

**SEXTON PLACE CONDOMINIUMS**  
**MAINTENANCE PLAN UPDATE**  
**RESERVE STUDY**  
**LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION**  
**2020**

DRAFT

 **SCHWINDT & Co.**  
RESERVE STUDY SERVICES  
<https://www.schwindtco.com/>  
(503) 227-1165

**SEXTON PLACE CONDOMINIUMS**

**Executive Summary**

**Year of Report:**

January 1, 2020 to December 31, 2020

**Number of Units:**

94 Units

**Parameters:**

Beginning Balance: \$431,859

Year 2020 Suggested Contribution: \$105,000

Year 2020 Projected Interest Earned: \$278

Inflation: 2.50%

Annual Increase to Suggested Contribution: 17%

Lowest Cash Balance Over 30 Years (Threshold): \$105,594

Average Reserve Assessment per Unit: \$93.09

Prior Year's Actual Contribution: \$93,130

**TABLE OF CONTENTS**  
**Sexton Place Condominiums**

Disclosure Information .....	4 of 67
<b>MAINTENANCE PLAN</b>	
Executive Summary of Maintenance Plan .....	8 of 67
Maintenance Plan .....	9 of 67
<b>RESERVE STUDY</b>	
Property Description .....	20 of 67
Cash Flow Method - Threshold Funding Model Summary .....	21 of 67
Cash Flow Method - Threshold Funding Model Projection .....	22 of 67
Component Summary By Category .....	23 of 67
Component Summary .....	26 of 67
Annual Expenditure Detail .....	28 of 67
Detail Report .....	35 of 67
Additional Disclosures .....	64 of 67

DRAFT

**Sexton Place Condominiums  
Maintenance Plan Update  
Reserve Study Update – Offsite  
Disclosure Information  
2020**

We have conducted an offsite reserve study update and maintenance plan update for Sexton Place Condominiums for the year beginning January 1, 2020, in accordance with guidelines established by Community Associations Institute and the American Institute of Certified Public Accountants.

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

We have no other involvement with the Association other than providing the reserve study and maintenance plan.

Schwindt & Company believes that every association should have a complete building envelope inspection within 12 months of completion of all construction and every 5 years. This inspection must be performed by a licensed building envelope inspector. Ongoing inspections of the property should be performed by a licensed inspector, with the exception of a roof inspection which may be performed by a licensed roofing contractor.

Assumptions used for inflation, interest, and other factors are detailed on page 21. Income tax factors were not considered due to variables affecting net taxable income and the election of the tax form to be filed.

**Increases in Roofing and Painting Costs.**

Over the last several years, roofing, painting and other costs have increased at a dramatic pace. Schwindt & Company has noted this in our reserve studies. We were not sure if this was a temporary price increase or the new normal in pricing. We are now of the opinion that these increased prices will most likely continue. Roofing costs have nearly doubled and painting costs have increased 50%. It is still possible to keep the increases to a minimum if Associations can find a vendor that will perform the work at a reduced price, however, these vendors are becoming rare.

The main reason for increased prices aside from normal cost increases appear to be the availability of labor. Many workers left the industry during the downturn and have not reentered the job market thus driving up wage costs to attract qualified workers. Roofers and painters are also seeing increased demand for their services due to aging association property. These factors have created the perfect storm for increased prices.

These increases are being built in to cost estimates and required contributions. Associations will see an increase in the suggested reserve contributions beginning with the 2018/2019 budget years and depending on the year the roofing and painting projects occur, the increases may be substantial.

**Associations should have a complete building envelope study conducted every 3-5 years. If the Association chooses not to engage a qualified engineer or architect to perform a building envelope inspection, the Association should be 100% funded using the fully funded method of funding to insure funds are available to pay for unexpected costs**

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

All information regarding the useful life and cost of reserve components was derived from local vendors, the Association, and/or from various construction pricing and scheduling manuals.

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

***Article 5, Section 5.2 of the Association's Declaration provides that the exterior windows are general common elements.***

***Article 14, Section 14.1 of the Association's Declaration states, "The necessary work to maintain, repair, or replace the Common Elements shall be the responsibility of the Board and shall be carried out as provided in the Bylaws. Without limitation of the foregoing, the Association shall be responsible for the painting, staining, repair and replacement of the exterior surfaces of all Units (including the repair and replacement of roofs, gutters, vinyl siding and garage doors); cleaning of the exterior surfaces of all window and door glass; the repair and resurfacing of all streets, driveways, and walkways; and the cutting, pruning, trimming, and watering of all landscaping."***

***Article 14, Section 14.2 of the Association's Declaration states, "All maintenance of and repairs to any Unit shall be made by the Owner of such Unit, who shall keep the same in good order, condition, and repair."***

Many reserve studies do not include components such as the structural building envelope, plumbing (including water supply and piping), electrical systems and water/sewer systems because they are deemed to be beyond the usual 30 year threshold and reserve study providers are generally not experts in determining the estimated useful lives and replacement costs of such assets. Associations that are 20+ in age should consider adding funding for these components because the eventual cost may be one of the largest expenditures in the study. Because the eventual replacement costs and determination of the estimated useful life of such components depend on a number of factors, it is advisable to hire experts to advise the Association on such matters. Schwindt & Co believes the best way to determine costs and lives associated with these components is to perform an inspection of the applicable components which should include information about the component, steps to take to lengthen the estimated useful life, projected estimated useful life and estimated replacement costs. This inspection should be conducted by experts and should include a written report. This information will allow the reserve study provider and the Association to include appropriate costs, lives and projected expenditures in the study. Schwindt & Co believes that the cost of these inspections should be included in the reserve study as a funded component.

The Association has elected to provide certain information to Schwindt & Co to allow Schwindt & Co to perform a lessor level of assurance with respect to the reserve study. Factual data may include measurements, component listings and other relevant information. As such, Schwindt & Co accepts no responsibility for such information. Had we performed a level I reserve study, Schwindt & Co would have collected and analyzed such data and would have taken responsibility for the presentation of the reserve study taken as a whole.

#### **Earthquake insurance deductible is not funded for in the reserve study.**

According to the Association, plumbing repairs have been made in 2013; PEX plumbing brass fixtures were corroding and have been replaced with copper fixtures. The Association should continue to monitor the plumbing and have a method for owners to report problems.

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

Certain information, such as the beginning balance of reserve funds and other information as detailed on the component detail reports, was provided by Association representatives is are deemed to be reliable by us. This reserve study is a reflection of the information provided to us and cannot be used for the purpose of performing an audit, a quality/forensic analysis, or background checks of historical records.

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

components.

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

This reserve study, unless specifically stated in the report, assumes no fungi, mold, asbestos, lead paint, urea-formaldehyde foam insulation, termite control substances, other chemicals, toxic wastes, radon gas, electro-magnetic radiation or other potentially hazardous materials (on the surface or sub-surface), or termites on the property. The existence of any of these substances may adversely affect the accuracy of this reserve study. Schwindt & Company assumes no responsibility regarding such conditions, as we are not qualified to detect substances, determine the impact, or develop remediation plans/costs.

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

#### Physical Analysis:

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

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

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

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

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.

**SEXTON PLACE CONDOMINIUMS**

**MAINTENANCE PLAN UPDATE**

**2020**

DRAFT

**Sexton Place Condominiums**  
**Executive Summary of Maintenance Plan**

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

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

Checklists, developed by Reed Construction Data, Inc., can be photocopied or accessed from the RS Means website:

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

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

DRAFT



**Sexton Place Condominiums  
Maintenance Plan  
2020**

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

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

**Property Inspection**

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

This inspection process should include a careful visual review of the waterproofing membrane on the unit decks.

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

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

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

Frequency: Annually

**Building Envelope Inspection**

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

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

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

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

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

Frequency: Every 5 years

### **Roof Inspection**

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

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

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

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

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

Frequency: Refer to roof warranty for frequency

### **Lighting: Exterior Common Area – Inspection/Maintenance**

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

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

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

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

Repairs and inspections should be completed by a qualified professional.

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

Frequency: Bi-Weekly

### **Exterior Stairs, Decks, and Patios**

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

distance maintained between flammables and other surfaces, as well as the overall condition of access points such as doors, windows, screens and thresholds.

Frequency: Monthly

### **Property Entrance - Review**

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

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

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

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

Frequency: Monthly

### **Windows & Doors**

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

Frequency: Monthly

### **Fence–Vinyl Perimeter–Inspection**

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

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

Frequency: Semiannually

### **Gutters & Downspouts**

Schwindt & Company recommends that all gutters and downspouts be cleaned, visually inspected, and repaired as required every 6 months in the spring and fall.

This important maintenance procedure will help to ensure that the gutters and downspouts are free-flowing at all times, thus preventing the backup of water within the drainage system. Such backup can lead to water ingress

issues along the roof edges, around scuppers or other roof penetrations, and at sheet metal flashing or transition points that rely on quick and continuous discharge of water from surrounding roof surfaces to maintain a watertight building exterior.

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

Frequency: Semiannually, more often if necessary

### **Exterior Walls**

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

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

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

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

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

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

Inspections should be made by a qualified professional.

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

Frequency: Annually

### **Lawn Irrigation System**

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

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

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

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

Frequency: Annually

## **Exterior Painting**

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

This maintenance provision is for the periodic painting of the exterior trim, doors, garage doors, and other building exterior trim. The siding should be cleaned, repaired as required, and primed and painted with premium quality exterior house paint in accordance with the siding manufacturer's specifications. The work should be performed by a qualified, licensed painting contractor.

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

Frequency: Every 7 years: Wood Trim - Painting

Frequency: Every 7 years: Doors - Painting

Frequency: Every 7 years: Garage Doors - Painting

## **Exterior Vinyl Siding – Cleaning**

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

This expense is included in the Association's annual operating budget.

Frequency: Annually

## **Asphalt – Seal Coating and Curb Painting**

Maintenance of asphalt paving includes the periodic application of an asphalt emulsion sealer or "seal coat". This procedure is typically performed every 4 to 7 years, depending on a variety of factors that can affect the useful life of the sealer.

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

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

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

The curbs will be painted at the same time the asphalt is being seal coated.

This work should be performed by a licensed paving contractor.

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

Frequency: Every 5 years

### **Deck Rail Painting**

The exterior railings located at the deck perimeters should be cleaned on a periodic basis to prevent deterioration of the metal material due to rust and oxidation.

The work should be performed by a qualified, licensed painting contractor.

### **Elastomeric Deck Maintenance**

Maintenance of the decks includes cleaning, repairing, and applying a top coat to the exposed surfaces with appropriate sealer. Drains should be cleaned and checked for free flow. Flashings, grout and other water resistive details should be renewed as needed to ensure that the tiled surface areas on the decks remain water-tight.

This work should be performed by a licensed contractor.

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

Frequency: Every 5 years

### **Concrete Pavement**

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

### **Landscape Maintenance**

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

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

Barkdust renewal, landscape improvements, and treework expense is included in the reserve study for the Association.

Frequency: Every 2 years: Barkdust Renewal

Frequency: Every 5 years: Landscape Improvements

Frequency: Every 3 years: Treework – Pruning

### **Sign: Wood Entry – Clean and Paint**

The wood entry sign will need to be cleaned and painted.

Frequency: Every 2 years

**Wood Fence Dividers - Stained**

The wood fence dividers will need to be stained.

Frequency: Every 3 years

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

DRAFT

**SEXTON PLACE CONDOMINIUMS**  
**RESERVE STUDY**  
**LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION**  
**2020**

DRAFT



**Sexton Place Condominiums  
Category Detail Index**

Asset ID	Description	Replacement	Page
<b>Roofing</b>			
1016	Composition Roof - Phase 1	2020	38 of 67
1071	Composition Roof - Phase 2	2021	38 of 67
1072	Composition Roof - Phase 3	2022	39 of 67
1073	Composition Roof - Phase 4	2023	40 of 67
<b>Painting</b>			
1065	Exterior: Paint	2024	44 of 67
1055	Paint Curb (I)	2024	51 of 67
1057	Paint Curb (II)	2029	52 of 67
1019	Sign: Wood Entry - Clean and Paint (I)	2024	54 of 67
1050	Sign: Wood Entry - Clean and Paint (II)	2036	54 of 67
1030	Wood Fence Dividers - Stained	2020	63 of 67
<b>Building Components</b>			
1056	Decks With Coating: Metal Guardrails - Partial Rep..	2033	41 of 67
1046	Decks Wood - Replacement	2024	41 of 67
1017	Gutters and Downspouts - Partial Replacement Phas..	2020	46 of 67
1074	Gutters and Downspouts - Partial Replacement Phas..	2021	46 of 67
1075	Gutters and Downspouts - Partial Replacement Phas..	2022	47 of 67
1076	Gutters and Downspouts - Partial Replacement Phas..	2023	48 of 67
1027	Metal Guardrails - Partial Replacement	2027	50 of 67
1066	Plumbing Repair	2020	52 of 67
1023	Trellis, Wood - Replacement	2025	56 of 67
1054	Trim, Wood - Partial Replacement	2024	57 of 67
1029	Vinyl Siding - Replacement (I)	2033	58 of 67
1053	Vinyl Siding - Replacement (II)	2034	58 of 67
1003	Wood Decks - Coating Renewal	2024	61 of 67
1004	Wood Decks With Coatings - Partial Replacement	2030	62 of 67
<b>Streets/Asphalt</b>			
1014	Asphalt Overlay	2030	35 of 67
1015	Asphalt Seal Coat (I)	2020	35 of 67
1032	Asphalt Seal Coat (II)	2035	36 of 67
<b>Fencing/Security</b>			
1005	Chain Link Fence - Partial Replacement	2035	37 of 67

**Sexton Place Condominiums  
Category Detail Index**

Asset ID	Description	Replacement	Page
<i>Fencing/Security Continued...</i>			
1007	Vinyl Fence - Replace	2036	57 of 67
1008	Wood Fence Dividers - Partial Replacement	2026	62 of 67
<b>Lighting</b>			
1011	Exterior Lights	2025	43 of 67
<b>Grounds Components</b>			
1001	Barkdust - Renewal	2020	36 of 67
1002	Concrete - Partial Replacement	2023	40 of 67
1020	Irrigation System - Repairs	2023	49 of 67
1010	Landscape Improvements	2021	49 of 67
1018	Sign - Replace	2030	53 of 67
1031	Sign Replace - Gordonite Entrance	2031	53 of 67
1021	Storm Water Retention Pond Maintenance	2020	55 of 67
1022	Treework - Pruning and Replacement	2020	55 of 67
<b>Mailboxes</b>			
1012	Mailboxes - Replacement	2036	50 of 67
<b>Doors and Windows</b>			
1035	Doors and Door Frames - Replacement (I)	2028	42 of 67
1039	Doors and Door Frames - Replacement (II)	2029	42 of 67
1033	Garage Doors Replacement	2028	45 of 67
1034	Glass Sliding Doors - Replacement	2028	45 of 67
1026	Windows Replacement (I)	2035	59 of 67
1036	Windows Replacement (II)	2036	60 of 67
1037	Windows Replacement (III)	2037	60 of 67
1038	Windows Replacement (IV)	2038	61 of 67
<b>Inspections</b>			
1067	Building Envelope Inspection	2021	37 of 67
1069	Electrical Study	2029	43 of 67
1068	Plumbing Study	2029	52 of 67
<b>Contingency</b>			
1009	Insurance Deductible	2020	48 of 67

**Sexton Place Condominiums  
Category Detail Index**

Asset ID	Description	Replacement	Page
<i>Contingency Continued...</i>			
1064	Misc. Contingency	2020	51 of 67
	Total Funded Assets	53	
	Total Unfunded Assets	<u>0</u>	
	Total Assets	53	

DRAFT

## **Sexton Place Condominiums Property Description**

Sexton Place Condominiums consists of 17 buildings with 94 units located in Beaverton, Oregon. The Association shall provide exterior improvements upon each unit, such as paint, maintenance, repair and replacement of roofs, gutters, downspouts, and exterior building surfaces. The individual homeowners are responsible for all maintenance and repairs of the interior of their home. The property was constructed in 2003.

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

A site visit was performed by Schwindt & Company in 2011. Schwindt & Co did not investigate components for defects, materials, design or workmanship. This would ordinarily be considered in a complete building envelope inspection. Our condition assessment considers if the component is wearing as intended. All components are considered to be in fair condition and appear to be wearing as intended unless noted otherwise in the component detail.

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

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

**Sexton Place Condominiums**  
 Beaverton, Oregon  
**Cash Flow Method - Threshold Funding Model Summary**

Report Date	September 2, 2019
Account Number	2sexpl
Budget Year Beginning	January 1, 2020
Budget Year Ending	December 31, 2020
Total Units	94

<i>Report Parameters</i>	
Inflation	2.50%
Interest Rate on Reserve Deposit	0.10%
2020 Beginning Balance	\$431,859

**Threshold Funding**  
 Fully Reserved Model Summary

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. It is assumed that the threshold method is funded with a positive threshold balance, therefore, “fully funded”.
- The following items were not included in the analysis because they have useful lives greater than 30 years: sanitary sewage and storm drains, telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **\$105,000** in **2020** and increases **17%** each year until 2025. In 2025, the contribution is \$230,207 and increases 1.25% each year for the remaining years of the study. A minimum balance of **\$105,594** is maintained.
- The reserve study cash flow model includes an annual increase in the required contribution over the 30-year period. Since the current Board and membership only has the authority to obligate the Association for the current budget year, the cash flow model relies on the actions of future Boards to adhere to the required increase in the annual reserve contribution. Because of the possibility that future Boards, due to budgetary constraints, are not able to increase the reserve contribution to the required amount to provide for adequate funding, the Association may be at risk in the future of special assessing the members to fund needed expenditures.
- The purpose of this study is to insure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

***Cash Flow Method - Threshold Funding Model Summary of Calculations***

Required Month Contribution	\$8,750.00
<i>\$93.09 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$23.14</u>
Total Month Allocation to Reserves	\$8,773.14
<i>\$93.33 per unit monthly</i>	

**Sexton Place Condominiums**  
**Cash Flow Method - Threshold Funding Model Projection**

Beginning Balance: \$431,859

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	105,000	278	211,147	325,989	1,873,852	17%
2021	122,850	216	176,193	272,863	1,879,590	15%
2022	143,734	178	172,653	244,122	1,914,039	13%
2023	168,169	159	176,528	235,922	1,949,046	12%
2024	196,758	20	322,215	110,485	1,839,555	6%
2025	230,207	152	83,716	257,128	1,976,038	13%
2026	233,085	340	43,524	447,028	2,154,579	21%
2027	235,998	569	6,564	677,031	2,383,382	28%
2028	238,948	467	339,850	576,596	2,280,829	25%
2029	241,935	550	158,042	661,039	2,366,959	28%
2030	244,959	475	318,664	587,810	2,295,909	26%
2031	248,021	528	194,630	641,729	2,355,128	27%
2032	251,121	758	20,120	873,488	2,599,732	34%
2033	254,260	439	572,190	555,998	2,289,905	24%
2034	257,439	26	669,474	143,989	1,878,512	8%
2035	260,657	64	221,123	183,587	1,925,186	10%
2036	263,915	35	291,711	155,825	1,908,602	8%
2037	267,214	125	176,074	247,089	2,017,738	12%
2038	270,554		412,049	105,594	1,895,735	6%
2039	273,936	140	114,258	265,411	2,082,164	13%
2040	277,360	67	348,884	193,955	2,039,168	10%
2041	280,827	52	294,046	180,788	2,057,869	9%
2042	284,338	51	283,453	181,724	2,094,624	9%
2043	287,892	54	283,659	186,011	2,138,981	9%
2044	291,490	77	267,056	210,522	2,208,535	10%
2045	295,134	49	321,842	183,862	2,230,917	8%
2046	298,823	281	65,285	417,680	2,524,256	17%
2047	302,558	565	16,940	703,863	2,882,094	24%
2048	306,340	830	40,526	970,507	3,232,505	30%
2049	310,170	948	190,887	1,090,738	3,445,553	32%

**Sexton Place Condominiums**  
**Component Summary By Category**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<b>Roofing</b>								
Composition Roof - Phase 1	2004	2020	20	-4	0	880 SQ	615.00 @ 25%	135,300
Composition Roof - Phase 2	2004	2021	20	-3	1	880 SQ	615.00 @ 25%	135,300
Composition Roof - Phase 3	2004	2022	20	-2	2	880 SQ	615.00 @ 25%	135,300
Composition Roof - Phase 4	2004	2023	20	-1	3	880 SQ	615.00 @ 25%	135,300
Roofing - Total								<u>\$541,200</u>
<b>Painting</b>								
Wood Fence Dividers - Stained	2017	2020	3	0	0	2,160 SF	1.47	3,175
Exterior: Paint	2017	2024	7	0	4	1 Total	125,316.50	125,316
Paint Curb (I)	2019	2024	5	0	4	1 Total	1,591.64	1,592
Sign: Wood Entry - Clean and Paint (I)	2018	2024	6	0	4	1 Total	313.74	314
Paint Curb (II)	2029	2029	5	0	9	1 Total	1,591.64	1,592
Sign: Wood Entry - Clean and Paint (II)	2036	2036	6	0	16	1 Total	313.74	314
Painting - Total								<u>\$132,302</u>
<b>Building Components</b>								
Gutters and Downspouts - Partial Replace..	2004	2020	20	-4	0	9,400 LF	7.34 @ 25%	17,249
Plumbing Repair	2015	2020	5	0	0	1 Total	5,519.06	5,519
Gutters and Downspouts - Partial Replace..	2004	2021	20	-3	1	9,400 LF	7.34 @ 25%	17,249
Gutters and Downspouts - Partial Replace..	2004	2022	20	-2	2	9,400 LF	7.34 @ 25%	17,249
Gutters and Downspouts - Partial Replace..	2004	2023	20	-1	3	9,400 LF	7.34 @ 25%	17,249
Decks Wood - Replacement	2004	2024	20	0	4	20 Each	3,060.84	61,217
Trim, Wood - Partial Replacement	2004	2024	25	-5	4	14,490 LF	4.30 @ 35%	21,807
Wood Decks - Coating Renewal	2019	2024	5	0	4	58 Each	1,204.83	69,880
Trellis, Wood - Replacement	2004	2025	20	1	5	1 Total	25,412.85	25,413
Metal Guardrails - Partial Replacement	2010	2027	20	-3	7	440 LF	50.20 @ 25%	5,522
Wood Decks With Coatings - Partial Repla..	2004	2030	25	1	10	58 Each	2,986.19 @ 50%	86,600
Decks With Coating: Metal Guardrails - P..	2010	2033	20	3	13	1,428 LF	50.20 @ 25%	17,921
Vinyl Siding - Replacement (I)	2003	2033	30	0	13	120,420 SF	6.46 @ 50%	388,957
Vinyl Siding - Replacement (II)	2003	2034	30	1	14	120,420 SF	6.46 @ 50%	388,957
Building Components - Total								<u>\$1,140,788</u>
<b>Streets/Asphalt</b>								
Asphalt Seal Coat (I)	2015	2020	5	0	0	1 Total	14,901.48	14,901
Asphalt Overlay	2004	2030	25	1	10	70,250 SF	1.96	137,690
Asphalt Seal Coat (II)	2035	2035	5	0	15	1 Total	14,901.48	14,901
Streets/Asphalt - Total								<u>\$167,493</u>
<b>Fencing/Security</b>								
Wood Fence Dividers - Partial Replacement	2014	2026	10	2	6	180 LF	35.82 @ 50%	3,224
Chain Link Fence - Partial Replacement	2004	2035	30	1	15	1 Total	10,918.11	10,918

**Sexton Place Condominiums**  
**Component Summary By Category**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<i>Fencing/Security continued...</i>								
Vinyl Fence - Replace	2003	2036	30	3	16	1 Total	33,570.04	<u>33,570</u>
Fencing/Security - Total								\$47,712
<b>Lighting</b>								
Exterior Lights	2010	2025	15	0	5	210 Each	122.43	<u>25,710</u>
Lighting - Total								\$25,710
<b>Grounds Components</b>								
Barkdust - Renewal	2017	2020	2	1	0	1 Total	7,879.69	7,880
Storm Water Retention Pond Maintenance	2010	2020	5	1	0	1 Total	2,448.70	2,449
Treework - Pruning and Replacement	2018	2020	2	0	0	1 Total	3,905.25	3,905
Landscape Improvements	2011	2021	5	5	1	1 Total	11,467.04	11,467
Concrete - Partial Replacement	2018	2023	5	0	3	1 Total	5,125.00	5,125
Irrigation System - Repairs	2018	2023	5	0	3	1 Total	3,075.00	3,075
Sign - Replace	2004	2030	20	6	10	2 Each	2,448.70	4,897
Sign Replace - Gordonite Entrance	2011	2031	20	0	11	1 Total	3,673.04	<u>3,673</u>
Grounds Components - Total								\$42,471
<b>Mailboxes</b>								
Mailboxes - Replacement	2004	2036	30	2	16	1 Total	12,549.56	<u>12,550</u>
Mailboxes - Total								\$12,550
<b>Doors and Windows</b>								
Doors and Door Frames - Replacement (I)	2003	2028	25	0	8	94 Each	612.17 @ 50%	28,772
Garage Doors Replacement	2003	2028	25	0	8	94 Each	1,224.33	115,087
Glass Sliding Doors - Replacement	2003	2028	25	0	8	94 Each	1,224.33	115,087
Doors and Door Frames - Replacement (II)	2003	2029	25	1	9	94 Each	612.17 @ 50%	28,772
Windows Replacement (I)	2004	2035	25	6	15	775 Each	597.24 @ 25%	115,715
Windows Replacement (II)	2004	2036	25	7	16	775 Each	597.24 @ 25%	115,715
Windows Replacement (III)	2004	2037	25	8	17	775 Each	597.24 @ 25%	115,715
Windows Replacement (IV)	2004	2038	25	9	18	775 Each	597.24 @ 25%	<u>115,715</u>
Doors and Windows - Total								\$750,579
<b>Inspections</b>								
Building Envelope Inspection	2004	2021	5	12	1	1 Total	7,879.69	7,880
Electrical Study	2004	2029	25	0	9	1 Total	10,768.91	10,769
Plumbing Study	2004	2029	25	0	9	1 Total	10,768.91	<u>10,769</u>
Inspections - Total								\$29,418



**Sexton Place Condominiums  
Component Summary By Category**

Description	<i>Date in Service</i>	<i>Replacement Year</i>	<i>Useful</i>	<i>Adjustment</i>	<i>Remaining</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Current Cost</i>
<b>Contingency</b>								
Insurance Deductible	2019	2020	1	0	0	1 Total	10,000.00	10,000
Misc. Contingency	2014	2020	1	0	0	1 Total	10,768.91	<u>10,769</u>
Contingency - Total								<u>\$20,769</u>
 Total Asset Summary								 <u>\$2,910,992</u>

DRAFT

**Sexton Place Condominiums  
Component Summary**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Asphalt Seal Coat (I)	2015	2020	5	0	0	1 Total	14,901.48	14,901
Barkdust - Renewal	2017	2020	2	1	0	1 Total	7,879.69	7,880
Composition Roof - Phase 1	2004	2020	20	-4	0	880 SQ	615.00 @ 25%	135,300
Gutters and Downspouts - Partial Replace..	2004	2020	20	-4	0	9,400 LF	7.34 @ 25%	17,249
Insurance Deductible	2019	2020	1	0	0	1 Total	10,000.00	10,000
Misc. Contingency	2014	2020	1	0	0	1 Total	10,768.91	10,769
Plumbing Repair	2015	2020	5	0	0	1 Total	5,519.06	5,519
Storm Water Retention Pond Maintenance	2010	2020	5	1	0	1 Total	2,448.70	2,449
Treework - Pruning and Replacement	2018	2020	2	0	0	1 Total	3,905.25	3,905
Wood Fence Dividers - Stained	2017	2020	3	0	0	2,160 SF	1.47	3,175
Building Envelope Inspection	2004	2021	5	12	1	1 Total	7,879.69	7,880
Composition Roof - Phase 2	2004	2021	20	-3	1	880 SQ	615.00 @ 25%	135,300
Gutters and Downspouts - Partial Replace..	2004	2021	20	-3	1	9,400 LF	7.34 @ 25%	17,249
Landscape Improvements	2011	2021	5	5	1	1 Total	11,467.04	11,467
Composition Roof - Phase 3	2004	2022	20	-2	2	880 SQ	615.00 @ 25%	135,300
Gutters and Downspouts - Partial Replace..	2004	2022	20	-2	2	9,400 LF	7.34 @ 25%	17,249
Composition Roof - Phase 4	2004	2023	20	-1	3	880 SQ	615.00 @ 25%	135,300
Concrete - Partial Replacement	2018	2023	5	0	3	1 Total	5,125.00	5,125
Gutters and Downspouts - Partial Replace..	2004	2023	20	-1	3	9,400 LF	7.34 @ 25%	17,249
Irrigation System - Repairs	2018	2023	5	0	3	1 Total	3,075.00	3,075
Decks Wood - Replacement	2004	2024	20	0	4	20 Each	3,060.84	61,217
Exterior: Paint	2017	2024	7	0	4	1 Total	125,316.50	125,316
Paint Curb (I)	2019	2024	5	0	4	1 Total	1,591.64	1,592
Sign: Wood Entry - Clean and Paint (I)	2018	2024	6	0	4	1 Total	313.74	314
Trim, Wood - Partial Replacement	2004	2024	25	-5	4	14,490 LF	4.30 @ 35%	21,807
Wood Decks - Coating Renewal	2019	2024	5	0	4	58 Each	1,204.83	69,880
Exterior Lights	2010	2025	15	0	5	210 Each	122.43	25,710
Trellis, Wood - Replacement	2004	2025	20	1	5	1 Total	25,412.85	25,413
Wood Fence Dividers - Partial Replacement	2014	2026	10	2	6	180 LF	35.82 @ 50%	3,224
Metal Guardrails - Partial Replacement	2010	2027	20	-3	7	440 LF	50.20 @ 25%	5,522
Doors and Door Frames - Replacement (I)	2003	2028	25	0	8	94 Each	612.17 @ 50%	28,772
Garage Doors Replacement	2003	2028	25	0	8	94 Each	1,224.33	115,087
Glass Sliding Doors - Replacement	2003	2028	25	0	8	94 Each	1,224.33	115,087
Doors and Door Frames - Replacement (II)	2003	2029	25	1	9	94 Each	612.17 @ 50%	28,772
Electrical Study	2004	2029	25	0	9	1 Total	10,768.91	10,769
Paint Curb (II)	2029	2029	5	0	9	1 Total	1,591.64	1,592
Plumbing Study	2004	2029	25	0	9	1 Total	10,768.91	10,769
Asphalt Overlay	2004	2030	25	1	10	70,250 SF	1.96	137,690
Sign - Replace	2004	2030	20	6	10	2 Each	2,448.70	4,897
Wood Decks With Coatings - Partial Repla..	2004	2030	25	1	10	58 Each	2,986.19 @ 50%	86,600
Sign Replace - Gordonite Entrance	2011	2031	20	0	11	1 Total	3,673.04	3,673
Decks With Coating: Metal Guardrails - P..	2010	2033	20	3	13	1,428 LF	50.20 @ 25%	17,921
Vinyl Siding - Replacement (I)	2003	2033	30	0	13	120,420 SF	6.46 @ 50%	388,957

**Sexton Place Condominiums  
Component Summary**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Vinyl Siding - Replacement (II)	2003	2034	30	1	14	120,420 SF	6.46 @ 50%	388,957
Asphalt Seal Coat (II)	2035	2035	5	0	15	1 Total	14,901.48	14,901
Chain Link Fence - Partial Replacement	2004	2035	30	1	15	1 Total	10,918.11	10,918
Windows Replacement (I)	2004	2035	25	6	15	775 Each	597.24 @ 25%	115,715
Mailboxes - Replacement	2004	2036	30	2	16	1 Total	12,549.56	12,550
Sign: Wood Entry - Clean and Paint (II)	2036	2036	6	0	16	1 Total	313.74	314
Vinyl Fence - Replace	2003	2036	30	3	16	1 Total	33,570.04	33,570
Windows Replacement (II)	2004	2036	25	7	16	775 Each	597.24 @ 25%	115,715
Windows Replacement (III)	2004	2037	25	8	17	775 Each	597.24 @ 25%	115,715
Windows Replacement (IV)	2004	2038	25	9	18	775 Each	597.24 @ 25%	115,715
Total Asset Summary								<u>\$2,910,992</u>

DRAFT

**Sexton Place Condominiums  
Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2020</b>	
Asphalt Seal Coat (I)	14,901
Barkdust - Renewal	7,880
Composition Roof - Phase 1	135,300
Gutters and Downspouts - Partial Replacement Phase 1	17,249
Insurance Deductible	10,000
Misc. Contingency	10,769
Plumbing Repair	5,519
Storm Water Retention Pond Maintenance	2,449
Treework - Pruning and Replacement	3,905
Wood Fence Dividers - Stained	3,175
<b>Total for 2020</b>	<b>\$211,147</b>
<b>Replacement Year 2021</b>	
Building Envelope Inspection	8,077
Composition Roof - Phase 2	138,682
Gutters and Downspouts - Partial Replacement Phase 2	17,680
Landscape Improvements	11,754
<b>Total for 2021</b>	<b>\$176,193</b>
<b>Replacement Year 2022</b>	
Barkdust - Renewal	8,279
Composition Roof - Phase 3	142,150
Gutters and Downspouts - Partial Replacement Phase 3	18,122
Treework - Pruning and Replacement	4,103
<b>Total for 2022</b>	<b>\$172,653</b>
<b>Replacement Year 2023</b>	
Composition Roof - Phase 4	145,703
Concrete - Partial Replacement	5,519
Gutters and Downspouts - Partial Replacement Phase 4	18,575
Irrigation System - Repairs	3,311
Wood Fence Dividers - Stained	3,419
<b>Total for 2023</b>	<b>\$176,528</b>
<b>Replacement Year 2024</b>	
Barkdust - Renewal	8,698

**Sexton Place Condominiums  
Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2024 continued...</i></b>	
Decks Wood - Replacement	67,572
Exterior: Paint	138,326
Paint Curb (I)	1,757
Sign: Wood Entry - Clean and Paint (I)	346
Treework - Pruning and Replacement	4,311
Trim, Wood - Partial Replacement	24,071
Wood Decks - Coating Renewal	77,135
<b>Total for 2024</b>	<b><u>\$322,215</u></b>
<b>Replacement Year 2025</b>	
Asphalt Seal Coat (I)	16,860
Exterior Lights	29,089
Plumbing Repair	6,244
Storm Water Retention Pond Maintenance	2,770
Trellis, Wood - Replacement	28,752
<b>Total for 2025</b>	<b><u>\$83,716</u></b>
<b>Replacement Year 2026</b>	
Barkdust - Renewal	9,138
Building Envelope Inspection	9,138
Landscape Improvements	13,298
Treework - Pruning and Replacement	4,529
Wood Fence Dividers - Partial Replacement	3,739
Wood Fence Dividers - Stained	3,682
<b>Total for 2026</b>	<b><u>\$43,524</u></b>
<b>Replacement Year 2027</b>	
Metal Guardrails - Partial Replacement	6,564
<b>Total for 2027</b>	<b><u>\$6,564</u></b>
<b>Replacement Year 2028</b>	
Barkdust - Renewal	9,601
Concrete - Partial Replacement	6,244
Doors and Door Frames - Replacement (I)	35,056
Garage Doors Replacement	140,222

**Sexton Place Condominiums  
Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2028 continued...</i></b>	
Glass Sliding Doors - Replacement	140,222
Irrigation System - Repairs	3,747
Treework - Pruning and Replacement	4,758
<b>Total for 2028</b>	<b>\$339,850</b>
<b>Replacement Year 2029</b>	
Doors and Door Frames - Replacement (II)	35,932
Electrical Study	13,449
Paint Curb (I)	1,988
Paint Curb (II)	1,988
Plumbing Study	13,449
Wood Decks - Coating Renewal	87,271
Wood Fence Dividers - Stained	3,965
<b>Total for 2029</b>	<b>\$158,042</b>
<b>Replacement Year 2030</b>	
Asphalt Overlay	176,255
Barkdust - Renewal	10,087
Plumbing Repair	7,065
Sign - Replace	6,269
Storm Water Retention Pond Maintenance	3,135
Treework - Pruning and Replacement	4,999
Wood Decks With Coatings - Partial Replacement	110,855
<b>Total for 2030</b>	<b>\$318,664</b>
<b>Replacement Year 2031</b>	
Building Envelope Inspection	10,339
Exterior: Paint	164,426
Landscape Improvements	15,046
Sign Replace - Gordonite Entrance	4,819
<b>Total for 2031</b>	<b>\$194,630</b>
<b>Replacement Year 2032</b>	
Barkdust - Renewal	10,597
Treework - Pruning and Replacement	5,252

**Sexton Place Condominiums  
Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2032 continued...</i></b>	
Wood Fence Dividers - Stained	4,270
<b>Total for 2032</b>	<b><u>\$20,120</u></b>
<b>Replacement Year 2033</b>	
Concrete - Partial Replacement	7,065
Decks With Coating: Metal Guardrails - Partial Replacement	24,705
Irrigation System - Repairs	4,239
Vinyl Siding - Replacement (I)	536,181
<b>Total for 2033</b>	<b><u>\$572,190</u></b>
<b>Replacement Year 2034</b>	
Barkdust - Renewal	11,134
Paint Curb (I)	2,249
Paint Curb (II)	2,249
Treework - Pruning and Replacement	5,518
Vinyl Siding - Replacement (II)	549,585
Wood Decks - Coating Renewal	98,739
<b>Total for 2034</b>	<b><u>\$669,474</u></b>
<b>Replacement Year 2035</b>	
Asphalt Seal Coat (II)	21,582
Chain Link Fence - Partial Replacement	15,813
Plumbing Repair	7,993
Storm Water Retention Pond Maintenance	3,546
Windows Replacement (I)	167,590
Wood Fence Dividers - Stained	4,599
<b>Total for 2035</b>	<b><u>\$221,123</u></b>
<b>Replacement Year 2036</b>	
Barkdust - Renewal	11,697
Building Envelope Inspection	11,697
Landscape Improvements	17,023
Mailboxes - Replacement	18,630
Sign: Wood Entry - Clean and Paint (II)	466
Treework - Pruning and Replacement	5,797

**Sexton Place Condominiums  
Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2036 continued...</i></b>	
Vinyl Fence - Replace	49,835
Windows Replacement (II)	171,780
Wood Fence Dividers - Partial Replacement	4,786
<b>Total for 2036</b>	<b><u>\$291,711</u></b>
<b>Replacement Year 2037</b>	
Windows Replacement (III)	176,074
<b>Total for 2037</b>	<b><u>\$176,074</u></b>
<b>Replacement Year 2038</b>	
Barkdust - Renewal	12,290
Concrete - Partial Replacement	7,993
Exterior: Paint	195,451
Irrigation System - Repairs	4,796
Treework - Pruning and Replacement	6,091
Windows Replacement (IV)	180,476
Wood Fence Dividers - Stained	4,952
<b>Total for 2038</b>	<b><u>\$412,049</u></b>
<b>Replacement Year 2039</b>	
Paint Curb (II)	2,544
Wood Decks - Coating Renewal	111,714
<b>Total for 2039</b>	<b><u>\$114,258</u></b>
<b>Replacement Year 2040</b>	
Asphalt Seal Coat (II)	24,418
Barkdust - Renewal	12,912
Composition Roof - Phase 1	221,705
Exterior Lights	42,129
Gutters and Downspouts - Partial Replacement Phase 1	28,264
Plumbing Repair	9,044
Storm Water Retention Pond Maintenance	4,012
Treework - Pruning and Replacement	6,399
<b>Total for 2040</b>	<b><u>\$348,884</u></b>



**Sexton Place Condominiums  
Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2041</b>	
Building Envelope Inspection	13,235
Composition Roof - Phase 2	227,247
Gutters and Downspouts - Partial Replacement Phase 2	28,971
Landscape Improvements	19,260
Wood Fence Dividers - Stained	5,333
<b>Total for 2041</b>	<b>\$294,046</b>
<b>Replacement Year 2042</b>	
Barkdust - Renewal	13,565
Composition Roof - Phase 3	232,929
Gutters and Downspouts - Partial Replacement Phase 3	29,695
Sign: Wood Entry - Clean and Paint (II)	540
Treework - Pruning and Replacement	6,723
<b>Total for 2042</b>	<b>\$283,453</b>
<b>Replacement Year 2043</b>	
Composition Roof - Phase 4	238,752
Concrete - Partial Replacement	9,044
Gutters and Downspouts - Partial Replacement Phase 4	30,438
Irrigation System - Repairs	5,426
<b>Total for 2043</b>	<b>\$283,659</b>
<b>Replacement Year 2044</b>	
Barkdust - Renewal	14,252
Decks Wood - Replacement	110,724
Paint Curb (II)	2,879
Treework - Pruning and Replacement	7,064
Wood Decks - Coating Renewal	126,394
Wood Fence Dividers - Stained	5,743
<b>Total for 2044</b>	<b>\$267,056</b>
<b>Replacement Year 2045</b>	
Asphalt Seal Coat (II)	27,627
Exterior: Paint	232,330
Plumbing Repair	10,232

**Sexton Place Condominiums  
Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2045 continued...</i></b>	
Storm Water Retention Pond Maintenance	4,540
Trellis, Wood - Replacement	47,114
<b>Total for 2045</b>	<b><u>\$321,842</u></b>
<b>Replacement Year 2046</b>	
Barkdust - Renewal	14,974
Building Envelope Inspection	14,974
Landscape Improvements	21,791
Treework - Pruning and Replacement	7,421
Wood Fence Dividers - Partial Replacement	6,126
<b>Total for 2046</b>	<b><u>\$65,285</u></b>
<b>Replacement Year 2047</b>	
Metal Guardrails - Partial Replacement	10,756
Wood Fence Dividers - Stained	6,185
<b>Total for 2047</b>	<b><u>\$16,940</u></b>
<b>Replacement Year 2048</b>	
Barkdust - Renewal	15,732
Concrete - Partial Replacement	10,232
Irrigation System - Repairs	6,139
Sign: Wood Entry - Clean and Paint (II)	626
Treework - Pruning and Replacement	7,797
<b>Total for 2048</b>	<b><u>\$40,526</u></b>
<b>Replacement Year 2049</b>	
Paint Curb (II)	3,257
Trim, Wood - Partial Replacement	44,627
Wood Decks - Coating Renewal	143,003
<b>Total for 2049</b>	<b><u>\$190,887</u></b>

**Sexton Place Condominiums  
Detail Report**

<b>Asphalt Overlay</b>		70,250 SF	@ \$1.96
Asset ID	1014	Asset Cost	\$137,690.00
	Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$176,254.84
Placed in Service	January 2004		
Useful Life	25		
Adjustment	1		
Replacement Year	2030		
Remaining Life	10		

This provision provides funding to overlay the asphalt areas.

According to the Association, there is 70,250 square feet of asphalt with a useful life of 25 years.

According to the Association, the asphalt was seal coated in 2010.

The cost is based on a per square foot estimate provided by Coast Pavement Services, Inc.

The Association will need to obtain bids for this work.

<b>Asphalt Seal Coat (I)</b>		1 Total	@ \$14,901.48
Asset ID	1015	Asset Cost	\$14,901.48
	Non-Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$14,901.48
Placed in Service	June 2015		
Useful Life	5		
Replacement Year	2020		
Remaining Life	0		

This provision provides funding to seal coat the asphalt areas in 2020, and 2025. Seal coating will not be required in 2030 due to the overlay procedure scheduled for 2029.

According to the Association, there is 70,250 square feet of asphalt with a useful life of 25 years.

According to the Association, the asphalt was seal coated in 2010 for \$11,750.

**Sexton Place Condominiums  
Detail Report**

<b>Asphalt Seal Coat (II)</b>		1 Total	@ \$14,901.48
Asset ID	1032	Asset Cost	\$14,901.48
	Non-Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$21,581.79
Placed in Service	January 2035		
Useful Life	5		
Replacement Year	2035		
Remaining Life	15		

This provision provides funding to seal coat the asphalt areas in 2034 after the overlay procedure scheduled for 2029.

According to the Association, there is 70,250 square feet of asphalt with a useful life of 25 years.

The cost is based on actual expenses occurred in 2010 for \$11,750.

The Association will need to obtain bids for this work.

<b>Barkdust - Renewal</b>		1 Total	@ \$7,879.69
Asset ID	1001	Asset Cost	\$7,879.69
	Non-Capital	Percent Replacement	100%
	Grounds Components	Future Cost	\$7,879.69
Placed in Service	June 2017		
Useful Life	2		
Adjustment	1		
Replacement Year	2020		
Remaining Life	0		

This provision provides funding to renew barkdust throughout the property.

According to the Association, the landscaping areas are maintained by Willamette Landscaping. Barkdust was renewed in 2010, and will occur every 2 years.

The Association revised a bid of \$5,500 from Rexius in 2012 for this service.

**Sexton Place Condominiums  
Detail Report**

<b>Building Envelope Inspection</b>		1 Total	@ \$7,879.69
Asset ID	1067	Asset Cost	\$7,879.69
	Non-Capital	Percent Replacement	100%
	Inspections	Future Cost	\$8,076.68
Placed in Service	January 2004		
Useful Life	5		
Adjustment	12		
Replacement Year	2021		
Remaining Life	1		

This provision is for a building envelope inspection. Generally the life of the building envelope is greater than 30 years. We recommend the Association perform an inspection to determine the current condition of the system. Once the condition is known the reserve study should be updated.

Industry specialists recommend a building envelope inspection every 3-5 years.

<b>Chain Link Fence - Partial Replacement</b>		1 Total	@ \$10,918.11
Asset ID	1005	Asset Cost	\$10,918.11
	Non-Capital	Percent Replacement	100%
	Fencing/Security	Future Cost	\$15,812.68
Placed in Service	January 2004		
Useful Life	30		
Adjustment	1		
Replacement Year	2035		
Remaining Life	15		

This provision provides funding to partially replace the chain link fence. Partial replacement is based on the expectation that most fencing will be in good enough condition that a full replacement is not needed.

According to the Association, there is 710 linear feet of the chain link fence, a cost of \$8,700, and a useful life of 30 years.

The Association will need to obtain bids for this work.

**Sexton Place Condominiums  
Detail Report**

**Composition Roof - Phase 1**

		880 SQ	@ \$615.00
Asset ID	1016	Asset Cost	\$135,300.00
	Capital Roofing	Percent Replacement	25%
	Placed in Service January 2004	Future Cost	\$135,300.00
Useful Life	20		
Adjustment	-4		
Replacement Year	2020		
Remaining Life	0		

This provision provides funding to replace the composition roof.

According to the Association, there is 880 squares of roofing.

The Association provided that the roofs were repaired in 2010 and in 2019.

The cost is based on a per square estimate provided by local vendors.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

According to the Association, the roof vents were replaced in 2013.

The Association will need to obtain bids for this work.

According to the Association, the roofs will be replace in four phases beginning in 2020. At the time of our report dated September 2, 2019, the Association was in the process of obtaining bids. The price will be updated once bids are available.

**Composition Roof - Phase 2**

		880 SQ	@ \$615.00
Asset ID	1071	Asset Cost	\$135,300.00
	Capital Roofing	Percent Replacement	25%
	Placed in Service January 2004	Future Cost	\$138,682.50
Useful Life	20		
Adjustment	-3		
Replacement Year	2021		
Remaining Life	1		

This provision provides funding to replace the composition roof.

According to the Association, there is 880 squares of roofing.

The Association provided that the roofs were repaired in 2010 and in 2019.

**Sexton Place Condominiums  
Detail Report**

*Composition Roof - Phase 2 continued...*

The cost is based on a per square estimate provided by local vendors.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

According to the Association, the roof vents were replaced in 2013.

The Association will need to obtain bids for this work.

According to the Association, the roofs will be replace in four phases beginning in 2020. At the time of our report dated September 2, 2019, the Association was in the process of obtaining bids. The price will be updated once bids are available.

Composition Roof - Phase 3				
Asset ID	1072	880 SQ	@ \$615.00	
	Capital	Asset Cost	\$135,300.00	
	Roofing	Percent Replacement	25%	
Placed in Service	January 2004	Future Cost	\$142,149.56	
Useful Life	20			
Adjustment	-2			
Replacement Year	2022			
Remaining Life	2			

This provision provides funding to replace the composition roof.

According to the Association, there is 880 squares of roofing.

The Association provided that the roofs were repaired in 2010 and in 2019.

The cost is based on a per square estimate provided by local vendors.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

According to the Association, the roof vents were replaced in 2013.

The Association will need to obtain bids for this work.

According to the Association, the roofs will be replace in four phases beginning in 2020. At the time of our report dated September 2, 2019, the Association was in the process of obtaining bids. The price will be updated once bids are available.

**Sexton Place Condominiums  
Detail Report**

<b>Composition Roof - Phase 4</b>		880 SQ	@ \$615.00
Asset ID	1073	Asset Cost	\$135,300.00
	Capital Roofing	Percent Replacement	25%
Placed in Service	January 2004	Future Cost	\$145,703.30
Useful Life	20		
Adjustment	-1		
Replacement Year	2023		
Remaining Life	3		

This provision provides funding to replace the composition roof.

According to the Association, there is 880 squares of roofing.

The Association provided that the roofs were repaired in 2010 and in 2019.

The cost is based on a per square estimate provided by local vendors.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

According to the Association, the roof vents were replaced in 2013.

The Association will need to obtain bids for this work.

According to the Association, the roofs will be replace in four phases beginning in 2020. At the time of our report dated September 2, 2019, the Association was in the process of obtaining bids. The price will be updated once bids are available.

<b>Concrete - Partial Replacement</b>		1 Total	@ \$5,125.00
Asset ID	1002	Asset Cost	\$5,125.00
	Non-Capital Grounds Components	Percent Replacement	100%
Placed in Service	January 2018	Future Cost	\$5,519.06
Useful Life	5		
Replacement Year	2023		
Remaining Life	3		

This provision provides funding to partially replace the concrete entries to units, the concrete sidewalks within the property, and the city sidewalks. Partial replacement is based on the expectation that most concrete will be in good enough condition that a full replacement is not needed.

Schwindt & Company estimated 24,490 square feet of concrete.



**Sexton Place Condominiums  
Detail Report**

*Concrete - Partial Replacement continued...*

According to the Association, there is a useful life of 5 years and a cost of \$5,000.

In 2018, the Association spent \$2,000 on concrete repairs.

The Association will need to obtain bids for this work.

**Decks With Coating: Metal Guardrails - Partial Replacement**

		1,428 LF	@ \$50.20
Asset ID	1056	Asset Cost	\$17,921.40
	Non-Capital	Percent Replacement	25%
	Building Components	Future Cost	\$24,704.85
Placed in Service	January 2010		
Useful Life	20		
Adjustment	3		
Replacement Year	2033		
Remaining Life	13		

This provision provides funding to partially replace the metal guardrails on the decks which have the coating membrane. Partial replacement is based on the expectation that most railings will be in good enough condition that a full replacement is not needed.

Schwindt & Company estimated 1,428 linear feet of railings. During Schwindt & Company's 2011 site visit, the railings appear to be painted.

In 2011, the Association provided that the railings were repaired in 2010 as part of the construction defect repairs.

The cost is based on a per linear foot estimate provided by the Portland Fence Company.

The useful life of this component is scheduled to occur with the deck replacement.

The Association will need to obtain bids for this work.

**Decks Wood - Replacement**

		20 Each	@ \$3,060.84
Asset ID	1046	Asset Cost	\$61,216.80
	Capital	Percent Replacement	100%
	Building Components	Future Cost	\$67,571.89
Placed in Service	January 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	4		

This provision provides funding to replace the wood decks which do not have the coating

**Sexton Place Condominiums  
Detail Report**

*Decks Wood - Replacement continued...*

membrane.

According to the association, there is 800 square feet of the wood decks and a useful life of 20 years.

The cost is based on a per deck estimate provided by Rick's Custom Fencing and Decking. The Association will need to obtain bids for this work.

**Doors and Door Frames - Replacement (I)**

		94 Each	@ \$612.17
Asset ID	1035	Asset Cost	\$28,771.99
	Capital	Percent Replacement	50%
	Doors and Windows	Future Cost	\$35,055.88
Placed in Service	January 2003		
Useful Life	25		
Replacement Year	2028		
Remaining Life	8		

This provision provides funding to replace 50% of the doors and door frames in 2028. The doors are scheduled to be replaced in 2 phases.

Schwindt & Company counted 94 doors; one for each unit.

In 2011, doors and windows were repaired as part of the construction defect repairs for a total cost of \$77,650. This information was provided by the Association.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Doors and Door Frames - Replacement (II)**

		94 Each	@ \$612.17
Asset ID	1039	Asset Cost	\$28,771.99
	Capital	Percent Replacement	50%
	Doors and Windows	Future Cost	\$35,932.27
Placed in Service	January 2003		
Useful Life	25		
Adjustment	1		
Replacement Year	2029		
Remaining Life	9		

This provision provides funding to replace 50% of the doors and door frames in 2029. The

**Sexton Place Condominiums  
Detail Report**

*Doors and Door Frames - Replacement (II) continued...*

doors are scheduled to be replaced in 2 phases.

Schwindt & Company counted 94 doors; one for each unit.

In 2011, doors and windows were repaired as part of the construction defect repairs for a total cost of \$77,650. This information was provided by the Association.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Electrical Study**

			1 Total @ \$10,768.91
Asset ID	1069	Asset Cost	\$10,768.91
	Non-Capital	Percent Replacement	100%
	Inspections	Future Cost	\$13,448.89
Placed in Service	January 2004		
Useful Life	25		
Replacement Year	2029		
Remaining Life	9		

This provision is for an electrical inspection. Generally the life of the electrical system is greater than 30 years. We recommend the Association perform an inspection to determine the current condition of the system. Once the condition is known the reserve study should be updated.

**Exterior Lights**

			210 Each @ \$122.43
Asset ID	1011	Asset Cost	\$25,710.30
	Capital	Percent Replacement	100%
	Lighting	Future Cost	\$29,088.84
Placed in Service	May 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	5		

This provision provides funding to replace the exterior lighting fixtures. This component includes lights at the garages, front entries, decks, and patios.

According to the Association, there is an estimate of 210 lights.

According to the Association, electrical work was completed in 2010 as part of the

**Sexton Place Condominiums  
Detail Report**

*Exterior Lights continued...*

construction defect repairs for \$21,665.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

Exterior: Paint				
Asset ID	1065	1 Total	@	\$125,316.50
	Non-Capital	Asset Cost		\$125,316.50
	Painting	Percent Replacement		100%
Placed in Service	January 2017	Future Cost		\$138,325.97
Useful Life	7			
Replacement Year	2024			
Remaining Life	4			

This provision provides funding to painting of the exterior building items. This includes the trim, doors, garage doors, and metal guardrails.

Schwindt & Company estimated 14,490 linear feet of trim.

According to the Association, a partial painting was done in 2015 for \$17,444. In 2016 the remaining items were painted at a cost of \$105,900. This component assumes future work is done at the same time.

In 2017, the Association spent \$122,260 on painting.

According to Ken, the cost includes power washing all trim and metal rails on 17 building to remove dirt and fungus. Spray fungus with a Jomax, bleach and water the solution prior to power washing to kill fungus spores. Scrape off all loose paint on trim and existing trellises. Sand all scraped paint on trim and existing trellises. Primer bare wood and stains with an exterior latex primer/sealer. Brush and roll all wood trellises with one coat of Sherwin Williams Duration exterior paint. Brush and roll all wood fascia boards barge boards, window trim, door frames and all other wood trim on building including eaves and soffits. This quote does not include metal gutters, downspouts, rails, and doors.

**Sexton Place Condominiums  
Detail Report**

**Garage Doors Replacement**

		94 Each	@ \$1,224.33
Asset ID	1033	Asset Cost	\$115,087.02
	Capital	Percent Replacement	100%
	Doors and Windows	Future Cost	\$140,222.36
Placed in Service	January 2003		
Useful Life	25		
Replacement Year	2028		
Remaining Life	8		

This provision provides funding to replace the garage doors

Schwindt & Company counted approximately 94 garage doors; one for each unit.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Glass Sliding Doors - Replacement**

		94 Each	@ \$1,224.33
Asset ID	1034	Asset Cost	\$115,087.02
	Capital	Percent Replacement	100%
	Doors and Windows	Future Cost	\$140,222.36
Placed in Service	January 2003		
Useful Life	25		
Replacement Year	2028		
Remaining Life	8		

This provision provides funding to replace the glass sliding doors.

Schwindt & Company counted 94 glass sliding doors.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Sexton Place Condominiums  
Detail Report**

**Gutters and Downspouts - Partial Replacement Phase 1**

		9,400 LF	@ \$7.34
Asset ID	1017	Asset Cost	\$17,249.00
	Non-Capital	Percent Replacement	25%
	Building Components	Future Cost	\$17,249.00
Placed in Service	January 2004		
Useful Life	20		
Adjustment	-4		
Replacement Year	2020		
Remaining Life	0		

This provision provides funding to partially replace the gutters and downspouts. Partial replacement is based on the expectation that most gutters and downspouts will be in good enough condition that a full replacement is not needed.

According to the Association, the gutters and downspouts were repaired in 2010. The repairs cost \$5,605.

According to the Association, there is 9,400 linear feet of gutters and downspouts.

The cost is based on a per linear feet estimate provided by Great Northwest Gutters.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator, and is scheduled to occur with the roof replacement.

The Association will need to obtain bids for this work.

**Gutters and Downspouts - Partial Replacement Phase 2**

		9,400 LF	@ \$7.34
Asset ID	1074	Asset Cost	\$17,249.00
	Non-Capital	Percent Replacement	25%
	Building Components	Future Cost	\$17,680.22
Placed in Service	January 2004		
Useful Life	20		
Adjustment	-3		
Replacement Year	2021		
Remaining Life	1		

This provision provides funding to partially replace the gutters and downspouts. Partial replacement is based on the expectation that most gutters and downspouts will be in good enough condition that a full replacement is not needed.

According to the Association, the gutters and downspouts were repaired in 2010. The repairs cost \$5,605.

**Sexton Place Condominiums  
Detail Report**

*Gutters and Downspouts - Partial Replacement Phase 2 continued...*

According to the Association, there is 9,400 linear feet of gutters and downspouts.

The cost is based on a per linear feet estimate provided by Great Northwest Gutters.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator, and is scheduled to occur with the roof replacement.

The Association will need to obtain bids for this work.

**Gutters and Downspouts - Partial Replacement Phase 3**

		9,400 LF	@ \$7.34
Asset ID	1075	Asset Cost	\$17,249.00
	Non-Capital	Percent Replacement	25%
	Building Components	Future Cost	\$18,122.23
Placed in Service	January 2004		
Useful Life	20		
Adjustment	-2		
Replacement Year	2022		
Remaining Life	2		

This provision provides funding to partially replace the gutters and downspouts. Partial replacement is based on the expectation that most gutters and downspouts will be in good enough condition that a full replacement is not needed.

According to the Association, the gutters and downspouts were repaired in 2010. The repairs cost \$5,605.

According to the Association, there is 9,400 linear feet of gutters and downspouts.

The cost is based on a per linear feet estimate provided by Great Northwest Gutters.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator, and is scheduled to occur with the roof replacement.

The Association will need to obtain bids for this work.

**Sexton Place Condominiums  
Detail Report**

**Gutters and Downspouts - Partial Replacement Phase 4**

		9,400 LF	@ \$7.34
Asset ID	1076	Asset Cost	\$17,249.00
	Non-Capital	Percent Replacement	25%
	Building Components	Future Cost	\$18,575.29
Placed in Service	January 2004		
Useful Life	20		
Adjustment	-1		
Replacement Year	2023		
Remaining Life	3		

This provision provides funding to partially replace the gutters and downspouts. Partial replacement is based on the expectation that most gutters and downspouts will be in good enough condition that a full replacement is not needed.

According to the Association, the gutters and downspouts were repaired in 2010. The repairs cost \$5,605.

According to the Association, there is 9,400 linear feet of gutters and downspouts.

The cost is based on a per linear feet estimate provided by Great Northwest Gutters.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator, and is scheduled to occur with the roof replacement.

The Association will need to obtain bids for this work.

**Insurance Deductible**

		1 Total	@ \$10,000.00
Asset ID	1009	Asset Cost	\$10,000.00
	Non-Capital	Percent Replacement	100%
	Contingency	Future Cost	\$10,000.00
Placed in Service	January 2019		
Useful Life	1		
Replacement Year	2020		
Remaining Life	0		

This provision provides funding for the insurance deductible in the event of a claim.

Many Associations include the insurance deductible in the reserve study as a component. Generally this amount is \$10,000 but can vary based on insurance coverages.

The insurance deductible component is only included as an expenditure in the first year of the study. This expenditure is not listed again during the 30 year cash flow projection.

Boards have asked if the inclusion of an insurance deductible in the study as a component can increase



**Sexton Place Condominiums  
Detail Report**

*Insurance Deductible continued...*

the suggested annual reserve contribution. As long as the Association has a threshold amount of greater than \$10,000 in the reserve study as a contingency in the first year of the study, the inclusion of the insurance deductible should not affect the suggested reserve contribution. In other words, if the cash flow projection shows an amount greater than \$10,000 as a contingency balance in the reserve cash flow model without the insurance deductible, the inclusion of the insurance component should not affect the suggested reserve contribution.

<b>Irrigation System - Repairs</b>		1 Total @ \$3,075.00
Asset ID	1020	Asset Cost \$3,075.00
	Non-Capital	Percent Replacement 100%
	Grounds Components	Future Cost \$3,311.44
Placed in Service	January 2018	
Useful Life	5	
Replacement Year	2023	
Remaining Life	3	

This provision provides funding to repair and upgrade the irrigation system.

In 2011, Dan Herzing of Willamette Landscaping provided an estimated cost of \$3,000 and a useful life of 5 years for repairs to the irrigation system. In 2012 Willamette forecasted \$2,000 of repairs for the year.

In 2018, the Association spent \$3,000 on irrigation repairs.

<b>Landscape Improvements</b>		1 Total @ \$11,467.04
Asset ID	1010	Asset Cost \$11,467.04
	Non-Capital	Percent Replacement 100%
	Grounds Components	Future Cost \$11,753.72
Placed in Service	April 2011	
Useful Life	5	
Adjustment	5	
Replacement Year	2021	
Remaining Life	1	

This provision provides funding for landscape improvements.

The Association's 2010 reserve study performed by Regenesys provided a useful life of 5 years.

**Sexton Place Condominiums  
Detail Report**

*Landscape Improvements continued...*

According to the Association, landscape improvements were done in April 2010 for \$7,837.

According to the Association, the landscaping area is maintained by Willamette Landscape Services, Inc. A bid was obtained in 2011 for \$9,600 to install more plants to the front entrance, utility areas, breezeways, and the upper entry area.

The Association plans to perform landscape improvements with barkdust in 2019.

<b>Mailboxes - Replacement</b>			
Asset ID	1012	1 Total	@ \$12,549.56
	Capital	Asset Cost	\$12,549.56
	Mailboxes	Percent Replacement	100%
	Placed in Service	Future Cost	\$18,629.89
	Useful Life		
	Adjustment		
	Replacement Year		
	Remaining Life		

This provision provides funding to replace the mailboxes.

According to the Association, there is a cost of \$10,000, a useful life of 30 years, and the following information regarding the mailboxes:

- Four 16-mail slots and 2 parcel pedestal units
- Four 12-mail slots and 1 and parcel pedestal units

<b>Metal Guardrails - Partial Replacement</b>			
Asset ID	1027	440 LF	@ \$50.20
	Non-Capital	Asset Cost	\$5,522.00
	Building Components	Percent Replacement	25%
	Placed in Service	Future Cost	\$6,563.92
	Useful Life		
	Adjustment		
	Replacement Year		
	Remaining Life		

This provision provides funding to partially replace the metal guardrails on the decks that do not have the coating membrane. Partial replacement is based on the expectation that most railings will be in good enough condition that a full replacement is not needed.

**Sexton Place Condominiums  
Detail Report**

*Metal Guardrails - Partial Replacement continued...*

Schwindt & Company estimated 440 linear feet of railings.

In 2011, the Association provided that the railings were repaired in 2010 as part of the construction defect repairs.

The cost is based on a per linear foot estimate provided by the Portland Fence Company.

The useful life assumption is based on estimate established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

<b>Misc. Contingency</b>			1 Total	@ \$10,768.91
Asset ID	1064		Asset Cost	\$10,768.91
	Non-Capital		Percent Replacement	100%
	Contingency		Future Cost	\$10,768.91
Placed in Service	January 2014			
Useful Life	1			
Replacement Year	2020			
Remaining Life	0			

This provision is a contingency for any miscellaneous expenses that occur.

<b>Paint Curb (I)</b>			1 Total	@ \$1,591.64
Asset ID	1055		Asset Cost	\$1,591.64
	Non-Capital		Percent Replacement	100%
	Painting		Future Cost	\$1,756.87
Placed in Service	January 2019			
Useful Life	5			
Replacement Year	2024			
Remaining Life	4			

This provision provides funding to paint the curb at the same time the asphalt is seal coated or overlaid.

In 2011, Ed of Pacific Paving Partners provided a cost of \$1,300 to paint the curb.

The Association will need to obtain bids for this work.

The Association painted curbs in 2019.

**Sexton Place Condominiums  
Detail Report**

**Paint Curb (II)**

		1 Total	@ \$1,591.64
Asset ID	1057	Asset Cost	\$1,591.64
	Non-Capital	Percent Replacement	100%
	Painting	Future Cost	\$1,987.74
Placed in Service	January 2029		
Useful Life	5		
Replacement Year	2029		
Remaining Life	9		

This provision provides funding to paint the curb at the same time the asphalt is seal coated or overlaid.

In 2011, Ed of Pacific Paving Partners provided a cost of \$1,300 to paint the curb.

The Association will need to obtain bids for this work.

**Plumbing Repair**

		1 Total	@ \$5,519.06
Asset ID	1066	Asset Cost	\$5,519.06
	Non-Capital	Percent Replacement	100%
	Building Components	Future Cost	\$5,519.06
Placed in Service	January 2015		
Useful Life	5		
Replacement Year	2020		
Remaining Life	0		

This provision is a contingency for plumbing repairs which may be needed.

**Plumbing Study**

		1 Total	@ \$10,768.91
Asset ID	1068	Asset Cost	\$10,768.91
	Non-Capital	Percent Replacement	100%
	Inspections	Future Cost	\$13,448.89
Placed in Service	January 2004		
Useful Life	25		
Replacement Year	2029		
Remaining Life	9		

This provision is for a plumbing inspection, including water supply and sewer system. Generally the life of the plumbing system is greater than 30 years. We recommend the Association perform an inspection to determine the current condition of the system. Once the condition is known the reserve study should be updated.

**Sexton Place Condominiums  
Detail Report**

**Sign - Replace**

		2 Each	@ \$2,448.70
Asset ID	1018	Asset Cost	\$4,897.40
	Capital	Percent Replacement	100%
	Grounds Components	Future Cost	\$6,269.09
Placed in Service	January 2004		
Useful Life	20		
Adjustment	6		
Replacement Year	2030		
Remaining Life	10		

This provision provides funding to replace the Association sign, "Sexton Place" at one of the entrances and the "No Trespassing" sign.

Shelly Wells of Fast Signs provided an estimated cost of \$2,000 each to replace the sign.

The Association's prior reserve study performed by Regensis provided a useful life of 20 years.

The Association will need to obtain a bid for this work.

**Sign Replace - Gordonite Entrance**

		1 Total	@ \$3,673.04
Asset ID	1031	Asset Cost	\$3,673.04
	Capital	Percent Replacement	100%
	Grounds Components	Future Cost	\$4,819.35
Placed in Service	September 2011		
Useful Life	20		
Replacement Year	2031		
Remaining Life	11		

This provision provides funding to replace the Association sign that will be installed in 2011 at the Gordonite entrance.

Shelly Wells of Fast Signs provided an estimated cost of \$3,000 to replace the sign.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain a bid for this work.

**Sexton Place Condominiums  
Detail Report**

<b>Sign: Wood Entry - Clean and Paint (I)</b>		1 Total Asset Cost Percent Replacement Future Cost	@ \$313.74 \$313.74 100% \$346.31
Asset ID	1019		
	Non-Capital Painting		
Placed in Service	January 2018		
Useful Life	6		
Replacement Year	2024		
Remaining Life	4		

This provision provides funding to paint and clean the Association sign, "Sexton Place" at one of the entrances. This component will not occur in 2024 because the sign is scheduled to be replaced.

According to the Association, the sign is painted and measures 36" x 48" on two 4" x 4" pressure treated posts. A cost of \$250 and a useful life of 6 years were provided by the Association.

The Association opted to not paint the sign in 2013.

According to the Association, completed by Verhaalen Painting, Inc. for no charge.

The Association will need to obtain bids for this work.

<b>Sign: Wood Entry - Clean and Paint (II)</b>		1 Total Asset Cost Percent Replacement Future Cost	@ \$313.74 \$313.74 100% \$465.75
Asset ID	1050		
	Non-Capital Painting		
Placed in Service	January 2036		
Useful Life	6		
Replacement Year	2036		
Remaining Life	16		

This provision provides funding to paint and clean the Association sign, "Sexton Place" at one of the entrances. This component is scheduled to occur after the replacement of the sign.

According to the Association, the sign is painted and measures 36" x 48" on two 4" x 4" pressure treated posts. A cost of \$250 and a useful life of 6 years were provided by the Association.

The Association will need to obtain bids for this work.

**Sexton Place Condominiums  
Detail Report**

**Storm Water Retention Pond Maintenance**

			1 Total @ \$2,448.70
Asset ID	1021	Asset Cost	\$2,448.70
	Non-Capital	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,448.70
Placed in Service	August 2010		
Useful Life	5		
Adjustment	1		
Replacement Year	2020		
Remaining Life	0		

This provision provides funding for maintenance to the storm water retention pond. During Schwindt & Company's 2011 site visit, there are 3 storm water retention ponds. Dan Herzing of Willamette Landscape recommended a cost of \$2,000 to clean out grates or removal of a minimum amount of sediments by the inlets and outlets in 5 years. According to the Association, a cost of \$2,573 was spent for retention pond maintenance in 2010. The Association will need to obtain bids for this work.

**Treework - Pruning and Replacement**

			1 Total @ \$3,905.25
Asset ID	1022	Asset Cost	\$3,905.25
	Non-Capital	Percent Replacement	100%
	Grounds Components	Future Cost	\$3,905.25
Placed in Service	January 2018		
Useful Life	2		
Replacement Year	2020		
Remaining Life	0		

This provision provides funding to prune trees that are over 15 feet tall and/or replace trees that were planted in inappropriate places. According to the Association, the landscaping is maintained by Willamette Landscaping. The Association provided the following tree count:

- Interior Trees: Cherry, Cedars, Tulip, Oak, Maple, Lindens, Sequoia, Hornbeam, Katsura – 239 total
- Perimeter Street Maples: 61 total
- Gordonite Hillside Trees: Cedar, Pine, Fir Mix – 72 total

Dan Herzing of Willamette landscaping provided an estimated cost of \$5,000 for tree pruning

**Sexton Place Condominiums  
Detail Report**

*Treework - Pruning and Replacement continued...*

and \$2,000 for tree replacement every 5 years if needed. The total cost for this expense is \$7,000.

In 2016, the Association spent \$1,500 on removal of 2 trees and \$1,000 for replacement.

This has been changed to \$5,000 every 3 years.

In 2018, the Association spent \$3,810 on arbor work.

**Trellis, Wood - Replacement**

			1 Total	@ \$25,412.85
Asset ID	1023		Asset Cost	\$25,412.85
	Capital		Percent Replacement	100%
	Building Components		Future Cost	\$28,752.31
Placed in Service	January 2004			
Useful Life	20			
Adjustment	1			
Replacement Year	2025			
Remaining Life	5			

This provision provides funding to replace the wood trellises located at some of the unit decks and unit entrances.

According to the Association, there is a useful life of 20 years, a total cost of \$20,250, and the following information regarding the trellises:

- 18 trellises located on the 2nd story decks
- 18 trellises located at some of the unit entrances

During Schwindt & Company's 2011 site visit, the trellises appear to be painted.

The Association will need to obtain bids for this work.

In 2017 the Association spent \$11,275 for repairs.



**Sexton Place Condominiums  
Detail Report**

<b>Trim, Wood - Partial Replacement</b>		14,490 LF	@ \$4.30
Asset ID	1054	Asset Cost	\$21,807.45
	Non-Capital	Percent Replacement	35%
	Building Components	Future Cost	\$24,071.34
Placed in Service	January 2004		
Useful Life	25		
Adjustment	-5		
Replacement Year	2024		
Remaining Life	4		

This provision provides funding to partially replace the wood trim. Partial replacement is based on the expectation that most trim will be in good enough condition that a full replacement is not needed.

Schwindt & Company estimated 14,490 linear feet of wood trim.

The cost is based on a per linear foot estimate provided by Clow Roofing and Siding.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

<b>Vinyl Fence - Replace</b>		1 Total	@ \$33,570.04
Asset ID	1007	Asset Cost	\$33,570.04
	Capital	Percent Replacement	100%
	Fencing/Security	Future Cost	\$49,834.91
Placed in Service	January 2003		
Useful Life	30		
Adjustment	3		
Replacement Year	2036		
Remaining Life	16		

This provision provides funding for the replacement of the vinyl fence.

According to the Association, there is 225 linear feet of the 6' fence and 1,000 linear feet of the 3' solid vinyl fence, and a cost of \$26,750.

According to the Association, the fence is power washed with funds from the operating budget.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Sexton Place Condominiums  
Detail Report**

<b>Vinyl Siding - Replacement (I)</b>		120,420 SF	@ \$6.46
Asset ID	1029	Asset Cost	\$388,956.60
	Capital	Percent Replacement	50%
	Building Components	Future Cost	\$536,180.97
Placed in Service	January 2003		
Useful Life	30		
Replacement Year	2033		
Remaining Life	13		

This provision provides funding to replace the vinyl siding. Replacement of the siding is scheduled to occur in 2 phases. This component funds for 50% replacement in 2033.

Schwindt & Company estimated 120,420 square feet of siding.

In 2010, siding was repaired due to construction defects. The cost of this repair was \$579,059. During Schwindt & Company's 2011 site visit, we were advised that there is vinyl siding defect referred as "oil canning" at Building 14695, on the North facing wall. The Association is working with SD Deacon to get in touch with the manufacturer to determine if this defect be covered under warranty. This expense will need to be included in the reserve study if it is determined that the Association will have to use reserve funds for this repair.

The cost is based on a per square foot estimate provided by Clow Roofing and Siding.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

According to the Association, the siding is power washed annually with funds from the operating budget.

The Association will need to obtain bids for this work.

<b>Vinyl Siding - Replacement (II)</b>		120,420 SF	@ \$6.46
Asset ID	1053	Asset Cost	\$388,956.60
	Capital	Percent Replacement	50%
	Building Components	Future Cost	\$549,585.49
Placed in Service	January 2003		
Useful Life	30		
Adjustment	1		
Replacement Year	2034		
Remaining Life	14		

This provision provides funding to replace the vinyl siding. Replacement of the siding is scheduled to occur in 2 phases. This component funds for 50% replacement in 2034.

Schwindt & Company estimated 120,420 square feet of siding.

**Sexton Place Condominiums  
Detail Report**

*Vinyl Siding - Replacement (II) continued...*

In 2010, siding was repaired due to construction defects. The cost of this repair was \$579,059. During Schwindt & Company's 2011 site visit, we were advised that there is vinyl siding defect referred as "oil canning" at Building 14695, on the North facing wall. The Association is working with SD Deacon to get in touch with the manufacturer to determine if this defect be covered under warranty. This expense will need to be included in the reserve study if it is determined that the Association will have to use reserve funds for this repair.

The cost is based on a per square foot estimate provided by Clow Roofing and Siding.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

According to the Association, the siding is power washed annually with funds from the operating budget.

The Association will need to obtain bids for this work.

**Windows Replacement (I)**

	1026	775 Each	@ \$597.24
Asset ID	Capital	Asset Cost	\$115,715.25
	Doors and Windows	Percent Replacement	25%
Placed in Service	January 2004	Future Cost	\$167,590.18
Useful Life	25		
Adjustment	6		
Replacement Year	2035		
Remaining Life	15		

This provision provides funding to replace 25% of the windows in 2035. This component will be completed in 4 phases.

Schwindt & Company counted approximately 775 windows.

In 2011, the Association provided that the windows were repaired in 2010 as part of construction defect.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Sexton Place Condominiums  
Detail Report**

**Windows Replacement (II)**

		775 Each	@ \$597.24
Asset ID	1036	Asset Cost	\$115,715.25
	Capital	Percent Replacement	25%
	Doors and Windows	Future Cost	\$171,779.94
Placed in Service	January 2004		
Useful Life	25		
Adjustment	7		
Replacement Year	2036		
Remaining Life	16		

This provision provides funding to replace 25% of the windows in 2036. This component will be completed in 4 phases.

Schwindt & Company counted approximately 775 windows.

In 2011, the Association provided that the windows were repaired in 2010 as part of construction defect.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Windows Replacement (III)**

		775 Each	@ \$597.24
Asset ID	1037	Asset Cost	\$115,715.25
	Capital	Percent Replacement	25%
	Doors and Windows	Future Cost	\$176,074.44
Placed in Service	January 2004		
Useful Life	25		
Adjustment	8		
Replacement Year	2037		
Remaining Life	17		

This provision provides funding to replace 25% of the windows in 2037. This component will be completed in 4 phases.

Schwindt & Company counted approximately 775 windows.

In 2011, the Association provided that the windows were repaired in 2010 as part of construction defect.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Sexton Place Condominiums  
Detail Report**

**Windows Replacement (IV)**

		775 Each	@ \$597.24
Asset ID	1038	Asset Cost	\$115,715.25
	Capital	Percent Replacement	25%
	Doors and Windows	Future Cost	\$180,476.30
Placed in Service	January 2004		
Useful Life	25		
Adjustment	9		
Replacement Year	2038		
Remaining Life	18		

This provision provides funding to replace 25% of the windows in 2038. This component will be completed in 4 phases.

Schwindt & Company counted approximately 775 windows.

In 2011, the Association provided that the windows were repaired in 2010 as part of construction defect.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Wood Decks - Coating Renewal**

		58 Each	@ \$1,204.83
Asset ID	1003	Asset Cost	\$69,880.14
	Non-Capital	Percent Replacement	100%
	Building Components	Future Cost	\$77,134.60
Placed in Service	January 2019		
Useful Life	5		
Replacement Year	2024		
Remaining Life	4		

This provision provides funding to renew the elastomeric coating on the decks.

According to the Association, the waterproofing coating on the decks was new in 2010 for \$48,000 as part of the construction defect. Dan of Advance Surface Innovations, Inc. provided that the cost of \$48,000 included repair work, which is not needed again.

In 2011, the Association provided a total of 58 decks that have the elastomeric coating.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Sexton Place Condominiums  
Detail Report**

*Wood Decks - Coating Renewal continued...*

According to the Association, this was done in 2016 for \$19,680, and in 2019 for \$69,880.

**Wood Decks With Coatings - Partial Replacement**

		58 Each	@ \$2,986.19
Asset ID	1004	Asset Cost	\$86,599.51
	Non-Capital	Percent Replacement	50%
	Building Components	Future Cost	\$110,854.69
Placed in Service	January 2004		
Useful Life	25		
Adjustment	1		
Replacement Year	2030		
Remaining Life	10		

This provision provides funding to partially replace the wood decks with the elastomeric coating. Partial replacement is based on the expectation that the coatings will be maintained as schedule and all the decks will not need replacement.

The cost is based on a per deck estimate provided by Rick's Custom Fencing and Decking.

In 2011, the Association provided a total of 58 decks that have the elastomeric coating.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

The Association will need to obtain bids for this work.

**Wood Fence Dividers - Partial Replacement**

		180 LF	@ \$35.82
Asset ID	1008	Asset Cost	\$3,223.80
	Non-Capital	Percent Replacement	50%
	Fencing/Security	Future Cost	\$3,738.62
Placed in Service	January 2014		
Useful Life	10		
Adjustment	2		
Replacement Year	2026		
Remaining Life	6		

This provision provides funding to partially replace the wood dividers located between the patios of some of the units. Partial replacement is based on the expectation that the dividers will be stained as scheduled and that most of the dividers will be in good enough condition

**Sexton Place Condominiums  
Detail Report**

*Wood Fence Dividers - Partial Replacement continued...*

that a full replacement is not needed.

According to the Association, there is 180 linear feet of wood dividers and a useful life of 20 years.

The cost is based on a per linear foot estimate provided by Rick's Custom Fencing and Decking.

The Association will need to obtain bids for this work.

According to the Association, \$2,500 was spent on repairs in 2017.

Wood Fence Dividers - Stained			
Asset ID	1030	2,160 SF	@ \$1.47
	Non-Capital	Asset Cost	\$3,175.20
	Painting	Percent Replacement	100%
Placed in Service	January 2017	Future Cost	\$3,175.20
Useful Life	3		
Replacement Year	2020		
Remaining Life	0		

This provision provides funding to stain the wood dividers located between the patios of some of the units.

According to the Association, there is 180 linear feet 6 feet tall of the wood dividers.

Schwindt and Company calculated the following area:  $180' \times 6' = 1,080 \text{ SF} \times 2 \text{ sides} = 2,160 \text{ SF}$

The cost is based on a per square foot estimate provided by a local vendor.

The Association will need to obtain bids for this work.

# Additional Disclosures

## Levels of Service

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

**I. Full:** A Reserve Study in which the following five Reserve Study tasks are performed:

- Component Inventory
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

**II. Update, With Site Visit/On-Site Review:** A Reserve Study update in which the following five Reserve Study tasks are performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

**III. Update, No Site Visit/Off Site Review:** A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

**IV. Preliminary, Community Not Yet Constructed.** A reserve study prepared before construction that is generally used for budget estimates. It is based on design documents such as the architectural and engineering plans. The following three tasks are performed to prepare this type of study:

- Component inventory
- Life and valuation estimates
- Funding Plan

## Terms and Definitions

**CAPITAL IMPROVEMENTS:** Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.

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



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

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

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

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

CURRENT REPLACEMENT COST: See *Replacement Cost*.

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

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

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

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

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

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

or

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate})^{\text{Remaining Life}}] - [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate})^{\text{Remaining Life}}]$$

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

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

- **Baseline Funding:** Establishing a reserve funding goal of keeping the reserve cash balance above zero.
- **Full Funding:** Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.
- **Statutory Funding:** Establishing a reserve funding goal of setting aside the specific minimum amount of reserves required by local statutes.
- **Threshold Funding:** Establishing a reserve funding goal of keeping the *Reserve Balance* above a specified dollar or *Percent Funded* amount. Depending on the threshold, this may be more or less conservative than fully funding.

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

**FUNDING PRINCIPLES:**

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

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

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

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

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

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

*Component* during that particular year.

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

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

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

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

- The regular and continuous absence from principal office premises from which professional services are rendered, except for performance of field work or presence in a field office maintained exclusively for a specific project;
- The failure to personally inspect or review the work of subordinates where necessary and appropriate;
- The rendering of a limited, cursory, or perfunctory review of plans or projects in lieu of an appropriate detailed review;
- The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

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

**SURPLUS:** An actual or projected *Reserve Balance* greater than the *Fully Funded Balance*. The opposite would be a *Deficit*.

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