The Management Trust
NORTHWEST DIVISION

Treetop Condos
West Linn, Oregon
Account 2015 On Site Update -- Version 1
October 07, 2014

The Management Trust - Northwest
P.O. Box 23099
Tigard, OR 97281
Phone: 503-670-8111
Toll Free: 877-852-8100
Fax: 503-670-0775
www.managementtrust.com/nw

Prepared By
Quality Check By

TABLE OF CONTENTS
Treetop Condos

PART I • INFORMATION ABOUT YOUR RESERVE STUDY

PART II • RESERVE STUDY

Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of Trust Reserves©. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Trust Reserves© would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Part I

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a $150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan".

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the "fund status and "funding plan."

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the "fund status" and "funding plan."

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of ***operational expenses*** include:

Utilities:
- Electricity
- Gas
- Water
- Telephone
- Cable TV

Administrative:
- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees
- Insurance(s)

Services:
- Landscaping
- Pool Maintenance
- Street Sweeping
- Accounting
- Reserve Study

Repair Expenses:
- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

- Roof Replacements
- Painting
- Deck Resurfacing
- Fencing Replacement
- Asphalt Seal Coating
- Asphalt Repairs
- Asphalt Overlays
- Equipment Replacement
- Interior Furnishings
- Park/Play Equipment
- Pool/Spa Re-plastering
- Pool Equipment Replacement
- Pool Furniture Replacement
- Tennis Court Resurfacing
- Lighting Replacement
- Insurance(s)
- Reserve Study

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops 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 actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Trust Reserves© Threshold and the Trust Reserves© Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Trust Reserves© Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age** divided by **Useful Life** the results multiplied by **Current Replacement Cost**

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The Trust Reserves© **Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

The Trust Reserves© **Threshold Funding Model.** This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than $0).

The Trust Reserves© **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The Trust Reserves© **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the

following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can "fix" the accumulated reserve balance within the program on the individual asset's detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The  Trust Reserves© software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of $50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to "replenish" the account. If the $50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the "Monthly Reserve Assessment Required", the "Average Net Monthly Interest Earned" contribution and the "Total Monthly Allocation to Reserves." The association should allocate the "Monthly Reserve Assessment Required" amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set

aside for taxes should be removed.

The second alternative is to allocate the "Total Monthly Allocation" to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users' Guide to your Reserve Analysis Study

Part II of your Trust Reserves© Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the "Component Funding Model" calculation.

The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Trust Reserves© Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.
Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending
The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases
If applicable, the number of units and/or phases included in this version of the report.

Inflation
This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase
This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate $10,000 in 10 years, you could set aside $1,000 per year. As an alternative, you could set aside $795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield
The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance
The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded
The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age
Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment
The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)
The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation
The sum of the monthly assessment and interest contribution figures.

Group and Category
The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs
In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date
The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life
The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life
Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life
This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year
The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first

day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves
An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment
An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value
The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement
Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost
The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost
The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory
The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your Trust Reserves© Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your Trust Reserves© reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The Trust Reserves© reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Trust Reserves© Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your Trust Reserves© Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the Trust Reserves© reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The Trust Reserves© reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The Trust Reserves© Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your Trust Reserves© Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

Treetop Condos
West Linn, Oregon
RA Current Assessment Funding Model Summary

Report Date	October 07, 2014
Account Number	2015 On Site Update
Version	1
Budget Year Beginning	January 01, 2015
Budget Year Ending	December 31, 2015
Total Units	15

Report Parameters

Inflation	2.42%
Interest Rate on Reserve Deposit	0.20%
2015 Beginning Balance	$25,168.00

Disclosures:

Physical Analysis - If an on-site reserve study was performed, observations were limited to visual observations only. Destructive testing (invasive testing) was not performed. Any items that were not clearly visible at the time of the site observation were not viewed, and therefore were not included in the drafting of this reserve study.

Measurements - Measuring and inventory (+/- 10%) were identified via a combination of onsite physical measurements, previous reserve study and/or drawing take-offs. Drawing sets (if used) were provided by the property manager or Declarant for our use relating only to the reserve study scope of work.

Reliance on Client Data - Data received from property management, association representatives and/or Declarant is deemed reliable by ReserveTrust / The Management Trust. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues.

Scope - The Reserve Study is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.

Reserve Balance - The actual or projected (estimated) total presented in this reserve study is based upon information provided or collected and was not audited.

Reserve Projects -Information provided or collected for the purpose of this reserve study will be considered reliable and should not be considered a project audit or quality inspection.

Adjustments to Reserve Study - Should components suggested by Consultant be removed from the reserve study or any life cycles or costs other than current bids, engineering construction standards, or current component history be used in this reserve study, the Client accepts full responsibility for the results of the reserve study and is not warranted by Consultant.

Information Provided - Quantity, design and material information included in this report was provided in part by the Association and is subject to course of construction changes.

Limitations on Inventory -The following items, but not limited to, are not included in the physical analysis because they have a useful life greater than 30 years. Grading/drainage, foundations/footings, party walls, bearing and shear walls, perimeter walls, beams, columns and girders, sub floors, unfinished floors, concrete stair surfaces, windows, exterior doors, window and door frames, plumbing system, flues (chimneys), air delivery or return systems, ducts, chutes, conduits, pipes, plumbing, sanitary sewage and storm drains, wire, telephone, cable, central television system, sprinkler systems and internet lines.

Warranty or Guaranty - This reserve study and its recommendations should not be construed in any way to constitute a warranty or guaranty regarding the current or future performance of the components. Components will be replaced as required, not necessarily in their expected replacement year.

Annual Updates - Often times there can be a significant expenditure in those years that exceeds the life of the reserve study. Hence, annual updates should be performed to allow adjustments in the reserve contribution each year if required.

Ongoing Maintenance - The reserve study component life cycles assumes that assets are inspected and maintained on an ongoing scheduled basis funded with operating budget funds and/or reserve funds set aside for this work. For example, an asphalt overlay surface should have a seal coating applied every 4 to 5 years in order to achieve the estimated expected life cycle of 30 years. Failure to perform maintenance per the recommended schedule may adversely impact the condition of said assets and have undesired affects on reserve funding.

Tax Consequences - The tax consequences are not considered in this reserve study due to the uncertainty of all factors affecting net taxable income and the election of the tax form to be filed.

We recommend a building envelope (water intrusion) inspection for the Building every two years and a roofing inspection every six years (not funded in the reserve).

House Bill 955 (HB 955), in Oregon since 1/1/2006, specifically calls for the provision of a reserve study, reserve study update, maintenance plan and reserve summary. ORS 94.595 states that: "The board of directors of the association annually shall conduct a reserve study, or review and update an existing reserve study to determine the reserve study requirements". In addition ORS 94.595 (3)(B)(c) and ORS 100.175 (3)(C)(c) further require that a Reserve Study Update be done each year.

House Bill 2665 (Chapter 409, Oregon Laws 2007) revises portions on SB 955 by removing the requirement for a maintenance plan from the reserve study and makes it a separate requirement. Also, after 9/27/2007 HB 2665 no longer requires that owners be provided a reserve summary of the reserve study or any revisions thereto.

Further House Bill 2665 makes windows and unit access doors, except for glazing and screening, general common elements, unless Declaration provides otherwise, (Sec 5).

Preparation of a Reserve Study:

Data is collected from several sources to prepare a reserve study and a variety of document reviews, interviews, and site observations are required to adequately fulfill our duties as a reserve provider. The following sources, but not limited to, and methods were utilized in the preparation of this reserve study document:

- Property Management Personnel Interviews
- As built Plans and Specifications Document Reviews
- On-site Observations - If Applicable
- Discussions with Engineering or Architectural Consultants
- RS Means Facilities Maintenance & Repair Cost Data, 16th Edition (2009) printed manual
- Interviewing General Contractor Consultants

A tabular list of commonly owned items has been developed and given a current condition grade, expected useful life, and remaining useful life. A portion of that data will determine in what year it is estimated the component should be replaced.

The percent funded ratings recognized by industry standards is:

0-30% - poor

31-70% - fair

71-100% - good

Current Assessment Funding Model Summary of Calculations

Required Monthly Contribution	$1,081.75
$72.12 per unit monthly	
Average Net Monthly Interest Earned	$5.21
Total Monthly Allocation to Reserves	$1,086.96
$72.46 per unit monthly	

Treetop Condos
RA Current Assessment Funding Model Projection

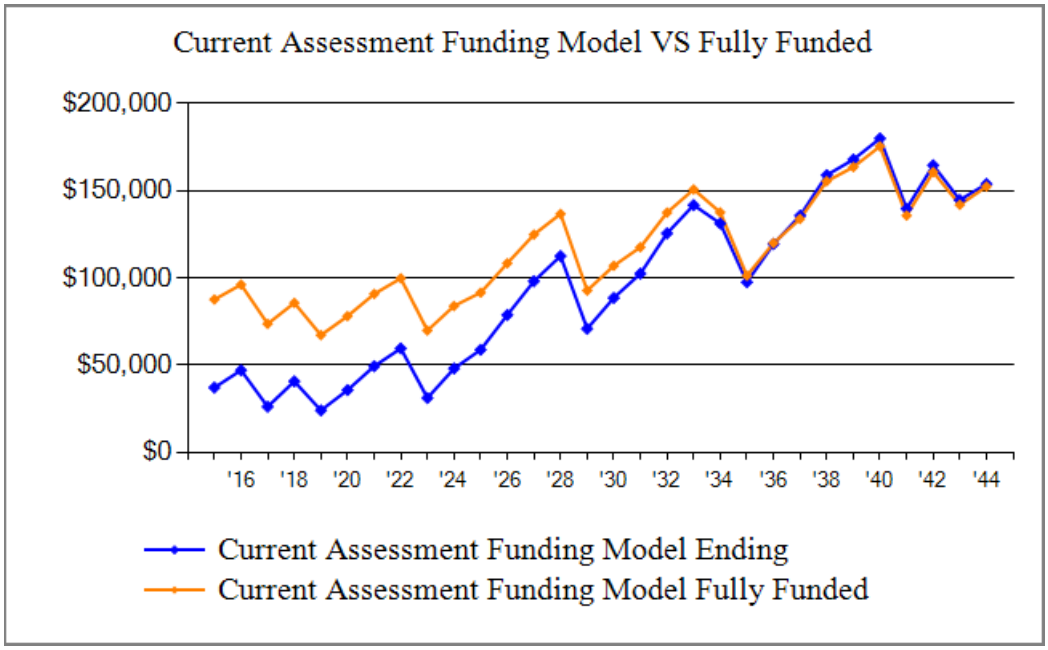
Beginning Balance: $25,168

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2015		*1,800*	*Loan Repayment*				
2015	132,143	12,981	62	2,795	37,216	87,668	42%
2016		*1,800*	*Loan Repayment*				
2016	135,341	13,630	82	5,586	47,142	96,165	49%
2017		*1,800*	*Loan Repayment*				
2017	138,616	14,312	39	37,024	26,269	73,719	35%
2018		*1,800*	*Loan Repayment*				
2018	141,971	15,027	68	2,368	40,796	85,683	47%
2019		*1,800*	*Loan Repayment*				
2019	145,406	15,778	34	34,247	24,162	67,237	35%
2020	148,925	16,567	56	4,986	35,800	78,129	45%
2021	152,529	17,396	83	3,803	49,475	90,813	54%
2022	156,220	18,266	102	8,221	59,622	99,738	59%
2023	160,001	19,179	45	47,579	31,267	69,884	44%
2024	163,873	20,138	78	3,353	48,129	83,930	57%
2025	167,839	21,145	98	10,498	58,874	91,553	64%
2026	171,900	21,656	138	1,891	78,777	108,356	72%
2027	176,060	22,180	176	3,058	98,075	124,797	78%
2028	180,321	22,717	204	8,466	112,530	136,637	82%
2029	184,685	23,267	120	65,024	70,894	92,759	76%
2030	189,154	23,830	155	6,333	88,546	106,942	82%
2031	193,732	24,407	182	10,695	102,440	117,548	87%
2032	198,420	24,997	228	2,183	125,482	137,376	91%
2033	203,222	25,602	260	9,681	141,663	150,649	94%
2034	208,140	26,222	238	36,943	131,180	137,457	95%
2035	213,177	26,353	171	60,117	97,587	101,258	96%
2036	218,335	26,485	214	4,881	119,405	119,918	99%
2037	223,619	26,617	247	10,653	135,616	133,767	101%
2038	229,031	26,750	293	3,820	158,840	155,307	102%
2039	234,573	26,884	311	18,275	167,759	163,449	102%
2040	240,250	27,018	334	15,316	179,796	175,295	102%
2041	246,064	27,154	254	67,585	139,619	135,720	102%
2042	252,019	27,289	304	2,773	164,438	160,575	102%
2043	258,118	27,426	264	47,542	144,586	141,852	101%
2044	264,364	27,426	282	18,525	153,768	152,271	100%

Treetop Condos
RA Distribution by Percentage of Ideally Funded

Description	Remaining Life	Ideally Funded	Beginning Balance	Percent Funded	Assessment Distributed	Interest Distributed	Expenditures	Ending Balance
General								
Asphalt Overlay		*Unfunded*						
Asphalt Sealcoat & Repairs	5	849	275	32%	140	1		416
Bark Dust	1	727	236	32%	120	1		356
Building Lighting	14	2,326	754	32%	383	2		1,139
Concrete Maintenance	9	75	24	32%	12			37
Decking	8	1,000	324	32%	165	1		490
FHA Certificiation	0	1,295	1,081	83%	213	1	1,295	0
Fence - Chain Link	29	855	277	32%	141	1		419
Front Doors	4	2,700	875	32%	445	2		1,322
Garage Doors	19	6,325	2,051	32%	1,042	5		3,098
Gutters & Downspouts	4	11,290	3,660	32%	1,860	9		5,529
Irrigation Controllers	2	800	259	32%	132	1		392
Lighting Exterior	4	4,306	1,396	32%	709	3		2,109
Monument - Maintenance	3	525	170	32%	87			257
Paint Exterior	2	21,000	6,808	32%	3,460	17		10,285
Retaining Wall	4	900	292	32%	148	1		441
Roof Maintenance	1	2,667	865	32%	439	2		1,306
Roof Replacement	30	13,396	4,343	32%	2,207	11		6,561
Siding Maintenance	2	1,000	324	32%	165	1		490
Siding Replacement		*Unfunded*						
Signage	9	400	130	32%	66			196
Sliding Glass Doors	4	4,050	1,313	32%	667	3		1,984
Tree Work	0	1,500	1,252	83%	247	1	1,500	0
Windows	6	800	259	32%	132	1		392
General - Total		$78,785	$26,968	34%	$12,981	$62	$2,795	$37,216
Grand - Total		$78,785	$26,968		$12,981	$62	$2,795	$37,216

Treetop Condos
RA Current Assessment Funding Model VS Fully Funded Chart



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Treetop Condos
RA Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
FHA Certificiation	0	2015	1,295	1,295
Tree Work	0	2015	1,500	1,500
Bark Dust	1	2016	727	727
Roof Maintenance	1	2016	2,667	2,667
Irrigation Controllers	2	2017	800	800
Paint Exterior	2	2017	21,000	21,000
Siding Maintenance	2	2017	1,000	1,000
Monument - Maintenance	3	2018	525	525
Front Doors	4	2019	2,700	2,700
Gutters & Downspouts	4	2019	*7,735	11,290
Lighting Exterior	4	2019		4,306
Retaining Wall	4	2019		900
Sliding Glass Doors	4	2019		4,050
Asphalt Sealcoat & Repairs	5	2020		849
Windows	6	2021		800
Decking	8	2023		1,000
Concrete Maintenance	9	2024		75
Signage	9	2024		400
Building Lighting	14	2029		2,326
Garage Doors	19	2034		6,325
Fence - Chain Link	29	2044		855
Roof Replacement	30	2045		13,396
Asphalt Overlay		Unfunded		
Siding Replacement		Unfunded		
Total Asset Summary			$39,949	$78,785

Percent Fully Funded	51%
Current Average Liability per Unit (Total Units: 15)	-$2,589

'' Indicates Partially Funded*

Treetop Condos
RA Annual Expenditure Detail

Description	Expenditures
Replacement Year 2015	
FHA Certificiation	1,295
Tree Work	1,500
Total for 2015	**$2,795**
Replacement Year 2016	
Bark Dust	1,489
Roof Maintenance	4,097
Total for 2016	**$5,586**
Replacement Year 2017	
FHA Certificiation	1,358
Irrigation Controllers	1,049
Paint Exterior	33,043
Siding Maintenance	1,573
Total for 2017	**$37,024**
Replacement Year 2018	
Bark Dust	1,562
Monument - Maintenance	806
Total for 2018	**$2,368**
Replacement Year 2019	
FHA Certificiation	1,425
Front Doors	3,301
Gutters & Downspouts	13,803
Lighting Exterior	5,264
Retaining Wall	1,100
Roof Maintenance	4,401
Sliding Glass Doors	4,952
Total for 2019	**$34,247**
Replacement Year 2020	
Asphalt Sealcoat & Repairs	3,347
Bark Dust	1,639
Total for 2020	**$4,986**
Replacement Year 2021	
FHA Certificiation	1,495
Windows	2,309
Total for 2021	**$3,803**

Treetop Condos
RA Annual Expenditure Detail

Description	Expenditures
Replacement Year 2022	
Bark Dust	1,719
Roof Maintenance	4,729
Tree Work	1,773
Total for 2022	**$8,221**
Replacement Year 2023	
Decking	6,054
FHA Certificiation	1,568
Paint Exterior	38,141
Siding Maintenance	1,816
Total for 2023	**$47,579**
Replacement Year 2024	
Bark Dust	1,803
Concrete Maintenance	930
Signage	620
Total for 2024	**$3,353**
Replacement Year 2025	
Asphalt Sealcoat & Repairs	3,772
FHA Certificiation	1,645
Roof Maintenance	5,081
Total for 2025	**$10,498**
Replacement Year 2026	
Bark Dust	1,891
Total for 2026	**$1,891**
Replacement Year 2027	
FHA Certificiation	1,725
Irrigation Controllers	1,332
Total for 2027	**$3,058**
Replacement Year 2028	
Bark Dust	1,984
Monument - Maintenance	1,023
Roof Maintenance	5,458
Total for 2028	**$8,466**
Replacement Year 2029	
Building Lighting	4,514

Treetop Condos
RA Annual Expenditure Detail

Description	Expenditures
Replacement Year 2029 continued...	
FHA Certificiation	1,810
Front Doors	4,193
Paint Exterior	44,025
Siding Maintenance	2,096
Sliding Glass Doors	6,289
Tree Work	2,096
Total for 2029	**$65,024**
Replacement Year 2030	
Asphalt Sealcoat & Repairs	4,251
Bark Dust	2,081
Total for 2030	**$6,333**
Replacement Year 2031	
FHA Certificiation	1,899
Roof Maintenance	5,864
Windows	2,932
Total for 2031	**$10,695**
Replacement Year 2032	
Bark Dust	2,183
Total for 2032	**$2,183**
Replacement Year 2033	
Decking	7,689
FHA Certificiation	1,992
Total for 2033	**$9,681**
Replacement Year 2034	
Bark Dust	2,290
Concrete Maintenance	1,181
Garage Doors	27,171
Roof Maintenance	6,300
Total for 2034	**$36,943**
Replacement Year 2035	
Asphalt Sealcoat & Repairs	4,791
FHA Certificiation	2,089
Paint Exterior	50,817
Siding Maintenance	2,420
Total for 2035	**$60,117**

Treetop Condos
RA Annual Expenditure Detail

Description	Expenditures
Replacement Year 2036	
Bark Dust	2,402
Tree Work	2,478
Total for 2036	**$4,881**
Replacement Year 2037	
FHA Certificiation	2,191
Irrigation Controllers	1,692
Roof Maintenance	6,769
Total for 2037	**$10,653**
Replacement Year 2038	
Bark Dust	2,520
Monument - Maintenance	1,300
Total for 2038	**$3,820**
Replacement Year 2039	
FHA Certificiation	2,299
Front Doors	5,325
Retaining Wall	1,775
Signage	888
Sliding Glass Doors	7,988
Total for 2039	**$18,275**
Replacement Year 2040	
Asphalt Sealcoat & Repairs	5,400
Bark Dust	2,644
Roof Maintenance	7,272
Total for 2040	**$15,316**
Replacement Year 2041	
FHA Certificiation	2,411
Paint Exterior	58,656
Siding Maintenance	2,793
Windows	3,724
Total for 2041	**$67,585**
Replacement Year 2042	
Bark Dust	2,773
Total for 2042	**$2,773**

Treetop Condos
RA Annual Expenditure Detail

Description	Expenditures
Replacement Year 2043	
Decking	9,767
FHA Certificiation	2,530
Gutters & Downspouts	24,502
Roof Maintenance	7,813
Tree Work	2,930
Total for 2043	**$47,542**
Replacement Year 2044	
Bark Dust	2,909
Concrete Maintenance	1,500
Fence - Chain Link	14,116
Total for 2044	**$18,525**

Asphalt Overlay

		13,500 Square Feet	@ $1.10
Asset ID	1001	Asset Cost	$14,850.00
		Percent Replacement	100%
	General	Future Cost	$31,164.08
Placed in Service	January 1996	Assigned Reserves	
Useful Life	40		
Adjustment	10	*No Future Assessments*	
Replacement Year	2046		
Remaining Life	31		

Remarks:

This line item is for the 1 1/2" to 2" overlay on the asphalt streets. Includes re-setting of the manhole or valve covers and grinding of edges as required.

Regular sealcoating will help prolong this component to exceed thirty (30) years.

Asphalt Sealcoat & Repairs - 2020

		13,500 Square Feet	@ $0.22
Asset ID	1002	Asset Cost	$2,970.00
		Percent Replacement	100%
	General	Future Cost	$3,347.19
Placed in Service	November 2013	Assigned Reserves	$139.82
Useful Life	5		
Adjustment	2	Monthly Assessment	$139.82
Replacement Year	2020	Interest Contribution	$0.06
Remaining Life	5	Reserve Allocation	$139.87

Remarks:

This item is the seal coating (slurry seal) of the asphalt surface and includes any re-striping, crack repair, or alligatoring sealing as needed.

Bark Dust - 2016

		1 Allowance	@ $1,454.00
Asset ID	1025	Asset Cost	$1,454.00
		Percent Replacement	100%
	General	Future Cost	$1,489.19
Placed in Service	June 2014	Assigned Reserves	$119.78
Useful Life	2		
Replacement Year	2016	Monthly Assessment	$119.78
Remaining Life	1	Interest Contribution	$0.05
		Reserve Allocation	$119.83

Remarks:

Refresh and blow in half inch layer of bark dust onto all planting beds every two (2) years, or as needed.

This cost was obtained from the work completed by Pacific Landscape in July of 2014.

Building Lighting - 2029

		38 Each	@ $85.00
Asset ID	1008	Asset Cost	$3,230.00
		Percent Replacement	100%
	General	Future Cost	$4,514.29
Placed in Service	January 1979	Assigned Reserves	$383.18
Useful Life	20		
Adjustment	30	Monthly Assessment	$383.18
Replacement Year	2029	Interest Contribution	$0.15
Remaining Life	14	Reserve Allocation	$383.33

Remarks:

Inspect light fixture and test sensor. Expect replacement of the exterior mounted light fixtures every twenty (20) years, or as needed.

Concrete Maintenance - 2024

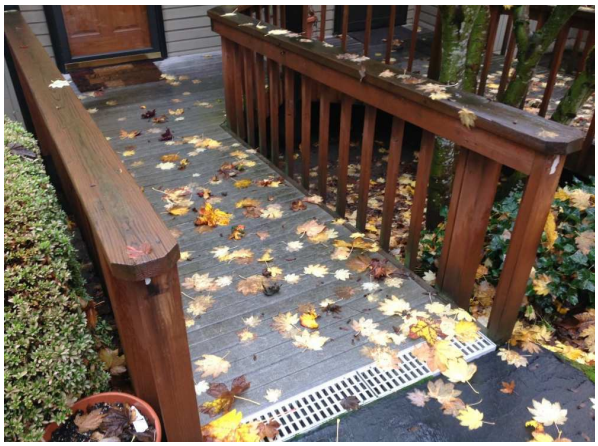
		1 Allowance	@ $750.00
Asset ID	1021	Asset Cost	$750.00
		Percent Replacement	100%
	General	Future Cost	$930.09
Placed in Service	May 2014	Assigned Reserves	$12.36
Useful Life	10		
Replacement Year	2024	Monthly Assessment	$12.36
Remaining Life	9	Interest Contribution	
		Reserve Allocation	$12.36

Remarks:

This item is an allowance to repair cracks and breaks that can occur as the ground underneath the cement settles over the years. Inspect sidewalks and staircases for tripping hazards. Grind down and replace selected sections as needed.

Decking - 2023

		1 Allowance	@ $5,000.00
Asset ID	1014	Asset Cost	$5,000.00
		Percent Replacement	100%
	General	Future Cost	$6,054.08
Placed in Service	November 2013	Assigned Reserves	$164.77
Useful Life	10		
Replacement Year	2023	Monthly Assessment	$164.77
Remaining Life	8	Interest Contribution	$0.07
		Reserve Allocation	$164.83



Remarks:

This item is an allowance to repair and maintain the wood decking that is installed at unit entries as well as private decks.

FHA Certificiation - 2015

		1 Total	@ $1,295.00
Asset ID	1020	Asset Cost	$1,295.00
		Percent Replacement	100%
	General	Future Cost	$1,295.00
Placed in Service	June 1979	Assigned Reserves	$213.37
Useful Life	2		
Replacement Year	2015	Monthly Assessment	$213.37
Remaining Life	0	Interest Contribution	$0.09
		Reserve Allocation	$213.46

Remarks:

The Federal Housing Administration have implemented new rules and regulations in regards to FHA mortgages. In this process, the association has to be approved and FHA Certified for homeowners to qualify for a FHA Loan in that condominimum project. This line item is to facilitate that application process. The certification is effective for two (2) years.

Fence - Chain Link - 2044

		294 LF	@ $24.00
Asset ID	1003	Asset Cost	$7,056.00
		Percent Replacement	100%
	General	Future Cost	$14,116.17
Placed in Service	January 2011	Assigned Reserves	$140.92
Useful Life	35		
Adjustment	-2	Monthly Assessment	$140.92
Replacement Year	2044	Interest Contribution	$0.06
Remaining Life	29	Reserve Allocation	$140.98

Remarks:

This item is a provision to replace the chain link fence. Expect replacement every thirty-five (35) years, or as needed.

Front Doors - 2019

		1 Allowance	@ $3,000.00
Asset ID	1013	Asset Cost	$3,000.00
		Percent Replacement	100%
	General	Future Cost	$3,301.11
Placed in Service	June 1979	Assigned Reserves	$444.87
Useful Life	10		
Adjustment	30	Monthly Assessment	$444.87
Replacement Year	2019	Interest Contribution	$0.18
Remaining Life	4	Reserve Allocation	$445.05

Remarks:

Per section V 2 of the association's declarations, the association is responsible for the entrances of each unit. This item is an allowance for repair or replacement of the front doors to each unit on an as needed basis.

Garage Doors - 2034

		15 Each	@ $1,150.00
Asset ID	1010	Asset Cost	$17,250.00
		Percent Replacement	100%
	General	Future Cost	$27,170.63
Placed in Service	January 2004	Assigned Reserves	$1,042.14
Useful Life	30		
Replacement Year	2034	Monthly Assessment	$1,042.14
Remaining Life	19	Interest Contribution	$0.42
		Reserve Allocation	$1,042.56

Remarks:

This item is for the replacement of the garage doors. Expect replacement every thirty (30) years, or as needed.

Gutters & Downspouts - 2019

		1,960 LF	@ $6.40
Asset ID	1007	Asset Cost	$12,544.00
		Percent Replacement	100%
	General	Future Cost	$13,803.05
Placed in Service	January 1979	Assigned Reserves	$1,860.14
Useful Life	24		
Adjustment	16	Monthly Assessment	$1,860.14
Replacement Year	2019	Interest Contribution	$0.75
Remaining Life	4	Reserve Allocation	$1,860.88

Remarks:

The gutters and downspouts should be cleaned at least once a year (more in areas that are heavily treed) to keep them running freely. Overflowing gutters damage the siding and promote leaks, particularly around windows and doors. Expect replacement of gutters and downspouts every twenty-four (24) years, or as needed.

Irrigation Controllers - 2017

		1 Allowance	@ $1,000.00
Asset ID	1004	Asset Cost	$1,000.00
		Percent Replacement	100%
	General	Future Cost	$1,048.99
Placed in Service	January 2007	Assigned Reserves	$131.81
Useful Life	10		
Replacement Year	2017	Monthly Assessment	$131.81
Remaining Life	2	Interest Contribution	$0.05
		Reserve Allocation	$131.87

Remarks:

Check for valve blockages and controller integrity. Irrigation controllers fail sporadically and will require ongoing replacement. This line item is an allowance for these necessary sporadic replacement.

Lighting Exterior - 2019

		8 Each	@ $598.00
Asset ID	1009	Asset Cost	$4,784.00
		Percent Replacement	100%
	General	Future Cost	$5,264.17
Placed in Service	January 1979	Assigned Reserves	$709.41
Useful Life	40		
Replacement Year	2019	Monthly Assessment	$709.41
Remaining Life	4	Interest Contribution	$0.28
		Reserve Allocation	$709.70

Remarks:

This item is for the replacement of the site lighting that is installed throughout the association and is intended to illuminate walkways.

Monument - Maintenance - 2018

		1 Allowance	@ $750.00
Asset ID	1006	Asset Cost	$750.00
		Percent Replacement	100%
	General	Future Cost	$805.78
Placed in Service	January 2008	Assigned Reserves	$86.50
Useful Life	10		
Replacement Year	2018	Monthly Assessment	$86.50
Remaining Life	3	Interest Contribution	$0.03
		Reserve Allocation	$86.54

Remarks:

Repaint, clean, and improve every ten (10) years, or as needed.

Paint Exterior - 2017

		15 Each	@ $2,100.00
Asset ID	1005	Asset Cost	$31,500.00
		Percent Replacement	100%
	General	Future Cost	$33,043.05
Placed in Service	January 2011	Assigned Reserves	$3,460.08
Useful Life	6		
Replacement Year	2017	Monthly Assessment	$3,460.08
Remaining Life	2	Interest Contribution	$1.39
		Reserve Allocation	$3,461.46

Remarks:

Repaint exterior surfaces of buildings, including trim boards, fascia boards, decks and railings every six (6) years, or as needed.

Retaining Wall - 2019

		1 Allowance	@ $1,000.00
Asset ID	1024	Asset Cost	$1,000.00
		Percent Replacement	100%
	General	Future Cost	$1,100.37
Placed in Service	June 1979	Assigned Reserves	$148.29
Useful Life	20		
Adjustment	20	Monthly Assessment	$148.29
Replacement Year	2019	Interest Contribution	$0.06
Remaining Life	4	Reserve Allocation	$148.35

Remarks:

Stone has a useful life of more than thirty years. However, maintenance, such as repair broken sections, will be needed over time. This item is an allowance for maintenance.

Roof Maintenance - 2016

		1 Allowance	@ $4,000.00
Asset ID	1016	Asset Cost	$4,000.00
		Percent Replacement	100%
	General	Future Cost	$4,096.80
Placed in Service	June 2013	Assigned Reserves	$439.37
Useful Life	3		
Replacement Year	2016	Monthly Assessment	$439.37
Remaining Life	1	Interest Contribution	$0.18
		Reserve Allocation	$439.55

Remarks:

This item is an allowance to clean, repair, and maintain the roof for each building.

Roof Replacement - 2045

		15,350 Square Feet	@ $6.40
Asset ID	1019	Asset Cost	$24,560.00
		Percent Replacement	25%
	General	Future Cost	$50,323.58
Placed in Service	June 1979	Assigned Reserves	$2,207.26
Useful Life	50		
Adjustment	16	Monthly Assessment	$2,207.26
Replacement Year	2045	Interest Contribution	$0.88
Remaining Life	30	Reserve Allocation	$2,208.14

Remarks:

This item is for replacement of the cement tile roofs on each unit and garages. Expect replacement every fifty (50) years, or as needed.

Siding Maintenance - 2017

		1 Allowance	@ $1,500.00
Asset ID	1017	Asset Cost	$1,500.00
		Percent Replacement	100%
	General	Future Cost	$1,573.48
Placed in Service	January 2011	Assigned Reserves	$164.77
Useful Life	6		
Replacement Year	2017	Monthly Assessment	$164.77
Remaining Life	2	Interest Contribution	$0.07
		Reserve Allocation	$164.83

Remarks:

Siding has a life expectany that exceeds the this study. This line item is an allowance for any repairs or replacement of portions of the siding.

Siding Replacement

		18,025 Square Feet	@ $6.40
Asset ID	1018	Asset Cost	$115,360.00
		Percent Replacement	100%
	General	Future Cost	$293,130.72
Placed in Service	January 1979	Assigned Reserves	
Useful Life	45		
Adjustment	30	*No Future Assessments*	
Replacement Year	2054		
Remaining Life	39		

Remarks:

This item is for the replacement of the fiber cement siding. Siding has a life expectany that exceeds thirty (30) years. This component should be incorporated into the study in 2024.

Signage - 2024

		1 Allowance	@ $500.00
Asset ID	1023	Asset Cost	$500.00
		Percent Replacement	100%
	General	Future Cost	$620.06
Placed in Service	June 1979	Assigned Reserves	$65.91
Useful Life	15		
Adjustment	30	Monthly Assessment	$65.91
Replacement Year	2024	Interest Contribution	$0.03
Remaining Life	9	Reserve Allocation	$65.93

Remarks:

Replacement of any signage within the association is expected every fifteen (15) years, or as needed.

Sliding Glass Doors - 2019

		1 Allowance	@ $4,500.00
Asset ID	1012	Asset Cost	$4,500.00
		Percent Replacement	100%
	General	Future Cost	$4,951.67
Placed in Service	June 1979	Assigned Reserves	$667.30
Useful Life	10		
Adjustment	30	Monthly Assessment	$667.30
Replacement Year	2019	Interest Contribution	$0.27
Remaining Life	4	Reserve Allocation	$667.57

Remarks:

Per section V 2 of the association's declarations, the association is responsible for the entrances of each unit. This item is an allowance for repair or replacement of the sliding glass doors on an as needed basis.

Tree Work - 2015

		1 Allowance	@ $1,500.00
Asset ID	1022	Asset Cost	$1,500.00
		Percent Replacement	100%
	General	Future Cost	$1,500.00
Placed in Service	June 1979	Assigned Reserves	$247.15
Useful Life	7		
Replacement Year	2015	Monthly Assessment	$247.15
Remaining Life	0	Interest Contribution	$0.10
		Reserve Allocation	$247.25

Remarks:

Expect major pruning, maintenance, and/or removal of some trees by a professional arborist every seven (7) years, or as needed.

Windows - 2021

		1 Allowance	@ $2,000.00
Asset ID	1011	Asset Cost	$2,000.00
		Percent Replacement	100%
	General	Future Cost	$2,308.55
Placed in Service	January 2011	Assigned Reserves	$131.81
Useful Life	10		
Replacement Year	2021	Monthly Assessment	$131.81
Remaining Life	6	Interest Contribution	$0.05
		Reserve Allocation	$131.87

Remarks:

Per the association's declarations, the windows are the responsibility of the association. This item is an allowance to repair or replace the windows on an as needed basis.

Detail Report Summary

Grand Total

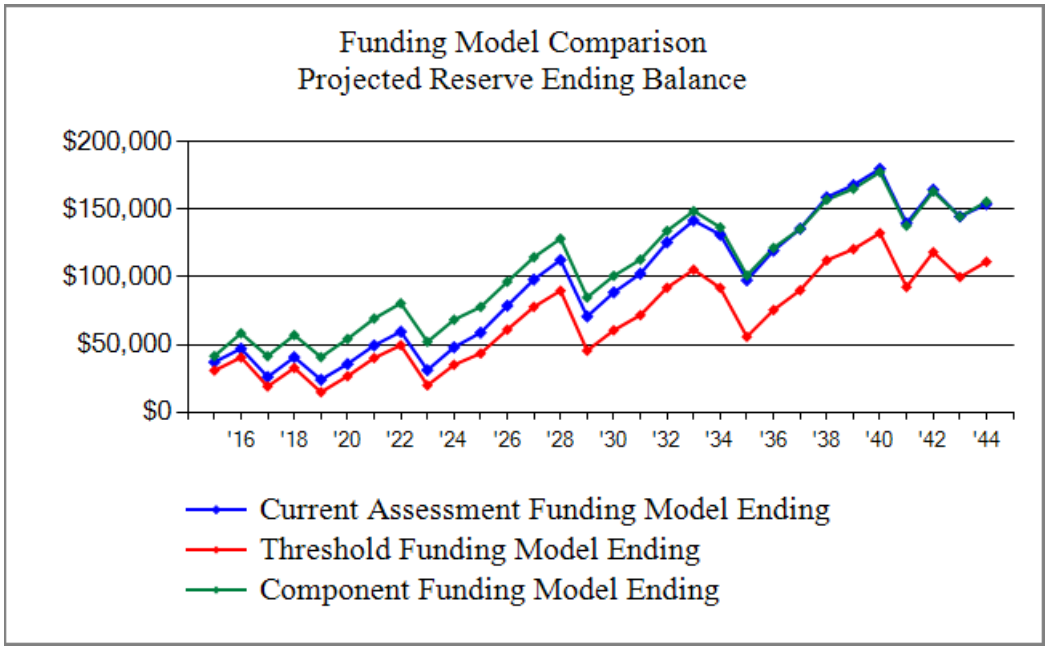
Assigned Reserves	$39,949.00
Monthly Contribution	$1,081.75
Monthly Interest	$7.37
Monthly Allocation	$1,089.12

Treetop Condos
RA Category Detail Index

Total Funded Assets	22
Total Unfunded Assets	2
Total Assets	24

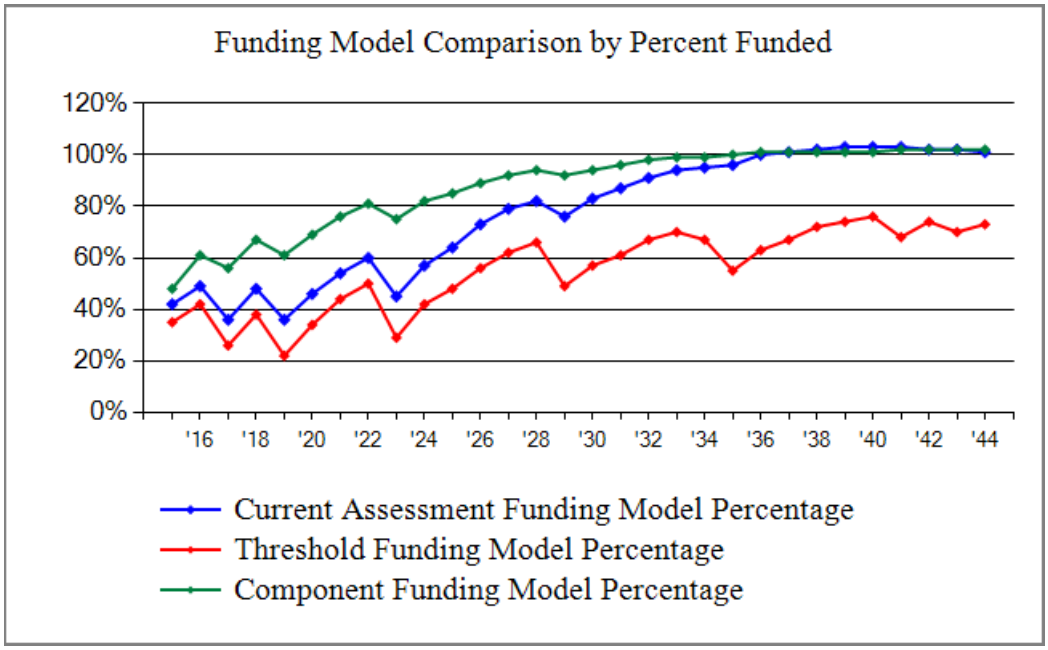
This page was intentionally left blank.

Treetop Condos
RA Funding Model Reserve Ending Balance Comparison Chart



The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

Treetop Condos
RA Funding Model Comparison by Percent Funded



The chart above compares the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) by the percentage fully funded over 30 years. This allows your association to view and then choose the funding model that might best fit your community's needs.

This page was intentionally left blank.

Treetop Condos
RA Spread Sheet

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Asphalt Overlay	*Unfunded*									
Asphalt Sealcoat & Repairs						3,347				
Bark Dust		1,489		1,562		1,639		1,719		1,803
Building Lighting										
Concrete Maintenance										930
Decking									6,054	
FHA Certificiation	1,295		1,358		1,425		1,495		1,568	
Fence - Chain Link										
Front Doors					3,301					
Garage Doors										
Gutters & Downspouts					13,803					
Irrigation Controllers			1,049							
Lighting Exterior					5,264					
Monument - Maintenance				806						
Paint Exterior			33,043						38,141	
Retaining Wall					1,100					
Roof Maintenance		4,097			4,401			4,729		
Roof Replacement										
Siding Maintenance			1,573						1,816	
Siding Replacement	*Unfunded*									
Signage										620
Sliding Glass Doors					4,952					
Tree Work	1,500							1,773		
Windows							2,309			
Year Total:	**2,795**	**5,586**	**37,024**	**2,368**	**34,247**	**4,986**	**3,803**	**8,221**	**47,579**	**3,353**

Treetop Condos
RA Spread Sheet

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Asphalt Overlay	*Unfunded*									
Asphalt Sealcoat & Repairs	3,772					4,251				
Bark Dust		1,891		1,984		2,081		2,183		2,290
Building Lighting					4,514					
Concrete Maintenance										1,181
Decking									7,689	
FHA Certificiation	1,645		1,725		1,810		1,899		1,992	
Fence - Chain Link										
Front Doors					4,193					
Garage Doors										27,171
Gutters & Downspouts										
Irrigation Controllers			1,332							
Lighting Exterior										
Monument - Maintenance				1,023						
Paint Exterior					44,025					
Retaining Wall										
Roof Maintenance	5,081			5,458			5,864			6,300
Roof Replacement										
Siding Maintenance					2,096					
Siding Replacement	*Unfunded*									
Signage										
Sliding Glass Doors					6,289					
Tree Work					2,096					
Windows							2,932			
Year Total:	**10,498**	**1,891**	**3,058**	**8,466**	**65,024**	**6,333**	**10,695**	**2,183**	**9,681**	**36,943**

Treetop Condos
RA Spread Sheet

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Asphalt Overlay	*Unfunded*									
Asphalt Sealcoat & Repairs	4,791					5,400				
Bark Dust		2,402		2,520		2,644		2,773		2,909
Building Lighting										
Concrete Maintenance										1,500
Decking									9,767	
FHA Certificiation	2,089		2,191		2,299		2,411		2,530	
Fence - Chain Link										14,116
Front Doors					5,325					
Garage Doors										
Gutters & Downspouts									24,502	
Irrigation Controllers			1,692							
Lighting Exterior										
Monument - Maintenance				1,300						
Paint Exterior	50,817						58,656			
Retaining Wall					1,775					
Roof Maintenance			6,769			7,272			7,813	
Roof Replacement										
Siding Maintenance	2,420						2,793			
Siding Replacement	*Unfunded*									
Signage					888					
Sliding Glass Doors					7,988					
Tree Work		2,478							2,930	
Windows							3,724			
Year Total:	**60,117**	**4,881**	**10,653**	**3,820**	**18,275**	**15,316**	**67,585**	**2,773**	**47,542**	**18,525**