years
Age of Component:	5+	years
Remaining Component Life:	0	years

Component Cost

High Repair Cost:	$ 2,000
Low Repair Cost:	$ 1,500

Quantity Breakdown

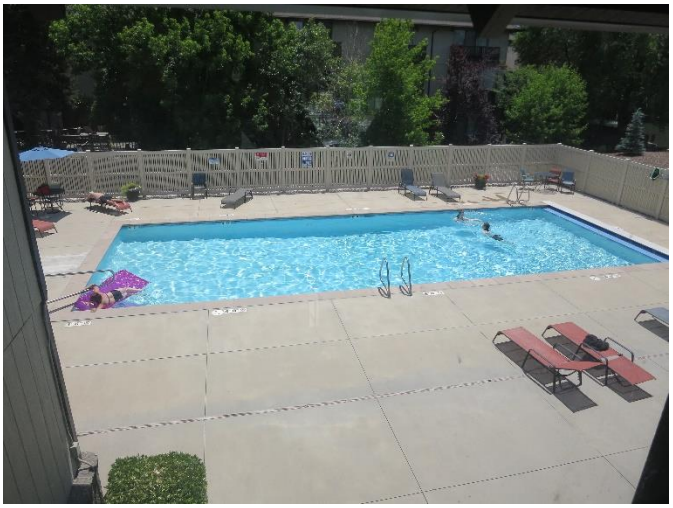
Name	Quantity	Unit
Pool Cover	1	Each

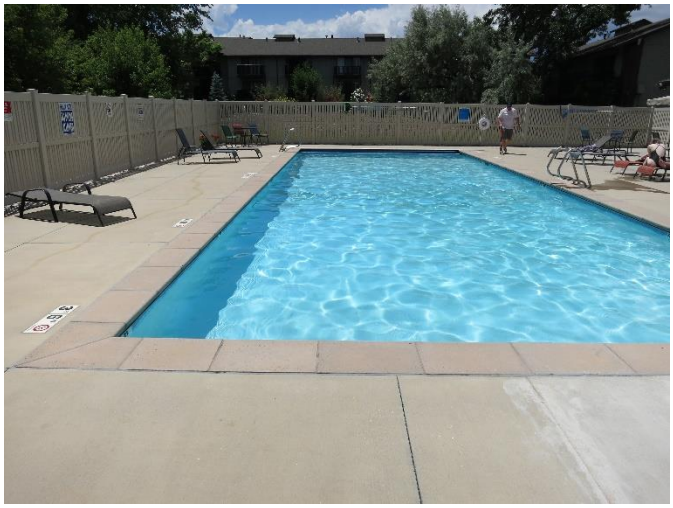
General Description

Property maintenance noted that the pool cover is being replaced in the Fall of 2024.

Special Notes, Comments, and Considerations

Component Name:	Pool Resurfacing	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5008	Photograph By:	Shaun Young





Component Duration

Component Life Expectancy:	12	years
Age of Component:	8	years
Remaining Component Life:	4	years

Component Cost

High Repair Cost:	$ 19,140
Low Repair Cost:	$ 15,950

Quantity Breakdown

Name	Quantity	Unit
Pool Resurfacing	1,595	Sq. Ft.

General Description

Special Notes, Comments, and Considerations

Component Name:	Hot Tub Resurfacing	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5009	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	12	years
Age of Component:	4	years
Remaining Component Life:	8	years

Component Cost

High Repair Cost:	$ 2,268
Low Repair Cost:	$ 1,890

Quantity Breakdown

Name	Quantity	Unit
Hot Tub Resurfacing	189	Sq. Ft.

General Description

The hot tub was resurfaced in 2020.

Special Notes, Comments, and Considerations

Component Name:	Pool Furniture	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5010	Photograph By:	Shaun Young

Component Duration

Replacement Allowance Every: 10 Year

Beginning Year: 2030

Component Cost

High Repair Cost: $ 3,000

Low Repair Cost: $ 2,000

Quantity Breakdown

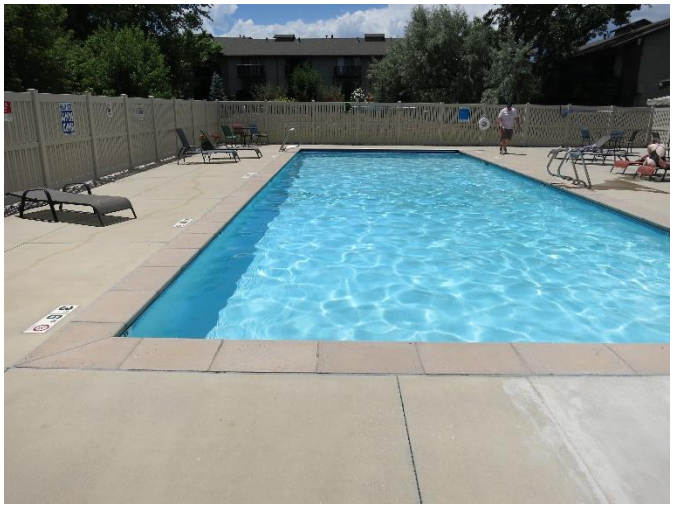
Name	Quantity	Unit
Pool Furniture	1	Each

General Description

An allowance was used in the analysis for the pool furniture. The furniture should be replaced when considerable wear is noticed. The metal furniture used at this facility is more durable than the typical vinyl pool furniture and can be expected to have a longer life expectancy.

Special Notes, Comments, and Considerations

Component Name:	Pool Security Fencing	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5011	Photograph By:	Shaun Young



Component Duration

Component Life Expectancy:	35	years
Age of Component:	10	years
Remaining Component Life:	25	years

Component Cost

High Repair Cost:	$ 0
Low Repair Cost:	$ 0

Quantity Breakdown

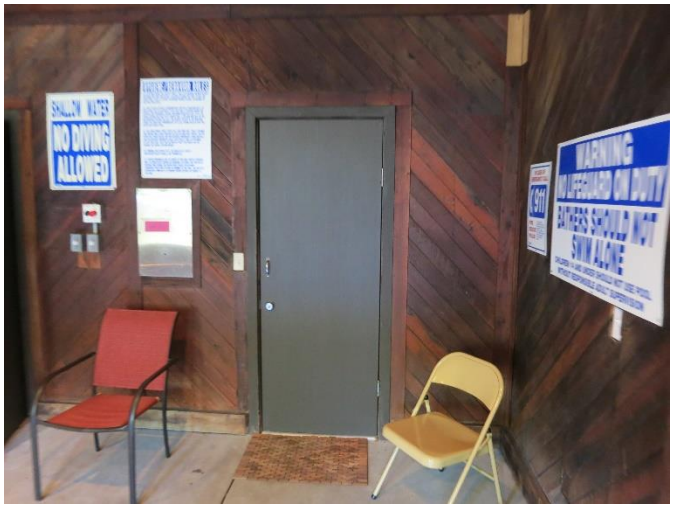
Name	Quantity	Unit
Pool Security Fencing	193	LF

General Description

The pool area is secured by vinyl fencing. This component is covered by the fencing allowance provided for the entire community when spot replacement is needed.

Special Notes, Comments, and Considerations

Component Name:	Cedar Wood Paneling	Date of Photograph:	Friday, June 7, 2024
Component Number:	Pool 5012	Photograph By:	Shaun Young



Component Duration

Component Life Expectancy:	40	years
Age of Component:	20	years
Remaining Component Life:	20	years

Component Cost

High Repair Cost:	$ 17,974
Low Repair Cost:	$ 14,706

Quantity Breakdown

Name	Quantity	Unit
Cedar Wood Paneling	817	Sq. Ft.

General Description

Special Notes, Comments, and Considerations