Park View HOA

CAPITAL RESERVE STUDY

Beginning Period: January 1st 2021
Ending: December 31st, 2051

Prepared By:

YKL Consulting

Report Number: 20-13
Site Inspection Date: November 28th, 2020
Report Submittal Date: December 18th, 2020

YKL Consulting

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YKL Consulting

1.0 Executive Summary

1.1 Overview

Parkview HOA was visited by consultants from YKL Consulting on November 28th, 2020. Rich Wells of Total Property Management, the property manager, helped provide 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. Parkview HOA is a 128-unit townhome development with a common private lanes, parking, and landscaping in Spanish Fork, Utah. The community is located off of Volunteer Drive, between 630 West and Main. Located across the street from Spanish Fork Sports Park, the 128 units are surrounded by commercial parcels and a high school. The interior of the units are maintained by the owners, and exteriors are maintained by the HOA. The development is relatively new, with no maintenance cycles yet established. The HOA maintains the private roads, parking lots, and the landscaping with associated site items.

1.2 Major Expenditure Milestones

Replacement roofing is the highest expense for the reserve account. It is anticipated that in 2046 new roofing will be needed. This cost is currently estimated to be over $600,000 in 2021 dollars, about $5,000 per unit. By 2046, inflation will require over $1.3 million in the reserve account to cover this expense. This is the single most significant component in the community, and drives the financial model and recommendations of this report.

The second highest expense is private road maintenance. Every 20 years, a mill and overlay is recommended, estimated to be about $90,000 in 2021 dollars. In addition, a slurry seal should be programmed every five years, with 2023 the first year of treatment. This is estimated to be about $18,000 in 2021 dollars.

It is recommended that a hazardous concrete replacement program be started, with specific areas of concrete and pavers replaced on a five-year cycle. A minimal cost of $8,000 and recommended cost of $12,000 is budgeted in 2025 for this item, then every five years going forward. This allowance will allow spot replacement of cracked, spalling, or displaced concrete as needed. It includes any common area concrete, which could include sidewalk, curb and gutter, waterways, or stairs.

1.3 Capital Reserve Account Savings Recommendations

A savings plan is recommended based on a high estimate of component costs. As of December 2020, there is $60,426 in the reserve account. It is recommended that the budget be modified to include a capital reserve amount of **$37/unit per month deposit in January 2021. This amount increases annually at 3.5%.** 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	$60,426
Assumed Earned Interest	0.9%
Assumed Rate of Inflation	3.0%
Recommended Monthly Unit Deposit to Reserve Account 2021	$37
Annual Percent Increase 2022-2051	3.5%

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

Parkview HOA was visited by consultants from YKL Consulting on November 28th, 2020. Rich Wells of Total Property Management, the property manager, helped provide 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 Georgetown HOA occurred many years ago, so at the time of this report the units have been through multiple maintenance cycles. 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 2.0% was used in the low cost scenario. As of December 2020, the capital reserve balance was $60,426.

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.

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

Component Name	Useful Life	Year New*	Remaining Life	Low Cost ($)	High Cost ($)	Unit	Quantity	Recurrence
Asphalt – 2" Overlay	20	2016	15	1.25	1.50	sf	59,986	1
Asphalt - Slurry Seal	5	2018	2	0.20	0.30	sf	59,986	6
Concrete Repair/Replace	5	2020	4	8,000	12,000	ls	1	6
Exterior Paint	12	2016	7	2.50	3.50	sf	30,424	2
Stucco Allowance	5	2020	4	10,000	15,000	ls	1	6
Roofing Replacement	30	2016	25	3.50	4.50	sf	141614	1
Gutter and Downspouts	30	2016	25	5.00	7.00	lf	8,419	1
Exterior Light Fixtures	20	2016	15	80.00	120.00	ea	487	1
Metal Deck Railing Maintenance	15	2016	10	5.00	8.00	lf	384	2
Mailboxes	20	2016	15	1,200	1,500	ea	9	1
Metal Fencing Maintenance	15	2016	10	8.00	10.00	lf	295	2
Playground Equipment	15	2016	10	6,000	8,000	ea	2	2
Playground Ground Cover	3	2020	2	1.00	1.50	sf	1,610	10

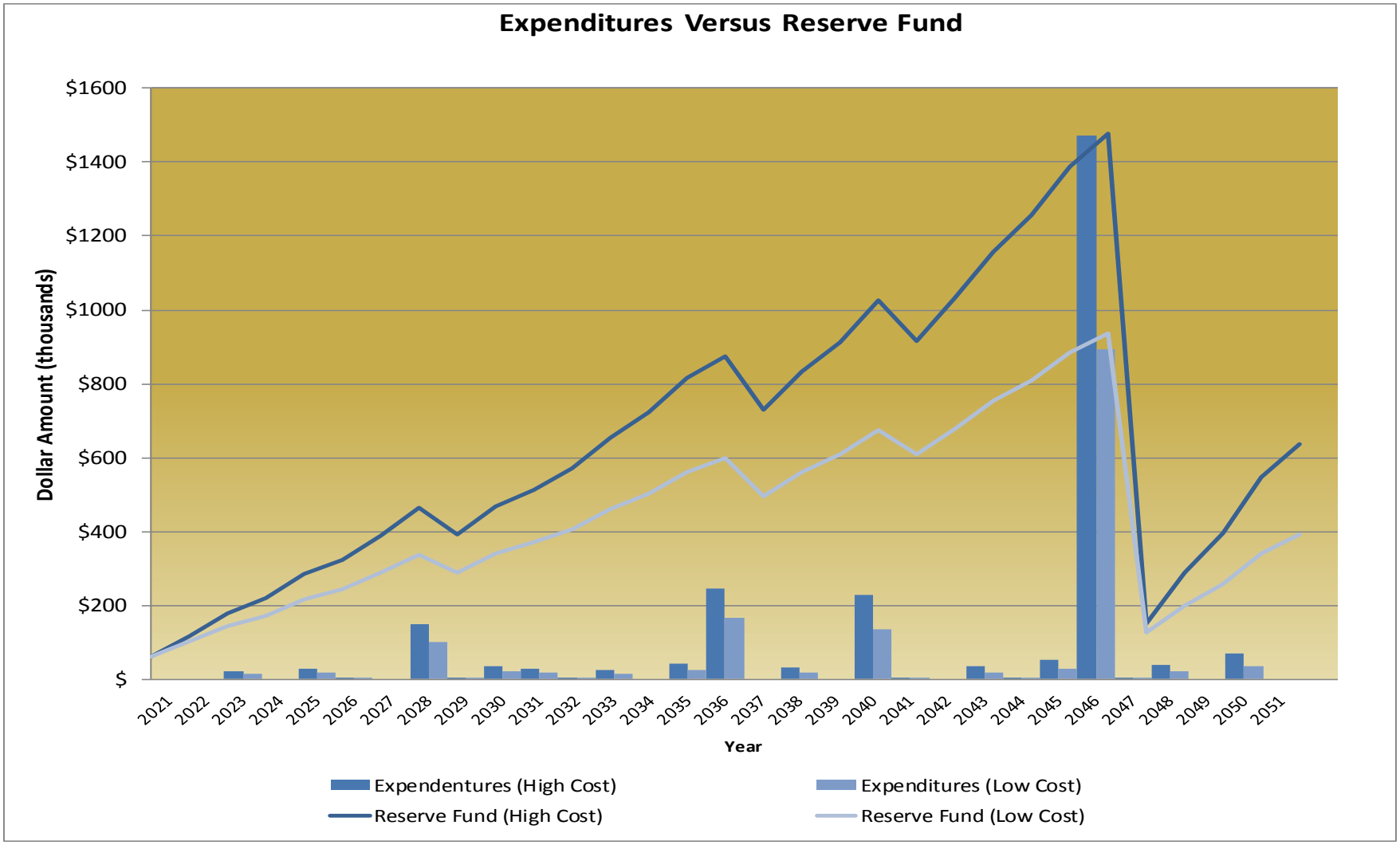
*Year New does not always indicate true year built, but instead projected aging due to existing conditions. This is estimated in the field by evaluating the existing conditions of a component, then predicting the remaining life span of the component. The "year new" date is then back calculated based on typical life spans. Poor maintenance, rigorous use, and improper installation techniques can significantly reduce a components life span. Concrete is an allowance for cracks, faulting, and spot repairs. It is not expected that all concrete will need to be replaced as a whole.

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

Component Name	Low Cost/Recurrence ($)	Total Low Cost/Study ($)	High Cost/Recurrence ($)	Total High Cost/Study ($)	Expenditure Years*			
Asphalt – 2" Overlay	74,983	74,983	89,979	89,979	2036			
Asphalt - Slurry Seal	11,997	71,983	17,996	107,975	2023	2028	2033	2038
Concrete Repair/Replace	8,000	48,000	12,000	72,000	2025	2030	2035	2040
Exterior Paint	76,060	152,120	106,484	212,968	2028	2040		
Stucco Allowance	10,000	60,000	15,000	90,000	2025	2030	2035	2040
Roofing Replacement	495,649	495,649	637,263	637,263	2046			
Gutter and Downspouts	42,095	42,095	58,933	58,933	2046			
Exterior Light Fixtures	38,960	38,960	58,440	58,440	2036			
Metal Deck Railing Maintenance	1,920	3,840	3,072	6,144	2031	2046		
Mailboxes	10,800	10,800	13,500	13,500	2036			
Metal Fencing Maintenance	2,360	4,720	2,950	5,900	2031	2046		
Playground Equipment	12,000	24,000	16,000	32,000	2031	2046		
Playground Ground Cover	1,610	16,100	2,415	24,150	2023	2026	2029	2032

*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.

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 indicates 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, the balance in the reserve account for Parkview HOA is $60,426. This is reflected in Figure 5.1.1, which demonstrates the current projected reserve fund versus low and high expenditures, assuming a contribution of $20.00 per unit per month with no annual increases. It is important to note that in 2036, when asphalt mill and overlay is scheduled, 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. At only $20 per unit per month, the community can float expenses for 15 years, but then will be in a deficit that will require significant increases or special assessments. The community is in a position now to build the reserve account and avoid these scenarios.

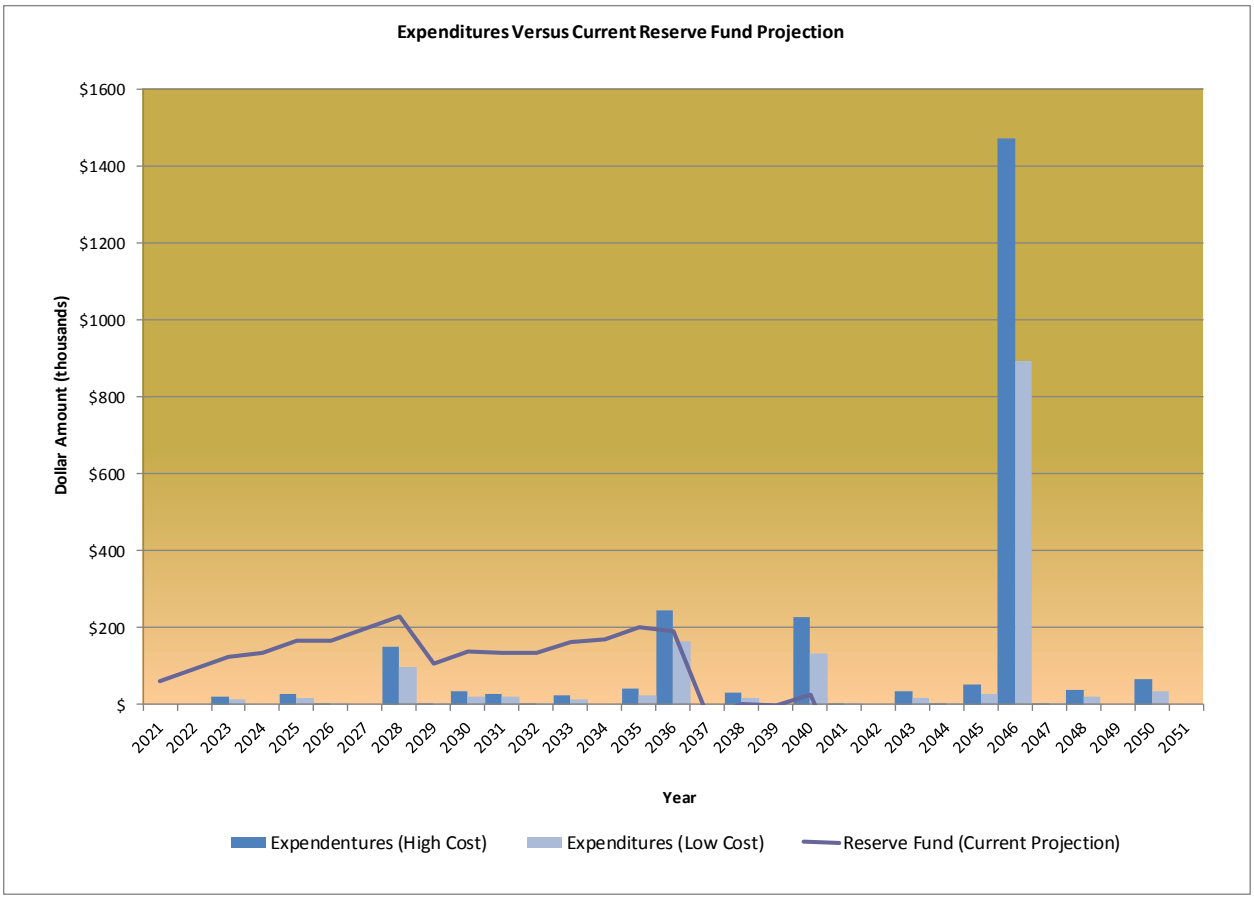


Figure 5.1.1 – Expenditures versus current reserve fund projection.

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 costs:

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

Year	Monthly Unit Cost (low)	Monthly Unit Cost (high)
2021	$26.00	$37.00
2022	$26.65	$38.30
2023	$27.32	$39.64
2024	$28.00	$41.02
2025	$28.70	$42.46
2026	$29.42	$43.94
2027	$30.15	$45.48
2028	$30.91	$47.07
2029	$31.68	$48.72
2030	$32.47	$50.43
2031	$33.28	$52.19
2032	$34.11	$54.02
2033	$34.97	$55.91
2034	$35.84	$57.87
2035	$36.74	$59.89

Year	Monthly Unit Cost (low)	Monthly Unit Cost (high)
2036	$37.66	$61.99
2037	$38.60	$64.16
2038	$39.56	$66.40
2039	$40.55	$68.73
2040	$41.56	$71.13
2041	$42.60	$73.62
2042	$43.67	$76.20
2043	$44.76	$78.87
2044	$45.88	$81.63
2045	$47.03	$84.48
2046	$48.20	$87.44
2047	$49.41	$90.50
2048	$50.64	$93.67
2049	$51.91	$96.95
2050	$53.21	$100.34

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 $37 per unit monthly for 2021, and increases annually at 3.5%. The low cost recommendation starts at $26 per unit monthly for 2021, and increase annually at 2.5%. 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.

It should be noted that the capital demand on the reserve fund represents the *future dollar* cost. To put this in perspective, a dollar in 1991 is equal to $1.98 today, or today's dollar equals 51 cents in terms of 1991 currency. Therefore, while the recommended values 20 to 30 years out may seem unreasonably high, it is prudent to keep in mind that the contribution in *present dollar* value is likely close to 51 percent of the tabulated value.

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.

The more often this report is updated, the better the fund/expense balance is met. In order to provide the greatest balance between meeting the expense demands of the association, and reducing the required monthly association fees, we recommend updating this report every other year. If this is not possible, an update of this report should be done *at least* every 6 years. YKL Consulting will be available to provide updates of this report, upon request, for a reduced fee.

YKL Consulting has relied on Georgetown HOA 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 Georgetown HOA. 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.

Ryan C. Kump, M.E. P.E.

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 nine 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

	Category	Component Number	Component Name
1	Drive Materials	1001	Asphalt - 2" Mill and Overlay
2	Drive Materials	1002	Asphalt - Slurry Seal
3	Drive Materials	1003	Concrete - Repair/Replace
4	Building Exterior	2001	Exterior Brick / Stone
5	Building Exterior	2002	Exterior Paint
6	Building Exterior	2003	Stucco
7	Building Exterior	2004	Roofing Replacement
8	Building Exterior	2005	Gutter & Downspouts
9	Building Exterior	2006	Exterior Light Fixtures
10	Building Exterior	2007	Vinyl Fencing
11	Building Exterior	2008	Metal Railing Maintenance
12	Building Exterior	2009	Water & Sewer Laterals
13	Common Development Items	3001	Mailboxes
14	Common Development Items	3002	Concrete Panel Fencing
15	Common Development Items	3003	Metal Fencing Maintenance
16	Common Development Items	3004	Signs
17	Common Development Items	3005	Playground Equipment
18	Common Development Items	3006	Playground Ground Cover
19	Common Development Items	3007	Basketball Hoop
20	Common Development Items	3008	Outdoor Furniture
21	Common Development Items	3009	Metal Pavilion
22	Common Development Items	3010	Landscaping & Irrigation

10.0 Appendix C - Photographic Inventory

Component Name:	2" Asphalt Mill & Overlay	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Drive Materials 1001	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	20	years
Average Age of Component:	5	years
Remaining Component Life:	15	years

Component Cost

High Replacement Cost:	$ 89,979
Low Replacement Cost:	$ 74,983

Quantity Breakdown

Item		Quantity	Unit
Parkview Lane		21,250	Sq. Ft.
600 South		13,326	Sq. Ft.
700 South		5,470	Sq. Ft.
110 West		6,310	Sq. Ft.
220 West		6,690	Sq. Ft.
260 West		3,580	Sq. Ft.
340 West		3,360	Sq. Ft.
	Total	59,986	Sq. Ft.

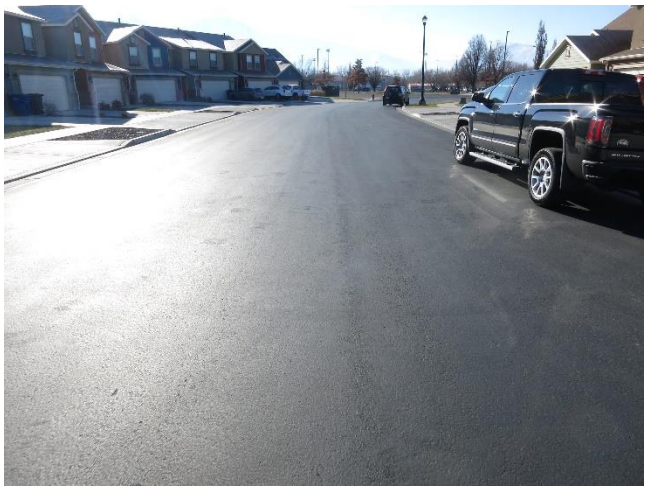
General Description

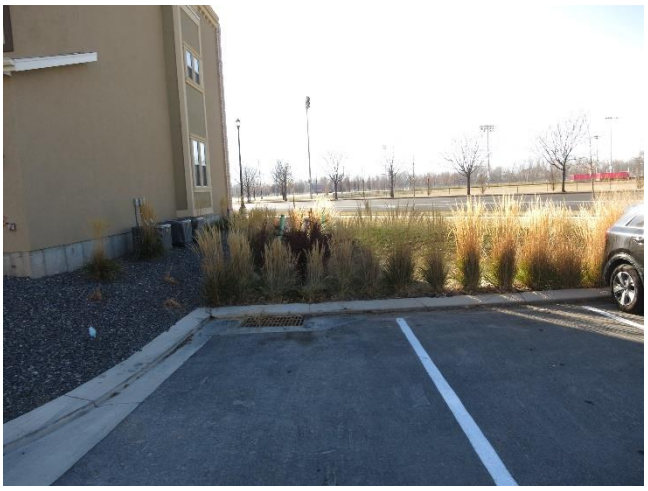
The AASHTO Pavement Design Guide recommends asphalt paving receive immediate rehabilitation when signs of alligator cracking or longitudinal cracks wider than ¼ inch are present. An asphalt overlay is recommended every 15 to 20 years. The overlay will add new structure to the road and fix any pot holes 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:	Saturday, November 28, 2020
Component Number:	Drive Materials 1002	Photograph By:	Shaun Young





Component Duration

Component Life Expectancy:	5	years
Average Age of Component:	3	years
Remaining Component Life:	2	years

Component Cost

High Replacement Cost:	$ 17,996
Low Replacement Cost:	$ 11,997

Quantity Breakdown

Item		Quantity	Unit
Parkview Lane		21,250	Sq. Ft.
600 South		13,326	Sq. Ft.
700 South		5,470	Sq. Ft.
110 West		6,310	Sq. Ft.
220 West		6,690	Sq. Ft.
260 West		3,580	Sq. Ft.
340 West		3,360	Sq. Ft.
	Total	59,986	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:	Saturday, November 28, 2020
Component Number:	Drive Materials 1003	Photograph By:	Shaun Young

Component Duration

Reoccurring Allowance: 5 years

Beginning Year 2025

Component Cost

High Replacement Cost: $ 12,000

Low Replacement Cost: $ 8,000

Quantity Breakdown

Item	Quantity	Unit
Concrete Repair	1	Lump Sum

General Description

The American Public Works Association (Utah Chapter) recommends concrete panels to 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:	Brick / Stone	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Building Exterior 2001	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy: ∞ years

Average Age of Component: _____ years

Remaining Component Life: _____ years

Component Cost

High Replacement Cost: $ N/A

Low Replacement Cost: $ N/A

Quantity Breakdown

Item	Quantity	Unit

General Description

Brick, stone, and concrete are durable building materials that can last a very long time. Because of the long lifespan of this component, it is plausible that it will last the lifetime of the building. Therefore, no money has been allocated to replace or maintain this item.

Special Notes, Comments, and Considerations

Component Name:	Exterior Paint	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Building Exterior 2002	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	12	years
Average Age of Component:	5	years
Remaining Component Life:	7	years

Component Cost

High Replacement Cost:	$ 106,484
Low Replacement Cost:	$ 76,060

Quantity Breakdown

Item	Quantity	Unit
Phase 1	2,520	Sq. Ft.
Phase 2	4,994	Sq. Ft.
Phase 3	5,904	Sq. Ft.
Phase 4	6,736	Sq. Ft.
Phase 5	1,498	Sq. Ft.
Phase 6	3,748	Sq. Ft.
Phase 7	5,024	Sq. Ft.
Total	30,424	Sq. Ft.

General Description

A portion of each side building and the building fronts will require routine coats of paint.

Special Notes, Comments, and Considerations

Component Name: Stucco
Component Number: Building Exterior 2003

Date of Photograph: Saturday, November 28, 2020
Photograph By: Shaun Young

Component Duration

Reoccurring Repair Allowance: 5 years
Beginning Year: 2025

Component Cost

High Replacement Cost: $ 15,000
Low Replacement Cost: $ 10,000

Quantity Breakdown

Item	Quantity	Unit
Stucco Repair	1	Each

General Description

It is assumed that hard stucco was used in this development rather than a EIFS. Many stucco manufacturers do not recommend painting over hard stucco. Stucco is a breathable material and is water resistant but not water proof. The membrane beneath the stucco is what provides the water proofing. Painting over stucco prevents the material from breathing and can trap moisture which may lead to mold. It is recommended to repair areas that may cause further damage to the home or becomes too unsightly. Due to the long lifespan of stucco an allowance has been provided to repair damaged panels. At the request of the association an estimate can be provided in this report for a stucco fog coat. A fog coat essentially provided a new thin layer of stucco over the existing surface.

Special Notes, Comments, and Considerations

Component Name:	Roofing Replacement	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Building Exterior 2004	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	30	years
Average Age of Component:	5	years
Remaining Component Life:	25	years

Component Cost

High Replacement Cost:	$ 637,263
Low Replacement Cost:	$ 495,649

Quantity Breakdown

Item	Quantity	Unit
Phase 1	14,601	Sq. Ft.
Phase 2	18,264	Sq. Ft.
Phase 3	24,503	Sq. Ft.
Phase 4	26,899	Sq. Ft.
Phase 5	20,197	Sq. Ft.
Phase 6	16,716	Sq. Ft.
Phase 7	20,434	Sq. Ft.
Total	141,614	Sq. Ft.

General Description

The roofs for each unit were observed to be asphalt shingle roofing.

Special Notes, Comments, and Considerations

Component Name:	Gutter & Downspouts	Date of Photograph:	Saturday, April 4, 2020
Component Number:	Building Exterior 2005	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	30	years
Average Age of Component:	5	years
Remaining Component Life:	25	years

Component Cost

High Replacement Cost:	$ 58,933
Low Replacement Cost:	$ 42,095

Quantity Breakdown

Item	Quantity	Unit
Phase 1	763	LF
Phase 2	1,179	LF
Phase 3	1,556	LF
Phase 4	1,709	LF
Phase 5	848	LF
Phase 6	1,010	LF
Phase 7	1,354	LF
Total	8,419	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:	Exterior Light Fixtures	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Building Exterior 2006	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	20	years
Average Age of Component:	5	years
Remaining Component Life:	15	years

Component Cost

High Replacement Cost:	$ 58,440
Low Replacement Cost:	$ 38,960

Quantity Breakdown

Item	Quantity	Unit
Exterior Light Fixtures	487	Each

General Description

Exterior light fixtures can oxidize over time; the housings can also crack or break and become unsightly. Over time it may be difficult to find matching light fixtures and which point all of the fixtures should be replaced to maintain a consistent community look.

Special Notes, Comments, and Considerations

Component Name:	Vinyl Fencing	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Building Exterior 2007	Photograph By:	Shaun Young

Component Duration

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

Component Cost

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

Quantity Breakdown

Item	Quantity	Unit

General Description

It was observed that some homeowners elected to close off their backyards with vinyl fencing. It is assumed that maintenance and replacement of the vinyl fences are the responsibility of the individual homeowner.

Special Notes, Comments, and Considerations

Component Name:	Metal Deck Railing Maintenance	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Building Exterior 2008	Photograph By:	Shaun Young

Component Duration

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

Component Cost

High Replacement Cost:	$ 3,072
Low Replacement Cost:	$ 1,920

Quantity Breakdown

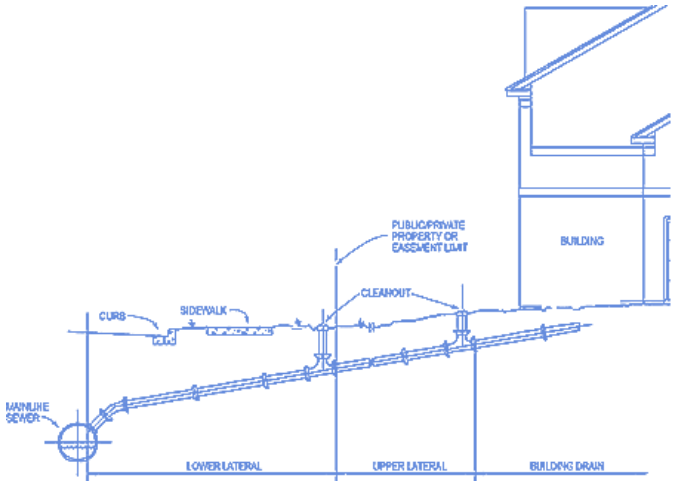
Item	Quantity	Unit
Metal Railing	384	LF

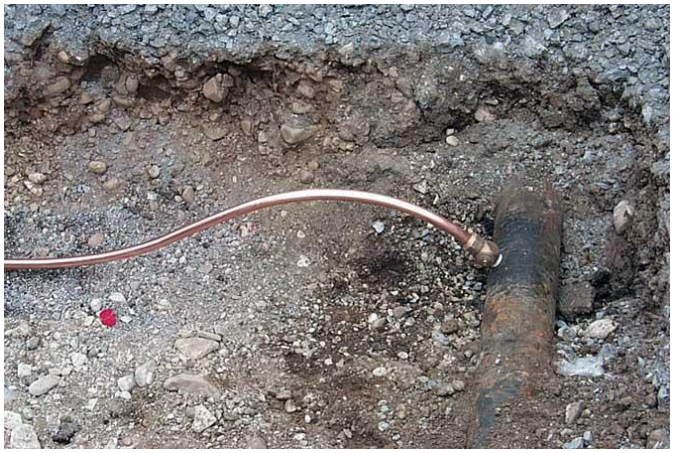
General Description

Each deck is equipped with a black painted wrought iron guard rail. Railing should be routinely inspected for rust and repaired as necessary. Each railing was observed to covered which will help prolong the life of paint and help protect against the elements.

Special Notes, Comments, and Considerations

Component Name:	Sewer & Water Lines	Date of Photograph:	N/A
Component Number:	Building Exterior 2010	Photograph By:	





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

General Description

Special Notes, Comments, and Considerations

The above pictures are for representation only and are not from the actual development.

Component Name:	Mailboxes	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3001	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	20	years
Age of Component:	5	years
Remaining Component Life:	15	years

Component Cost

High Replacement Cost:	$ 13,500
Low Replacement Cost:	$ 10,800

Quantity Breakdown

Type	Quantity	Units
Mailbox Pedestal Cluster	9	Each

General Description

The community uses pedestal cluster mailboxes. The post office should be notified when replacement is needed to verify if there are any shared costs. This report assumes that the post office will not maintain the mailbox clusters.

Special Notes, Comments, and Considerations

Component Name:	Concrete Panel Fencing	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3002	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	∞	years
Average 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
		Each

General Description

Concrete panel fencing was observed along parts of the property boundary. This is a durable material with a life expectancy extending beyond the range of this report.

Special Notes, Comments, and Considerations

Component Name:	Metal Fencing Maintenance	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3003	Photograph By:	Shaun Young

Component Duration

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

Component Cost

High Repair Cost:	$ 2,950
Low Repair Cost:	$ 2,360

Quantity Breakdown

Name	Quantity	Unit
Metal Fencing	295	LF

General Description

Special Notes, Comments, and Considerations

Component Name:	Sign Replacement	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3004	Photograph By:	Shaun Young

Component Duration

Sign Allowance	N/A	years
Beginning Year	N/A	

Component Cost

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

Quantity Breakdown

Name	Quantity	Unit
Sign Replacement	1	Lump Sum

General Description

Private street signs and informative signs are located throughout the community. These signs will fade over time requiring replacement. Due to limited number of signs and relative low replacement costs; it is recommended that signs be replaced as needed and expensed from the annual maintenance budget.

Special Notes, Comments, and Considerations

Component Name:	Playground Equipment	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3005	Photograph By:	Shaun Young

Component Duration

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

Component Cost

High Repair Cost:	$ 16,000
Low Repair Cost:	$ 12,000

Quantity Breakdown

Name	Quantity	Unit
Playground Equipment	2	Each

General Description

There are two commercial grade playground equipment structures located within the community.

Special Notes, Comments, and Considerations

Component Name:	Playground Ground Cover	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3006	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	3	years
Average Age of Component:	2	years
Remaining Component Life:	1	years

Component Cost

High Repair Cost:	$ 2,415
Low Repair Cost:	$ 1,610

Quantity Breakdown

Name	Quantity	Unit
Ground Cover	1,610	Sq. Ft.

General Description

Playground covering consisted of wood mulch. Playground covering should be no less than 6 inches deep.

Special Notes, Comments, and Considerations

Component Name:	Basketball Hoop	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3007	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	N/A	years
Average 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
Basketball Hoop	1	Each

General Description

A basketball hoop is located in the community. Due to the relatively low replacement cost and also that it is a single item; it is recommended that this item be replaced as needed and expensed from the annual maintenance budget.

Special Notes, Comments, and Considerations

Component Name:	Outdoor Furniture	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3008	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	N/A	years
Average 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
Metal Benches	2	Each

General Description

Due to long useful life and relatively low replacement cost it is recommended that the replacement of the metal benches be expensed from the annual maintenance budget when needed.

Special Notes, Comments, and Considerations

Component Name:	Metal Pavilion	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3009	Photograph By:	Shaun Young

Component Duration

Component Life Expectancy:	∞	years
Average 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
		Each

General Description

The steel pavilion has a useful life exceeding the range of this report. The roofing structure is made from wood but is well protected. The wood may require future painting; however, due to the relative low cost to paint the structure it is recommended that it be expensed from the annual maintenance budget.

Special Notes, Comments, and Considerations

Component Name:	Landscape & Irrigation	Date of Photograph:	Saturday, November 28, 2020
Component Number:	Common Development 3010	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

Name	Quantity	Unit

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. A portion of the operating account should be budgeted for sprinkler repairs and isolated landscaping replacement.

Special Notes, Comments, and Considerations