

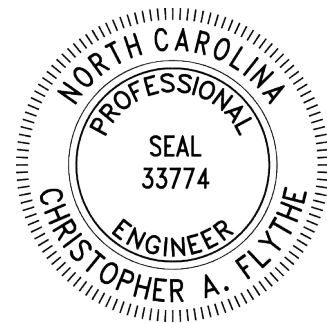
PREPARED FOR:

**ORCHARD VILLAS CONDO
UOA
APEX, NC**

**MANAGED BY:
GRANDCHESTER MEADOWS**

**DATE:
JULY 29, 2024**

**RESERVE STUDY
UPDATE with Site
Inspection**



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INTRODUCTIONS

Orchard Villas Condo UOA authorized Giles Flythe Engineers to perform a Reserve Study Update with Site Inspection for the Orchard Villas Condominiums community located in Apex, NC. We previously performed a full reserve study for the community dated October 13, 2014. The purpose of the reserve study is to assist the association in planning for future capital repair expenses. A reserve study is an important tool for an association to adequately fund capital reserve accounts through regular annual reserve contributions. Adequately funded capital reserve accounts reduce the need to defer capital repairs, collect special assessments or borrow funds for capital repair projects.

A community association typically has certain responsibilities as described in the association governing documents. These responsibilities often include maintaining common areas and other components. An association, as a non-profit organization, will typically have two general asset cash accounts including an operating account and a reserve account. The operating account is funded from regular budgeted assessments and is used to fund routine operating expenses that occur on a predictable cycle, typically monthly or up to annually. The reserve account is funded from regular contributions and is primarily used to fund non-annual capital repair expenses.

The focus of the reserve study is on the reserve account. We have projected capital repair expenses over a term of thirty years. The capital repair expenses are limited to those components for which the association is responsible for maintaining. Capital repair expense estimates include an expected useful life and remaining useful life of the components to develop a projected schedule for capital repairs over the term. After developing a schedule of capital repairs over the term, we completed a cash flow analysis forecasting reserve account balances over the term and provided funding recommendations as needed. Capital repair expense estimates and funding estimates are most reliable in the first portion of the term. Updating a reserve study every three to five years will mitigate the impacts of variation in repair costs, component wear, inflation and reserve funding over time.

Capital reserve funding recommendations are provided to address funding principles such as providing a sufficient amount of funds, a stable reserve contribution rate over the term, an equitable contribution rate over the term, and a fiscally responsible approach to funding. The reserve study is intended to assist the association in developing budgeted reserve contributions.

The report includes a narrative section which describes the scope of the reserve study, a discussion of observations and capital repair allocations, a general description of capital repairs and a description of our cash flow analysis and funding recommendations. The report appendices include the capital reserve analysis with tables detailing an itemized list of capital repair expenses, an itemized list of expenses by year and our cash flow analysis. A photo log is provided and includes a representative sample of our observations. The report includes multiple sections with information presented in various forms and should, therefore, be read in its entirety.

EXECUTIVE SUMMARY

Orchard Villas Condominiums includes 85 condominium units housed in 22 single-story buildings situated off Orchard Villas Avenue and Carolina Bell Road in Apex, NC. According to Wake County Tax Records, all buildings were constructed between 2008 and 2015. The community includes a clubhouse building with a fitness center and swimming pool.

The Association has responsibility for the roofs, gutters and downspouts, and exterior siding on the buildings, as well as various site improvements and amenities. The most significant site improvements include the asphalt paved driveways, concrete walkways, site fencing, and the drainage systems that include a stormwater pond. Amenities include a pool, clubhouse building, fitness center, and associated mechanical systems and furnishings.

The buildings, common areas, and site improvements are generally in good condition. Note that based on our cash flow analysis, maintaining the current funding level is **not** projected to maintain a positive balance over the term. We have provided alternative recommendations for annual reserve contribution schedules that provide a healthy balance to meet capital expenditure requirements in the next thirty years, in summary as follows:

- **Alternative 1:** Beginning in 2025, increase the annual reserve contribution by \$35,000 every other year for 15 years. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2:** Beginning in 2025, increase the annual reserve contribution by 12% every year for 11 years. This alternative is projected to maintain a positive balance through the term of this study.

A more detailed analysis of the reserve fund has been provided in Appendix A.

Some significant expenditures are expected over the term of the study. Some of the more notable examples are listed below:

- Mill and replace asphalt paving
- Replace building roofs
- Paint/repair siding & trim

Additional, less significant, capital expenditures are anticipated over the term of this study. Those items that will require repair or replacement are discussed later in this report.

PURPOSE & SCOPE

We have completed this study to estimate capital repair expenses the association is responsible for over the term of the study and provide a cash flow analysis and capital reserve funding plan. This study is intended to assist the association in determining the allocation requirements into the reserve fund which are projected to meet future anticipated capital expenditures for the community.

This report estimates capital repair expenses for the community thirty years into the future. Variations in capital repair expense forecasts due to the quality of maintenance, weather and other events may occur. Over time, age, premature deterioration, or other factors may necessitate the addition of assets into the reserve study. Additionally, fluctuations in material and labor costs beyond assumed inflation rates may also affect the accuracy of the forecasts. Therefore, a reserve study should be routinely updated, typically on a three to five-year cycle to provide the most accurate assessment of needs and financial obligations of the community.

This study has been performed according to the scope as generally defined by Orchard Villas Condo UOA, Giles Flythe Engineers Inc., and the standards of the Community Associations Institute. The findings and recommendations are based on interviews with the community's management personnel; a review of available documents; and a limited visual inspection of the components maintained by the association.

The Cash Flow Method of calculating reserves has been utilized, whereby contributions to the reserve fund are designed to offset the variable annual expenditures. Funding alternates are recommended which are designed to achieve at minimum a Baseline Funding goal by maintaining a positive balance for the term of the study. We have also included a threshold funding goal which provides a minimum reserve account over the term. The minimum balance is typically calculated by determining the total over term forecasted expenses and dividing by the length of the term in years. This minimum threshold balance will help offset the risk of fluctuations in labor and material costs and component wear.

To determine which components should be included in this analysis, we used the following guidelines:

- The component must be maintained by the association.
- The component must have an estimated remaining useful life within the term of this study.
- The funding for the repair should be from the reserve account, not through an annual operating budget or other maintenance contracts.
- The cost of the capital repair must be significant enough to not be reasonably funded from an annual operating budget.

What is a reserve study?

A reserve study is a long-term capital budget planning tool which compares the current reserve fund of an organization to future capital repairs and replacements.

A reserve study is a tool to help identify and prepare for major repair and replacement projects for a community.

It is recommended that a reserve study be performed every five years to ensure that communities are saving the necessary funds for capital repairs and improvements.

Our process for completing the reserve study includes:

1. Reviewing information provided including governing documents, association financial statements, and information on previous or planned capital repairs.
2. Reviewing available information on the property as needed. This may include plat maps, tax records, historical aerial photographs, available site, and building plans.
3. Conducting a visual inspection of the property. This may include interviewing association representatives during the inspection.
4. Developing an inventory of components to be included in the reserve study.
5. Predicting their remaining service life and approximating how frequently they will require repair or replacement.
6. Estimating repair or replacement costs (in 2024 dollars) for each capital item.
7. Develop a cash flow analysis adjusting for inflation and return on invested monies to determine the adequacy of current reserve funding plans.
8. Develop funding recommendations with specific reserve contribution recommendations for each year of the term.

The statements in this report are opinions about the present condition of the areas inspected within the community. Our inspection is limited to a visual ground level inspection and we did not remove any surface materials, perform any testing, or move any furnishings. This study is not an exhaustive technical evaluation or building code compliance review. For additional limitations, see Conclusion and Limitations.

Standards of Reference

The following definitions are provided as a standard of reference:

Excellent: Component or system is in “as new” condition, requiring no rehabilitation and should perform in accordance with expected performance.

Good: Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.

Fair: Component or system falls into one or more of the following categories: a) Evidence of previous repairs not in compliance with commonly accepted practice, b) Workmanship not in compliance with commonly accepted standards, c) Component or system is obsolete, d) Component or system approaching the end of expected performance. Repair or replacement is required to prevent further deterioration or to prolong expected life.

Poor: Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. The present condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.

Adequate: A component or system is of a capacity that is defined as enough for what is required, sufficient, suitable, and/or conforms to standard construction practices.

SOURCES OF INFORMATION

Date of Inspection

Onsite inspection of the property occurred on May 15, 2024.

Persons Interviewed

The following persons were interviewed in connection with this study:

- Amy Boe, Community Manager – Grandchester Meadows, Inc.
- David Robbins, Finance and Legal Manager – Grandchester Meadows, Inc.
- Board members on site

Documents

The following documents were made available to us and reviewed:

- Wake County Tax Records
- Recorded plat maps
- Orchard Villas Condos UOA Governing Documents
- Association financial statements
- Historical aerial photographs

Cost Estimates

- Our internal data files on similar projects
- Local contractor estimates for similar projects
- R.S. Means Construction Cost Estimating Data

DESCRIPTION

Orchard Villas Condominiums includes 85 condominium units housed in 22 single-story buildings situated off Orchard Villas Avenue and Carolina Bell Road in Apex, NC. According to Wake County Tax Records, all buildings were constructed between 2008 and 2015. The community includes a clubhouse building with a fitness center and swimming pool.

The Association has responsibility for the roofs, gutters and downspouts, and exterior siding on the buildings, as well as various site improvements and amenities. The most significant site improvements include the asphalt paved driveways, concrete walkways, site fencing, and the drainage systems that include a stormwater pond. Amenities include a pool, clubhouse building, fitness center, and associated mechanical systems and furnishings.

The community is accessed by an entrance off Blackburn Road. The streets in the community are in the public right-of-way and are not the responsibility of the Association. There is a stone veneer entrance monument which bears the community name at the intersection of Orchard Villas Avenue and Carolina Bell Road.

The condominium and clubhouse buildings are of wood frame construction and on poured concrete slab foundations. Exterior surfaces are primarily comprised of fiber cement siding and trim with sections of brick and stone veneer.

The building roofs are clad with asphaltic fiberglass architectural grade shingles. Aluminum gutters and downspouts discharge stormwater to grade.

Site drainage is provided via landscaped swales and catch basins in the paved and landscaped areas. These systems direct water flow off site through a stormwater pond.

OBSERVATIONS

The following key observations were made about the current condition of the more significant and costly common elements of the property.

Site Improvements

The streets within the community are within the public right-of-way and are therefore not the responsibility of the Association; however, the Association is responsible for maintaining the asphalt paved driveways at each building and the asphalt paved parking lot located at the clubhouse. The asphalt paving appeared to be in generally good to fair condition, with minor cracking and deterioration visible. Typically, we recommend the application of an oil resistant sealant to all asphalt paved surfaces on an approximate 5- to 8-year cycle. At this same time, all cracks should be properly filled, patched, and sealed. We have allocated funds for crack repairs and to seal the pavement every 5 years, beginning in 2026.

Over time, it is assumed that isolated areas of pavement will become fatigued and require full depth replacement. We have allocated funds for full depth structural repairs of these sections in 2028 for approximately 2.0% of the total asphalt area on a 12-year cycle. Full depth repairs would include saw-cutting existing areas of damage, excavating down to suitable soils, and replacing the subbase, base, and top coats.

Assuming seal coating and crack repairs are performed in the interim, we anticipate the asphalt paving in the community to have an estimated useful life of approximately twenty to twenty-five years prior to full resurfacing. Due to the tie-ins at the units and other drainage pattern concerns, an overlay would not be recommended. Instead, we have included funding to mill and replace the top 2” of pavement on a 20-year cycle in four phases with Phases 1 and 2 occurring in 2034 and 2037 and Phases 3 and 4 in 2041 and 2043. The table below indicates the intended phasing.

Table 1: Asphalt Phasing

	Year Most Recently Paved	Driveway Identification
Phase 1	2009-2012	D1, DCH, D4, D4-20, D5, D6-7, D7-8, D8-10
Phase 2	2013-2015	D22-21, D21-19, D19-17, D17-16, D16-14, D20-18, D18-15, D13-14, D9, D13, D10-11, D11-12, D12
Phase 3	2021	D1-2, D2-3
Phase 4	2023	D3-22, D5-6

The association is responsible for maintaining the concrete walkways, patios and the concrete pool deck. The concrete flatwork generally appears to be in good condition, with some minor cracking evident. We have allocated funds for periodic repairs and/or replacement of concrete surfaces as required and have assumed that 5% of the surfaces will require maintenance every 8 years beginning in 2030.

Drainage systems include gutter downspouts that discharge to grade and through buried piping at the units. Storm water on the site drains via surface flow or via landscaped swales toward catch basins in the paved and

landscaped areas. Inlet grates in the roadway gutters and the grassed areas collect stormwater that flows in an underground system which leads to the stormwater pond. The swales tend to accumulate sediment that settles out during storm events and will need to be periodically removed and re-graded. It is likely that erosion concerns will develop over time and require repair. In addition, over time, small landscape drainage systems will likely need to be installed in flat areas of the community to address concerns. We also recommend having a portion of the private drainage infrastructure in the streets inspected with a video camera system, flushed, and repaired as necessary.

We have allocated funds to repair the drainage systems on a 5-year cycle beginning in 2026. Repairs will likely include retrenching of swales to improve flow, adding rip rap or vegetation to stabilize exposed or steep areas, extending gutter downspouts to underground systems, repairing erosion concerns, repairing gabion type retaining walls, installing french drains or other types of minor drainage systems.

A stormwater pond is located near the entrance of the community. The wet pond includes landscaped embankments, reinforced concrete inlet pipes, a metal riser outlet structure and a rip rap armored emergency spill way. The pond generally appeared to be in fair condition, with high levels of vegetation growth and minor sections of exposed soil on the earthen dam. Per the board members on site, the pond has not yet been handed over to the Association for maintenance. We assume that the pond will be brought to its intended design by an outside source before ownership is released to the Association in the near future. We recommend the association hire a qualified and experienced pond management company to perform routine inspections and maintenance of the pond. The association should ensure the pond meets all applicable municipal requirements. We have assumed minor repairs to the pond and maintaining adequate ground cover would be funded from an annual maintenance budget. It is likely that the pond will require substantial repairs possibly including dredging of collected sediment on a 15-to-25-year cycle. We have allocated funds for significant repairs and dredging of the pond on a 20-year cycle beginning in 2043.

Per the board members on site, the Association is planning to remove trees throughout the community. We have included funds for tree removal and landscaping overhaul every 5 years beginning in 2029.

A small stone veneer entrance monument with composite sign inlay is installed at the entrance to the community. The entrance sign will require periodic cleaning and painting which is assumed to be funded from an annual maintenance budget. We anticipate substantial repairs or replacement of the entrance sign inlay on an approximate 10-year cycle and have allocated funds in 2032.

Mailboxes are installed on vinyl posts at each building in the community. The mailboxes generally appeared to be in good condition and have an expected useful life of approximately 20 years. We have allocated funds to replace them every 20 years beginning in 2034.

Split rail wood fencing is installed above a retaining wall along the southern border of the community. The wood fencing generally appeared to be in good to fair condition. We have assumed minor repairs of the fencing would be funded from an annual maintenance budget. We anticipate the wood fencing to have an expected useful life of approximately 15-20 years and have allocated funds for full replacement every 15 years beginning in 2029.

Anodized aluminum fence surrounds the pool area. The fencing appeared to be in generally good condition. We assume minor repairs to the fencing would be funded from an annual maintenance budget as needed. Assuming a useful life of approximately 40 years, we have included funds to replace the fence in 2048.

Select units include vinyl privacy fencing installed behind the buildings. Vinyl fencing is also installed in common areas along the top of sections of retaining walls in the community. The vinyl fencing will require periodic minor repairs and cleaning throughout the term which we have assumed would be funded from an annual maintenance budget. Additionally, we have allocated funds for replacing vinyl fencing on a 25-year cycle beginning in 2038.

Segmental block retaining walls with geo-grid reinforcement are installed in several areas of the community. This type of retaining wall system has an expected useful life beyond the term of this study. However, minor repairs to cap blocks and drainage systems associated with the wall will likely be required in the interim and have been included in the drainage system repairs mentioned earlier in this section. Considering the substantial amount of retaining walls, we have provided an allocation of funds at the end of the term to begin to prepare for long term substantial repair expenses.

Building Exteriors

The predominant pitched roof surfaces over the buildings are covered in asphaltic fiberglass, architectural grade shingles. Roof surfacing is applied over roof sheathing, and appears to be in good condition. We are unaware of any concerns with current or previous roof leaks. Minor roofing improvements over term will likely include replacing vent boots, flashing and drip edge repairs, and gutter repairs. We have assumed these types of minor repairs would be funded from an annual maintenance budget.

The architectural-grade asphaltic shingles on the pitched roof surfaces typically have an expected useful life of approximately 20-25 years, assuming minor repairs are completed as needed in the interim. We strongly recommend that any re-roofing project closely follow procedures outlined by the National Roofing Contractors Association's *Roofing and Waterproofing Manual*. A re-roofing sequence should include removal of the existing roofing material, replacement of any inadequate roof sheathing, replacement of any damaged flashing, and replacement of drip edge components.

We have allocated funds to replace the roofs on the buildings in the community in three phases based on dates of original construction and previous re-roofing. The first phase of replacement is anticipated to begin in 2029 with the buildings constructed between 2008 and 2011 (includes clubhouse). The second phase will begin in 2033 with the buildings constructed between 2013 and 2015. The third phase will begin in 2041 with the buildings that were recently re-roofed in 2021. Refer to the table below for a list of specific buildings included in each roofing phases.

Table 2: Roof Phasing

Roofing Phase	Building
Phase 1	Clubhouse and Buildings 1 – 6
Phase 2	Buildings 9 – 13 and 15A – 22
Phase 3	Buildings 7, 8, and 14

Gutters and downspouts are in generally good condition and should not require replacement until the time of the second roof replacement on each building, as this component typically provides twenty years of relatively trouble-free service. We have allocated funds to replace gutters, downspouts, and leaf guards for Phase 1 and 2 buildings in 2049 and 2053, respectively. Per the Association, Phase 3 gutters, downspouts, and leaf guards will be replaced in 2061 and have not been included within the term of this study.

The buildings in the community are of wood framed construction and are primarily clad in fiber cement siding and trim with sections of brick and stone veneer. The exterior surfaces generally appeared to be in good condition, however they will require periodic painting and minor repairs. The buildings were painted in two phases in 2018 and 2022. We have allocated funds to paint the fiber cement siding and trim components and make minor repairs in the same two phases on a 7-year cycle, with Phase 1 beginning in 2025 and Phase 2 beginning in 2029.

We would like to note that we do not anticipate any large-scale re-pointing projects of the brick or stone veneer based on our recent experience with similar communities in this area. If significant cracking in the mortar was observed during the inspection, or there is a history of re-pointing in a given community, funds would be included for this purpose. However, based on the inspection and the young age of the structures, we do not feel that setting aside money for masonry repairs are warranted at this time.

The clubhouse building includes fiberglass doors and vinyl windows. The doors and windows have an expected useful life of approximately 20 to 30 years and we have allocated funds for their replacement in 2038. We have assumed that film replacement on the Palladian windows would be funded from the annual maintenance budget. Note that per the governing documents, the association is not responsible for replacing the doors and windows on the condominium buildings.

Building Interiors

The clubhouse interior walls are primarily smooth finished painted drywall with stained wood trim. To maintain a clean and bright appearance, the interior walls, trim and ceilings will require periodic painting and minor repairs. We have allocated funds to paint the interior of the clubhouse building on an 8-year cycle beginning in 2030. We recommend staining/painting interior doors during each painting cycle as needed.

Flooring in the clubhouse is comprised of carpet, wood flooring and sections of ceramic tile flooring. The flooring generally appeared to be in good condition and we have allocated funds to replace the carpet with mid-grade commercial carpet on a 7-year cycle beginning in 2030 and to refinish the hardwood flooring on a

15-year cycle beginning in 2038. We have also allocated funds to replace the tile flooring at the clubhouse entry and on the floors and walls of the restrooms on a 25-year cycle beginning in 2033.

The clubhouse includes men's and women's restrooms with toilet stalls, partitions and a sink with granite countertops. The fixtures in the bathrooms appeared to be in good condition and have an expected useful life of approximately 15 to 25 years depending on use. We have allocated funds to replace/refurbish the restrooms on a 25-year cycle beginning in 2030.

The clubhouse kitchen includes wood cabinets, granite counter tops, a sink, stainless steel side by side refrigerator, smooth top range/stove, dishwasher and microwave. The kitchen cabinets and appliances generally appeared to be in good condition. We have provided an allocation of funds to replace appliances as needed on a 3-year cycle beginning in 2026 and to refurbish the kitchen cabinets/counters on a 25-year cycle beginning in 2030.

The clubhouse includes a great room with card tables, a pool table, upholstered furniture and several wood tables. The clubhouse also includes two furnished office spaces and a foyer with various artworks, rugs and furnishings. We have provided an allocation of funds on a 5-year cycle beginning in 2025 to replace portions of the interior furnishings as needed. We have provided a separate allocation of funds to replace the common area pool table every 20 years beginning in 2035.

Mechanical, Electrical and Plumbing Systems

The clubhouse is served by a heating ventilation and air conditioning (HVAC) system that includes two 5-ton heat pumps with fan coil units located in the attic. A Lennox system (2016) services the main hall and a Trane system (2020) services the fitness room. HVAC equipment has an expected useful life of approximately 12-15 years and we have allocated fund to replace the Lennox system in 2028 and the Trane system in 2032.

The clubhouse includes a State ProLine 40-gallon electric water heater located in the pool pump room. We have allocated funds to replace the water heater on a 12-year cycle beginning in 2033. The clubhouse also includes a drinking water fountain that we have allocated funds to replace every 18 years beginning in 2026.

The clubhouse includes a keypad secured access system and a security system. We have allocated funds to repair/upgrade these systems on a 10-year cycle beginning in 2028.

The pool system was converted to salt water in 2019. The pool pump and filtration equipment includes a 1.5 horsepower pump driven by an electric motor, a Pentair Intellichlor salt chlorine generator and a Triton II sand filter. These items are typically replaced as they fail, and we have provided funds to replace components of the pump and filtration system on a 3-year cycle beginning in 2025.

The pool building electrical system is served by a breaker panel and the pool building includes florescent light fixtures and electrical outlets. Concealed plumbing systems likely include PVC and/or copper piping, pressure regulators and backflow preventers. While these components should have an expected life well beyond the

term of this study, we have provided an allocation of funds for repairs to the plumbing/electrical systems at the clubhouse every 15-years beginning in 2029.

The common areas around the clubhouse and community are served by a landscape irrigation system. It is likely that minor repairs to the spray heads and controls will be required on a routine basis to be funded from an annual maintenance budget. We have allocated funds for substantial repairs to the control panels and possibly partial pipe replacements on a 5-year cycle beginning in 2028.

Amenities

Amenities owned and maintained by the Association include the swimming pool and associated furnishings and equipment, as well as fitness equipment.

The swimming pool appears to have been constructed in conjunction with the clubhouse in 2008. Per documentation provided by the Association, the pool was resurfaced in 2019. The pool surface appeared to be in good condition during the inspection, noting that any observations were performed from above the water surface. Typically, pools should be drained, minor cracks repaired, and recoated (possibly quartz plaster) on an approximately 10–12-year cycle. We have budgeted funds for full resurfacing and tile repairs on a 12-year cycle beginning in 2031.

The concrete pool deck includes a textured coating which generally appeared to be in good to fair condition. The textured coating will likely require repair and/or full resurfacing on an approximately 10-year cycle. We have allocated funds for recoating the pool deck beginning in 2030. Per a board member on site, the Association plans to paint the pool deck in the interim and we have included funds to paint the pool deck on a 10-year cycle beginning in 2025.

Pool and outdoor furniture consisted of aluminum frame, vinyl strapped chaise lounges and chairs, tables, umbrellas and a gas grill. Due to the unpredictability of the lifespan of these items, we have budgeted for replacement of approximately 1/3rd of the pool furniture every 3 years, beginning in 2025.

A fitness room is located in the clubhouse and includes 2 SportsArt Treadmills, a SportsArt Elliptical machine, a SportsArt exercise bike and a Tuff Stuff Apollo multi station weight machine along with other miscellaneous fitness items. We have allocated funds to replace the cardio equipment on an 8-year cycle beginning in 2026 and the strength equipment on a 20-year cycle beginning in 2035.

PREVENTATIVE MAINTENANCE

Preventative maintenance is a critical aspect affecting a property's life cycle costs and structural safety. It is encouraged that every property owner have a preventative maintenance plan in place. The reserve study is not to be considered a preventative maintenance plan. A preventative maintenance plan should incorporate all applicable common elements, not just those components included within the reserve study.

Any information provided by the client regarding ongoing maintenance or repair being performed with any component has been noted within the notes for that component. We can only be aware of preventative maintenance plans or programs that have been disclosed by the client. Note that an audit or evaluation of any maintenance plan or maintenance contract is outside the scope of the services of this project.

In some states and municipalities, periodic structural inspection reports are required for certain types of buildings. This periodic inspection report is critical to assist the reserve study provider in incorporating necessary corrective maintenance costs and timing. We recommend the association complete any and all required structural inspections and reports and have assumed these reports would be made available for our review during the reserve study.

We have assumed repairs under a dollar value of approximately \$1,000 would be funded as part of an annual maintenance budget. These repairs were not included in the funding allocations of this reserve study unless otherwise noted. We have assumed other component repairs/replacements would be funded from an annual maintenance budget as noted in the report.

RESERVE FUND ANALYSIS

We have performed a cash flow analysis projecting balances in the reserve account over the term of this study. We have included estimated capital repair expenses detailed in the first several pages of Appendix A. We have included tables and graphs depicting current funding levels along with recommended funding alternatives.

The financial projections include an assumed inflation rate and an assumed average return on invested funds as noted on the Project Summary page in the Appendix. The inflation rate adjustment is noted at the bottom of the annual expense page and the return on invested funds is noted in the existing funding level and funding alternative cash flow tables.

The software utilized to analyze the reserve funds was developed by Giles Flythe Engineers, Inc. in cooperation with a technology consultancy. The software and our analysis system have been extensively reviewed by leading community association and non-profit certified public accountants.

The capital repairs listed were derived from the initial request for proposal, discussions with association representatives, our informal review of governing documents and our site inspection. The association should confirm that the items listed are, in fact, the responsibility of the association and appropriate to fund from the reserve account.

Appendix A includes the following:

1. The Project Summary page that lists pertinent details specific to the association, the terms of the analysis and summarizes total over term expenses and recommended threshold balance.
2. The Expense Projection page that itemizes the capital repairs by category, illustrates our cost estimating by unit and provides estimated useful life and remaining useful life of each item.
3. The Annual Expense Projection pages that populate the capital repairs over the term of the study. This page includes a total adjusted for inflation at the bottom of the pages.
4. The Itemized Funding Analysis page provides a summary of the capital expenditures over the term and a graph breaking down the portion of the capital repairs into each category – Site Improvements, Building Exterior, Building Interior, Mechanical/Electrical/Plumbing Systems and Amenities.
5. The Current Funding Projection page provides a table and graph illustrating our cash flow analysis assuming the association maintains the current level of reserve contributions over the term of this study. The table includes projected reserve account balances, contributions, return on invested funds and capital repair expenses for each year of the term of this study.
6. The Funding Alternative pages each provide a table and graph illustrating our cash flow analysis assuming the association implements one of our funding recommendations detailed below.

Current Reserve Funding Rate: \$122,680 per year

Current Reserve Balance: \$561,815 (projected 2025 starting balance)

Note that based on our cash flow analysis, maintaining the current funding level is **not** projected to maintain a positive/healthy balance over the term. We have included recommended funding alternatives to your current reserve-funding program and recommend that the board adopt an alternative that best reflects the objectives of the community. Our funding recommendations are as follows:

- **Alternative 1:** Beginning in 2025, increase the annual reserve contribution by \$35,000 every other year for 15 years. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2:** Beginning in 2025, increase the annual reserve contribution by 12% every year for 11 years. This alternative is projected to maintain a positive balance through the term of this study.

A more detailed analysis of the reserve fund has been provided in Appendix A.

The reserve study is focused on the capital reserve account and budgeted contributions to reserves. The recommendations above are solely attributed to the annual reserve contributions. The association likely has many line items in the annual operating budget that should also be periodically adjusted as part of an annual budgeting process.

The capital repair/replacement cost estimates we have developed are based on 2024 dollars. Our reserve study does include an adjustment for inflation and an assumed rate of return on invested funds.

CONCLUSION & LIMITATIONS

We have provided reserve funding recommendations based on our analysis of the association-maintained components, estimated capital repair costs over the term and the current funding levels. Further detail of the reserve fund analysis is provided in Appendix A.

The physical analysis portion of this reserve study was completed through a limited visual inspection. The visual inspection was completed from ground level unless otherwise specified. The visual inspection is generally limited to readily accessible and visible common areas that would likely require capital repair activities over the term. However, in some instances a representative sample inspection may be performed. Measurement of components is completed by a combination of field measurements, aerial imagery measuring tools and take-offs from construction drawings as available. Unless specifically noted, the components included in this study have an anticipated remaining useful life within thirty years from the time the field observations used in preparing the study were performed.

Note that this inspection does not include removing surface materials, excavation or any testing. The inspection does not include riparian buffers or other protected common areas. Buried utility components and other concealed components were not inspected as part of this analysis and we cannot be responsible for the condition of components not inspected.

The observations described in this study are valid on the date of the investigation and have been made under the conditions noted in the report. We prepared this study for the exclusive use of Orchard Villas Condo UOA. No other party should rely on the information in this report without consent. If another individual or party relies on this study, they shall indemnify and hold Giles Flythe Engineers Inc. harmless for any damages, losses, or expenses they may incur as a result of its use. This study is not to be considered a warranty of condition, and no warranty is implied. The appendices are an integral part of this report and must be included in any review. The Reserve Specialist shall incur no civil liability for performing the physical or financial portions of a reserve study performed in accordance with CAI standards.

Members of the Giles Flythe Engineers team working on this reserve study are not members of, or otherwise associated with, the association. Giles Flythe Engineers has disclosed any other involvement with the association that could result in conflicts of interest.

Information provided by the representatives of the association regarding financial, physical, quantity, or historical issues, will be deemed reliable by Giles Flythe Engineers. The reserve balance presented in the Reserve Study is based upon information provided and was not audited. Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection. Giles Flythe Engineers is not aware of any additional material issues which, if not disclosed, would cause a distortion of the association's situation.

This reserve study is partially a reflection of information provided to us. The reserve study is assembled for the association's use and is not intended to be used for the purpose of performing an audit, quality/forensic analyses or background checks of historical records. Structural integrity evaluations are not included in the

reserve study unless otherwise noted. The financial information provided, including starting balances and budgeted contribution rates are deemed reliable and have not been audited. Further, this study should not be considered a building code compliance analysis. The purpose of this study is to provide the association with a financial tool and is not to be considered an exhaustive technical or engineering evaluation which would consist of a broader scope of work. Except as noted in the report, we have not relied on the validity of prior reserve studies performed by other firms.

We have provided estimated costs of capital repairs. These costs are based on our general knowledge of the construction industry. We have relied on standard sources as needed, such as Means Building Construction Cost Data and estimates reviewed by Giles Flythe Engineers on similar projects. We have performed no design work or other engineering analysis as part of this study, nor have we obtained competitive quotations or estimates from contractors. Actual repair costs can vary due to a variety of factors. We cannot be responsible for the specific cost estimates provided.

This report has been prepared and reviewed by a professional engineer (PE) and reserve specialist (RS) on our staff.

If you have any questions about this reserve study, please feel free to contact us. Thank you for the opportunity to serve you.

Respectfully submitted,



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Giles Flythe Engineers, Inc.



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APPENDIX A: RESERVE FUND PROJECTIONS

2024 Reserve Study Update

Client Name:	Orchard Villas Condominiums UOA
Service:	2024 Reserve Study Update
Number of Units:	85
Location:	Apex, NC
Date of Inspection:	May 15, 2024
Term of Study in Years:	30
Beginning Year:	2025
Estimated Starting Reserve:	\$561,815
Current Annual Contribution:	\$122,680
Annual Inflation Rate:	4.00%
Assumed Rate of Return on Reserve Funds:	1.50%
Total Over Term Capital Expenditure with Inflation:	\$10,944,996
Recommended Threshold Reserve Balance: (Average Annual Capital Expenditure with Inflation)	\$364,833



GILES FLYTHE
ENGINEERS

Expense Estimates

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Site Improvements							
Full depth repairs to sections of asphalt paving	500	SY	\$55.00	\$27,500	12	3	Approx. 5% every 12 years
Crack fill, seal coat, stripe asphalt paving	9,975	SY	\$3.00	\$29,925	5	1	
Mill and replace asphalt paving - Phase 1	3,025	SY	\$35.00	\$105,875	20	9	
Mill and replace asphalt paving - Phase 2	5,200	SY	\$35.00	\$182,000	20	12	
Mill and replace asphalt paving - Phase 3	825	SY	\$35.00	\$28,875	20	16	
Mill and replace asphalt paving - Phase 4	925	SY	\$35.00	\$32,375	20	18	
Concrete curbing/flatwork repairs (including pool deck)	250	SY	\$150.00	\$37,500	8	5	Approx. 5% every 8 years
Drainage system repairs/improvements	1	LS	\$15,000.00	\$15,000	5	1	
Repair/dredge stormwater pond	1	LS	\$15,000.00	\$15,000	20	18	
Landscape overhaul & tree removal	1	LS	\$20,000.00	\$20,000	5	4	
Repair/refurbish entrance monument	1	LS	\$10,000.00	\$10,000	10	7	
Replace mailboxes	42	EA	\$1,000.00	\$42,000	20	9	
Replace wood split rail fencing	830	LF	\$22.00	\$18,260	15	4	
Replace aluminum fencing at pool	250	LF	\$50.00	\$12,500	40	23	
Repair/replace sections of vinyl fencing	2,800	LF	\$40.00	\$112,000	25	13	
Allocation for long term retaining wall repairs	1	LS	\$80,000.00	\$80,000	40	29	
Building Exteriors							
Replace Building Roofs - Phase 1	920	SQ	\$385.00	\$354,200	20	4	
Replace Building Roofs - Phase 2	1,900	SQ	\$385.00	\$731,500	20	8	
Replace Building Roofs - Phase 3	480	SQ	\$385.00	\$184,800	20	16	
Replace gutters, downspouts, and leaf guards - Phase 1	25	EA	\$1,350.00	\$33,750	40	24	
Replace gutters, downspouts, and leaf guards - Phase 2	49	EA	\$1,500.00	\$73,500	40	28	
Paint/repair siding & trim - Phase 1	25	EA	\$2,200.00	\$55,000	7	0	
Paint/repair siding & trim - Phase 2	61	EA	\$2,200.00	\$134,200	7	4	
Replace clubhouse windows	20	EA	\$800.00	\$16,000	30	13	
Replace clubhouse doors	7	EA	\$1,500.00	\$10,500	30	13	
Building Interiors							
Paint interior walls and trim	1	LS	\$5,000.00	\$5,000	8	5	
Replace clubhouse carpet	575	SF	\$5.00	\$2,875	7	5	
Replace common area clubhouse carpet	600	SF	\$5.00	\$3,000	7	5	
Refinish wood flooring	700	SF	\$4.50	\$3,150	15	13	
Replace clubhouse tile	650	SF	\$18.00	\$11,700	25	8	
Refurbish clubhouse restroom fixtures	2	EA	\$10,000.00	\$20,000	25	5	
Refurbish kitchen cabinets/counters	1	LS	\$18,250.00	\$18,250	25	5	
Allocation to replace kitchen appliances as needed	1	LS	\$2,500.00	\$2,500	3	1	
Allocation to replace furnishings	1	LS	\$10,000.00	\$10,000	5	0	
Replace pool table	1	LS	\$10,000.00	\$10,000	20	10	

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Mechanical/Electrical/Plumbing							
Replace clubhouse HVAC system - main hall	1	LS	\$10,000.00	\$10,000	12	3	
Replace clubhouse HVAC system - fitness room	1	LS	\$10,000.00	\$10,000	12	7	
Replace water heater	1	LS	\$1,800.00	\$1,800	12	8	
Replace drinking fountain	1	LS	\$2,200.00	\$2,200	18	1	
Repair/upgrade security access system	1	LS	\$5,000.00	\$5,000	10	3	
Replace components of pool pump & filtration equipment	1	LS	\$3,500.00	\$3,500	3	0	
Allocation for plumbing & electrical repairs	1	LS	\$7,500.00	\$7,500	15	4	
Allocation for buried utility repairs	1	LS	\$30,000.00	\$30,000	5	3	
Amenities							
Resurface swimming pool	1,600	SF	\$22.00	\$35,200	12	6	Includes waterline tile & logo
Recoat textured pool deck	2,340	SF	\$8.00	\$18,720	10	5	
Paint textured pool deck	2,340	SF	\$3.00	\$7,020	10	0	
Replace pool furnishings	16	EA	\$250.00	\$4,000	3	0	Approx. 1/3 every 3 years
Replace cardio fitness equipment	2	EA	\$6,000.00	\$12,000	8	1	Approx. 1/2 every 8 years
Replace strength fitness equipment	1	EA	\$12,000.00	\$12,000	20	10	

SY: Square Yard, **SF:** Square Feet, **LF:** Linear Feet, **SQ:** Roofing Square, **EA:** Each, **LS:** Lump Sum, **SYS:** System

Annual Expense By Year With Inflation

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Site Improvements										
Full depth repairs to sections of asphalt paving				\$30,934						
Crack fill, seal coat, stripe asphalt paving		\$31,122					\$37,865			
Mill and replace asphalt paving - Phase 1										\$150,693
Mill and replace asphalt paving - Phase 2										
Mill and replace asphalt paving - Phase 3										
Mill and replace asphalt paving - Phase 4										
Concrete curbing/flatwork repairs (including pool deck)						\$45,624				
Drainage system repairs/improvements		\$15,600					\$18,980			
Repair/dredge stormwater pond										
Landscape overhaul & tree removal					\$23,397					\$28,466
Repair/refurbish entrance monument								\$13,159		
Replace mailboxes										\$59,779
Replace wood split rail fencing					\$21,362					
Replace aluminum fencing at pool										
Repair/replace sections of vinyl fencing										
Allocation for long term retaining wall repairs										
Building Exteriors										
Replace Building Roofs - Phase 1					\$414,364					
Replace Building Roofs - Phase 2									\$1,001,108	
Replace Building Roofs - Phase 3										
Replace gutters, downspouts, and leaf guards - Phase 1										
Replace gutters, downspouts, and leaf guards - Phase 2										
Paint/repair siding & trim - Phase 1	\$55,000							\$72,376		
Paint/repair siding & trim - Phase 2					\$156,995					
Replace clubhouse windows										
Replace clubhouse doors										
Building Interiors										
Paint interior walls and trim						\$6,083				
Replace clubhouse carpet						\$3,498				
Replace common area clubhouse carpet						\$3,650				
Refinish wood flooring										
Replace clubhouse tile									\$16,012	
Refurbish clubhouse restroom fixtures						\$24,333				
Refurbish kitchen cabinets/counters						\$22,204				
Allocation to replace kitchen appliances as needed		\$2,600			\$2,925			\$3,290		
Allocation to replace furnishings	\$10,000					\$12,167				
Replace pool table										

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Mechanical/Electrical/Plumbing										
Replace clubhouse HVAC system - main hall				\$11,249						
Replace clubhouse HVAC system - fitness room								\$13,159		
Replace water heater									\$2,463	
Replace drinking fountain		\$2,288								
Repair/upgrade security access system				\$5,624						
Replace components of pool pump & filtration equipment	\$3,500			\$3,937			\$4,429			\$4,982
Allocation for plumbing & electrical repairs					\$8,774					
Allocation for buried utility repairs				\$33,746					\$41,057	
Amenities										
Resurface swimming pool							\$44,539			
Recoat textured pool deck						\$22,776				
Paint textured pool deck	\$7,020									
Replace pool furnishings	\$4,000			\$4,499			\$5,061			\$5,693
Replace cardio fitness equipment		\$12,480								\$17,080
Replace strength fitness equipment										
Total	\$79,520	\$64,090	\$0	\$89,989	\$627,816	\$140,335	\$110,874	\$101,985	\$1,060,641	\$266,693

Annual Expense By Year With Inflation

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Site Improvements										
Full depth repairs to sections of asphalt paving						\$49,526				
Crack fill, seal coat, stripe asphalt paving		\$46,068					\$56,049			
Mill and replace asphalt paving - Phase 1										
Mill and replace asphalt paving - Phase 2			\$291,388							
Mill and replace asphalt paving - Phase 3							\$54,082			
Mill and replace asphalt paving - Phase 4									\$65,586	
Concrete curbing/flatwork repairs (including pool deck)				\$62,440						
Drainage system repairs/improvements		\$23,092					\$28,095			
Repair/dredge stormwater pond									\$30,387	
Landscape overhaul & tree removal					\$34,634					\$42,137
Repair/refurbish entrance monument								\$19,479		
Replace mailboxes										
Replace wood split rail fencing										\$38,471
Replace aluminum fencing at pool										
Repair/replace sections of vinyl fencing				\$186,488						
Allocation for long term retaining wall repairs										
Building Exteriors										
Replace Building Roofs - Phase 1										
Replace Building Roofs - Phase 2										
Replace Building Roofs - Phase 3							\$346,127			
Replace gutters, downspouts, and leaf guards - Phase 1										
Replace gutters, downspouts, and leaf guards - Phase 2										
Paint/repair siding & trim - Phase 1					\$95,242					
Paint/repair siding & trim - Phase 2		\$206,595							\$271,865	
Replace clubhouse windows				\$26,641						
Replace clubhouse doors				\$17,483						
Building Interiors										
Paint interior walls and trim				\$8,325						
Replace clubhouse carpet			\$4,603							\$6,057
Replace common area clubhouse carpet			\$4,803							\$6,321
Refinish wood flooring				\$5,245						
Replace clubhouse tile										
Refurbish clubhouse restroom fixtures										
Refurbish kitchen cabinets/counters										
Allocation to replace kitchen appliances as needed	\$3,701			\$4,163			\$4,682			\$5,267
Allocation to replace furnishings	\$14,802					\$18,009				
Replace pool table	\$14,802									

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Mechanical/Electrical/Plumbing										
Replace clubhouse HVAC system - main hall						\$18,009				
Replace clubhouse HVAC system - fitness room										\$21,068
Replace water heater										\$4,635
Replace drinking fountain										\$4,635
Repair/upgrade security access system				\$8,325						
Replace components of pool pump & filtration equipment			\$5,604			\$6,303			\$7,090	
Allocation for plumbing & electrical repairs										\$15,801
Allocation for buried utility repairs				\$49,952					\$60,774	
Amenities										
Resurface swimming pool									\$71,309	
Recoat textured pool deck						\$33,714				
Paint textured pool deck	\$10,391									
Replace pool furnishings			\$6,404			\$7,204			\$8,103	
Replace cardio fitness equipment								\$23,375		
Replace strength fitness equipment	\$17,763									
Total	\$61,460	\$275,755	\$312,802	\$369,064	\$129,876	\$132,766	\$489,035	\$42,854	\$515,114	\$139,758

Annual Expense By Year With Inflation

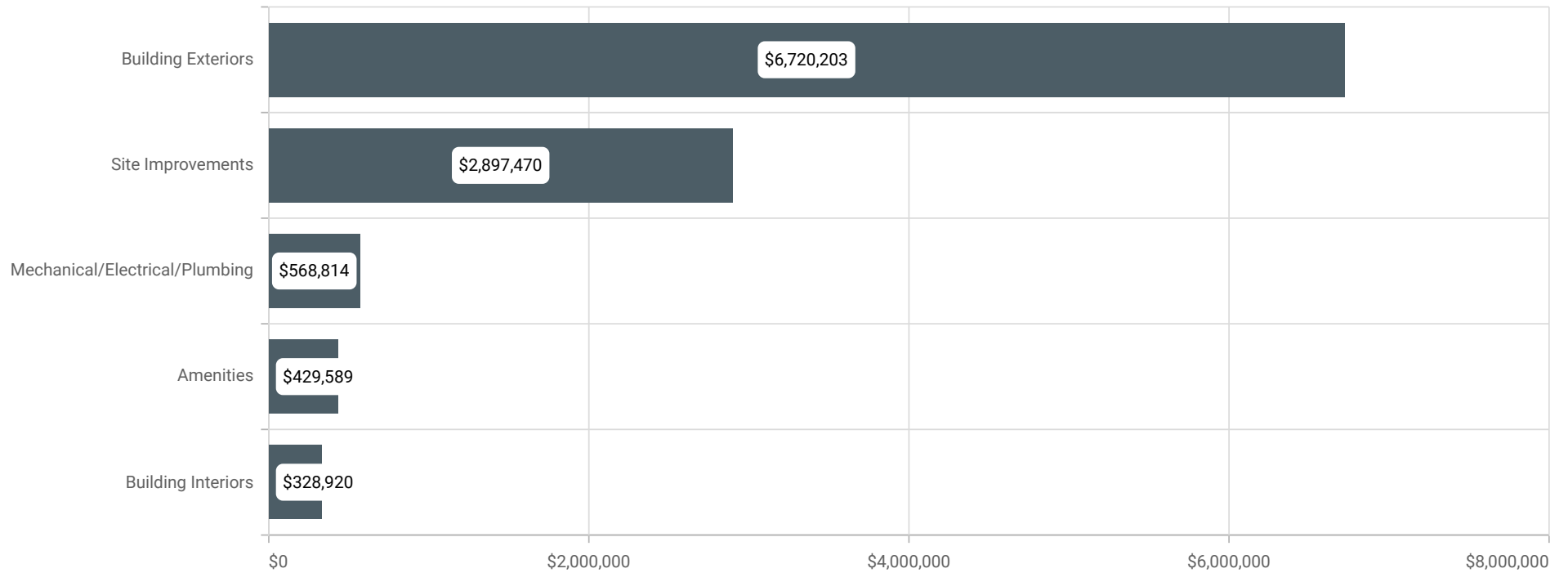
Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Site Improvements										
Full depth repairs to sections of asphalt paving								\$79,293		
Crack fill, seal coat, stripe asphalt paving		\$68,192					\$82,966			
Mill and replace asphalt paving - Phase 1										\$330,187
Mill and replace asphalt paving - Phase 2										
Mill and replace asphalt paving - Phase 3										
Mill and replace asphalt paving - Phase 4										
Concrete curbing/flatwork repairs (including pool deck)		\$85,454								\$116,949
Drainage system repairs/improvements		\$34,182					\$41,587			
Repair/dredge stormwater pond										
Landscape overhaul & tree removal					\$51,266					\$62,373
Repair/refurbish entrance monument								\$28,834		
Replace mailboxes										\$130,983
Replace wood split rail fencing										
Replace aluminum fencing at pool				\$30,809						
Repair/replace sections of vinyl fencing										
Allocation for long term retaining wall repairs										\$249,492
Building Exteriors										
Replace Building Roofs - Phase 1					\$907,922					
Replace Building Roofs - Phase 2									\$2,193,551	
Replace Building Roofs - Phase 3										
Replace gutters, downspouts, and leaf guards - Phase 1					\$86,512					
Replace gutters, downspouts, and leaf guards - Phase 2									\$220,405	
Paint/repair siding & trim - Phase 1		\$125,332							\$164,929	
Paint/repair siding & trim - Phase 2						\$357,755				
Replace clubhouse windows										
Replace clubhouse doors										
Building Interiors										
Paint interior walls and trim		\$11,394								\$15,593
Replace clubhouse carpet							\$7,971			
Replace common area clubhouse carpet							\$8,317			
Refinish wood flooring									\$9,446	
Replace clubhouse tile										
Refurbish clubhouse restroom fixtures										
Refurbish kitchen cabinets/counters										
Allocation to replace kitchen appliances as needed			\$5,925			\$6,665			\$7,497	
Allocation to replace furnishings	\$21,911					\$26,658				
Replace pool table										

Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Mechanical/Electrical/Plumbing										
Replace clubhouse HVAC system - main hall								\$28,834		
Replace clubhouse HVAC system - fitness room										
Replace water heater	\$3,944									
Replace drinking fountain										
Repair/upgrade security access system				\$12,324						
Replace components of pool pump & filtration equipment		\$7,976			\$8,972			\$10,092		
Allocation for plumbing & electrical repairs										
Allocation for buried utility repairs				\$73,941					\$89,961	
Amenities										
Resurface swimming pool										
Recoat textured pool deck						\$49,904				
Paint textured pool deck	\$15,382									
Replace pool furnishings		\$9,115			\$10,253			\$11,533		
Replace cardio fitness equipment						\$31,990				
Replace strength fitness equipment										
Total	\$41,237	\$341,644	\$5,925	\$117,074	\$1,064,925	\$472,973	\$140,841	\$158,585	\$2,685,789	\$905,578

Expense Summary

Total Over Term Capital Expenditure with Inflation:	\$10,944,996
Average Estimated Annual Capital Expenditure with Inflation:	\$364,833
Current Reserve Account Balance:	\$561,815
Full Funding Balance:	\$1,411,556
Percent Funded:	39.80%

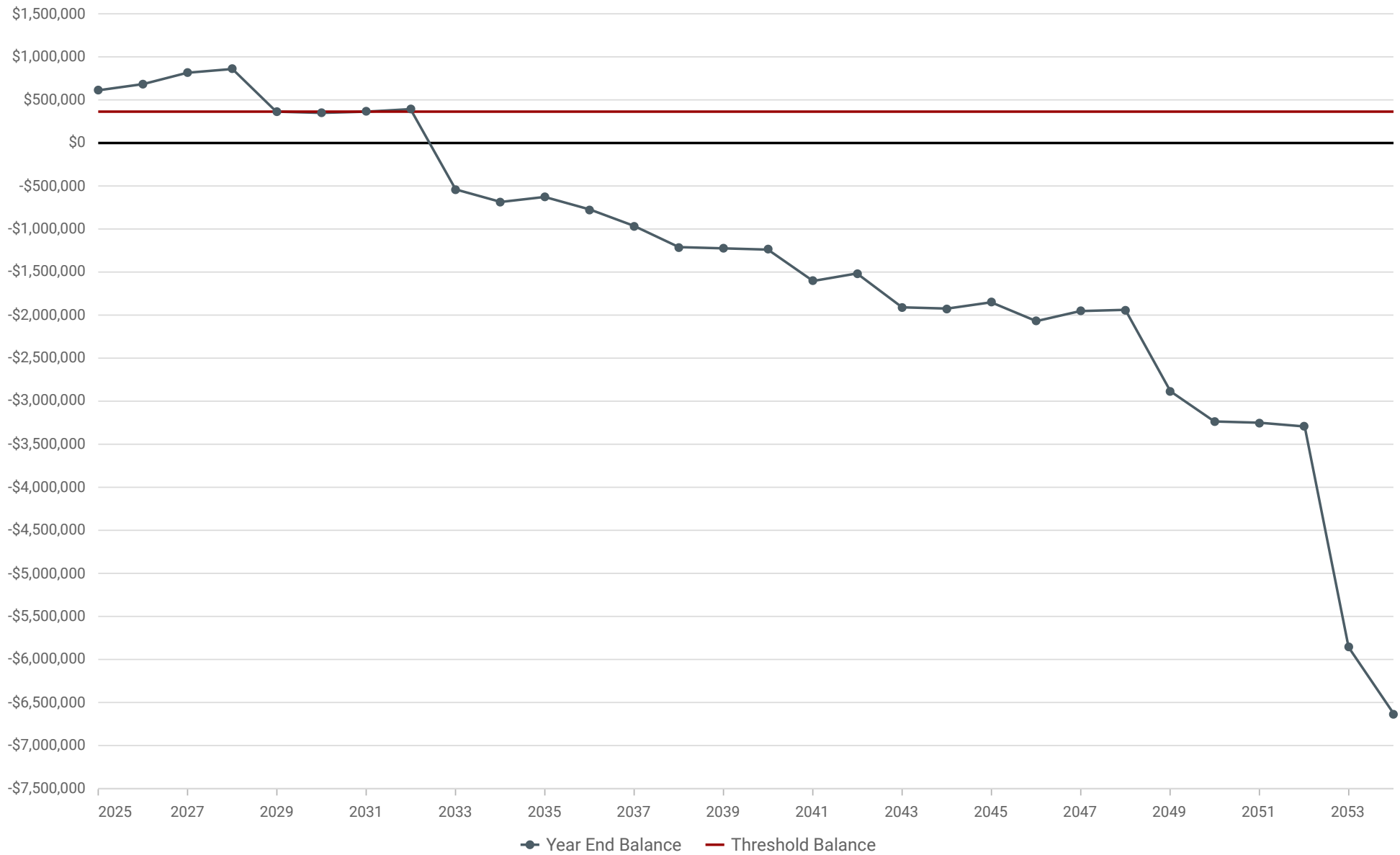
Breakdown of Total Costs by Type



Current Funding: Year End Balance Projection

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	\$561,815	\$122,680	\$120.27	\$9,075	\$79,520		\$614,050
2026	\$614,050	\$122,680	\$120.27	\$10,090	\$64,090		\$682,729
2027	\$682,729	\$122,680	\$120.27	\$12,081	\$0		\$817,490
2028	\$817,490	\$122,680	\$120.27	\$12,753	\$89,989		\$862,934
2029	\$862,934	\$122,680	\$120.27	\$5,367	\$627,816		\$363,165
2030	\$363,165	\$122,680	\$120.27	\$5,183	\$140,335		\$350,692
2031	\$350,692	\$122,680	\$120.27	\$5,437	\$110,874		\$367,936
2032	\$367,936	\$122,680	\$120.27	\$5,829	\$101,985		\$394,461
2033	\$394,461	\$122,680	\$120.27	\$0	\$1,060,641		-\$543,500
2034	-\$543,500	\$122,680	\$120.27	\$0	\$266,693		-\$687,513
2035	-\$687,513	\$122,680	\$120.27	\$0	\$61,460		-\$626,293
2036	-\$626,293	\$122,680	\$120.27	\$0	\$275,755		-\$779,367
2037	-\$779,367	\$122,680	\$120.27	\$0	\$312,802		-\$969,489
2038	-\$969,489	\$122,680	\$120.27	\$0	\$369,064		-\$1,215,873
2039	-\$1,215,873	\$122,680	\$120.27	\$0	\$129,876		-\$1,223,068
2040	-\$1,223,068	\$122,680	\$120.27	\$0	\$132,766		-\$1,233,154
2041	-\$1,233,154	\$122,680	\$120.27	\$0	\$489,035		-\$1,599,509
2042	-\$1,599,509	\$122,680	\$120.27	\$0	\$42,854		-\$1,519,683
2043	-\$1,519,683	\$122,680	\$120.27	\$0	\$515,114		-\$1,912,118
2044	-\$1,912,118	\$122,680	\$120.27	\$0	\$139,758		-\$1,929,195
2045	-\$1,929,195	\$122,680	\$120.27	\$0	\$41,237		-\$1,847,752
2046	-\$1,847,752	\$122,680	\$120.27	\$0	\$341,644		-\$2,066,717
2047	-\$2,066,717	\$122,680	\$120.27	\$0	\$5,925		-\$1,949,961
2048	-\$1,949,961	\$122,680	\$120.27	\$0	\$117,074		-\$1,944,355
2049	-\$1,944,355	\$122,680	\$120.27	\$0	\$1,064,925		-\$2,886,600
2050	-\$2,886,600	\$122,680	\$120.27	\$0	\$472,973		-\$3,236,893
2051	-\$3,236,893	\$122,680	\$120.27	\$0	\$140,841		-\$3,255,054
2052	-\$3,255,054	\$122,680	\$120.27	\$0	\$158,585		-\$3,290,960
2053	-\$3,290,960	\$122,680	\$120.27	\$0	\$2,685,789		-\$5,854,068
2054	-\$5,854,068	\$122,680	\$120.27	\$0	\$905,578		-\$6,636,967

Current Funding: Year End Balance Projection

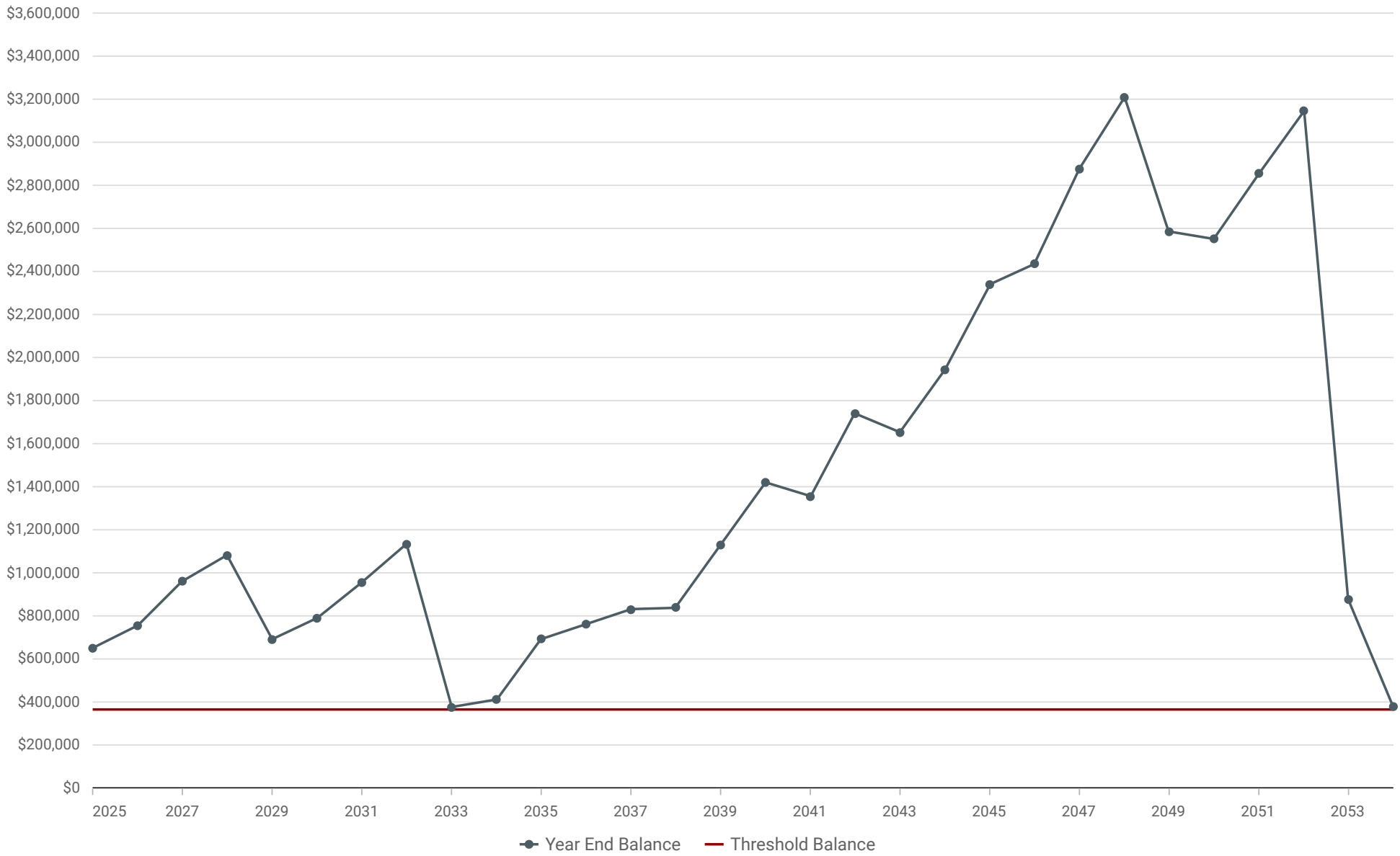


Funding Alternative 1: Year End Balance Projection

Beginning in 2025, increase by \$35,000 every other year for 15 years.

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	\$561,815	\$157,680	\$154.59	\$9,600	\$79,520		\$649,575
2026	\$649,575	\$157,680	\$154.59	\$11,147	\$64,090		\$754,312
2027	\$754,312	\$192,680	\$188.90	\$14,205	\$0		\$961,197
2028	\$961,197	\$192,680	\$188.90	\$15,958	\$89,989		\$1,079,846
2029	\$1,079,846	\$227,680	\$223.22	\$10,196	\$627,816		\$689,906
2030	\$689,906	\$227,680	\$223.22	\$11,659	\$140,335		\$788,909
2031	\$788,909	\$262,680	\$257.53	\$14,111	\$110,874		\$954,827
2032	\$954,827	\$262,680	\$257.53	\$16,733	\$101,985		\$1,132,255
2033	\$1,132,255	\$297,680	\$291.84	\$5,539	\$1,060,641		\$374,833
2034	\$374,833	\$297,680	\$291.84	\$6,087	\$266,693		\$411,907
2035	\$411,907	\$332,680	\$326.16	\$10,247	\$61,460		\$693,375
2036	\$693,375	\$332,680	\$326.16	\$11,254	\$275,755		\$761,554
2037	\$761,554	\$367,680	\$360.47	\$12,246	\$312,802		\$828,679
2038	\$828,679	\$367,680	\$360.47	\$12,409	\$369,064		\$839,705
2039	\$839,705	\$402,680	\$394.78	\$16,688	\$129,876		\$1,129,197
2040	\$1,129,197	\$402,680	\$394.78	\$20,987	\$132,766		\$1,420,098
2041	\$1,420,098	\$402,680	\$394.78	\$20,006	\$489,035		\$1,353,749
2042	\$1,353,749	\$402,680	\$394.78	\$25,704	\$42,854		\$1,739,279
2043	\$1,739,279	\$402,680	\$394.78	\$24,403	\$515,114		\$1,651,247
2044	\$1,651,247	\$402,680	\$394.78	\$28,713	\$139,758		\$1,942,881
2045	\$1,942,881	\$402,680	\$394.78	\$34,565	\$41,237		\$2,338,889
2046	\$2,338,889	\$402,680	\$394.78	\$35,999	\$341,644		\$2,435,924
2047	\$2,435,924	\$402,680	\$394.78	\$42,490	\$5,925		\$2,875,169
2048	\$2,875,169	\$402,680	\$394.78	\$47,412	\$117,074		\$3,208,187
2049	\$3,208,187	\$402,680	\$394.78	\$38,189	\$1,064,925		\$2,584,131
2050	\$2,584,131	\$402,680	\$394.78	\$37,708	\$472,973		\$2,551,546
2051	\$2,551,546	\$402,680	\$394.78	\$42,201	\$140,841		\$2,855,586
2052	\$2,855,586	\$402,680	\$394.78	\$46,495	\$158,585		\$3,146,176
2053	\$3,146,176	\$402,680	\$394.78	\$12,946	\$2,685,789		\$876,013
2054	\$876,013	\$402,680	\$394.78	\$5,597	\$905,578		\$378,711

Funding Alternative 1: Year End Balance Projection

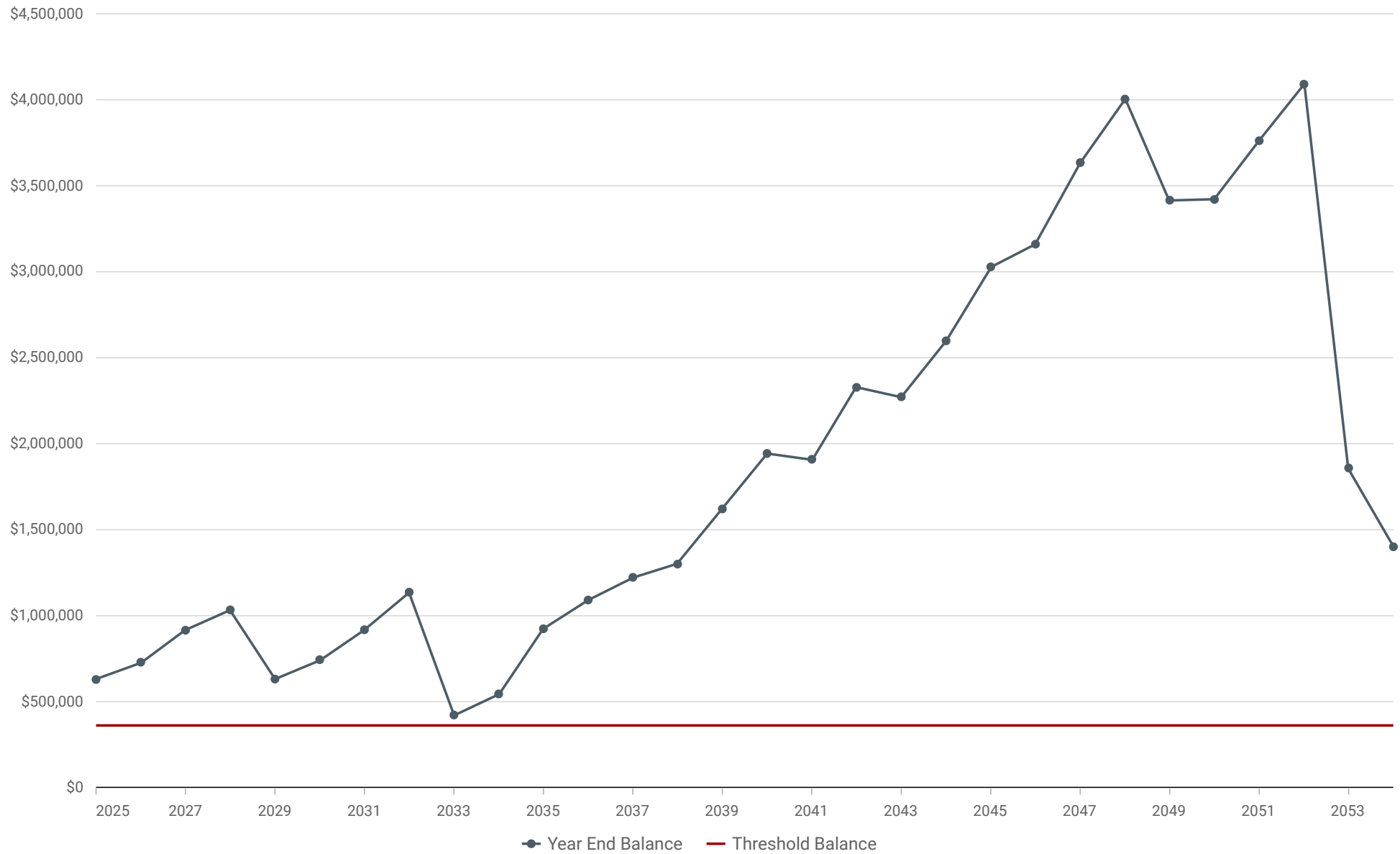


Funding Alternative 2: Year End Balance Projection

Beginning in 2025, increase by 12% every year for 11 years.

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	\$561,815	\$137,402	\$134.71	\$9,295	\$79,520		\$628,992
2026	\$628,992	\$153,890	\$150.87	\$10,782	\$64,090		\$729,574
2027	\$729,574	\$172,357	\$168.98	\$13,529	\$0		\$915,459
2028	\$915,459	\$193,039	\$189.25	\$15,278	\$89,989		\$1,033,787
2029	\$1,033,787	\$216,204	\$211.96	\$9,333	\$627,816		\$631,508
2030	\$631,508	\$242,149	\$237.40	\$11,000	\$140,335		\$744,321
2031	\$744,321	\$271,206	\$265.89	\$13,570	\$110,874		\$918,224
2032	\$918,224	\$303,751	\$297.80	\$16,800	\$101,985		\$1,136,790
2033	\$1,136,790	\$340,201	\$333.53	\$6,245	\$1,060,641		\$422,596
2034	\$422,596	\$381,025	\$373.55	\$8,054	\$266,693		\$544,982
2035	\$544,982	\$426,749	\$418.38	\$13,654	\$61,460		\$923,925
2036	\$923,925	\$426,749	\$418.38	\$16,124	\$275,755		\$1,091,042
2037	\$1,091,042	\$426,749	\$418.38	\$18,075	\$312,802		\$1,223,064
2038	\$1,223,064	\$426,749	\$418.38	\$19,211	\$369,064		\$1,299,960
2039	\$1,299,960	\$426,749	\$418.38	\$23,952	\$129,876		\$1,620,785
2040	\$1,620,785	\$426,749	\$418.38	\$28,722	\$132,766		\$1,943,490
2041	\$1,943,490	\$426,749	\$418.38	\$28,218	\$489,035		\$1,909,421
2042	\$1,909,421	\$426,749	\$418.38	\$34,400	\$42,854		\$2,327,716
2043	\$2,327,716	\$426,749	\$418.38	\$33,590	\$515,114		\$2,272,940
2044	\$2,272,940	\$426,749	\$418.38	\$38,399	\$139,758		\$2,598,329
2045	\$2,598,329	\$426,749	\$418.38	\$44,758	\$41,237		\$3,028,599
2046	\$3,028,599	\$426,749	\$418.38	\$46,706	\$341,644		\$3,160,408
2047	\$3,160,408	\$426,749	\$418.38	\$53,718	\$5,925		\$3,634,951
2048	\$3,634,951	\$426,749	\$418.38	\$59,169	\$117,074		\$4,003,794
2049	\$4,003,794	\$426,749	\$418.38	\$50,484	\$1,064,925		\$3,416,103
2050	\$3,416,103	\$426,749	\$418.38	\$50,548	\$472,973		\$3,420,427
2051	\$3,420,427	\$426,749	\$418.38	\$55,595	\$140,841		\$3,761,929
2052	\$3,761,929	\$426,749	\$418.38	\$60,451	\$158,585		\$4,090,543
2053	\$4,090,543	\$426,749	\$418.38	\$27,473	\$2,685,789		\$1,858,976
2054	\$1,858,976	\$426,749	\$418.38	\$20,702	\$905,578		\$1,400,848

Funding Alternative 2: Year End Balance Projection



APPENDIX B: PROJECT PHOTOGRAPHS

<p>Description</p> <p>Minor deterioration noted in asphalt driveway</p>	 A photograph showing a dark asphalt driveway. The surface is mostly smooth but has several irregular, lighter-colored patches and areas of discoloration, particularly in the center and towards the right side. The driveway is bordered by green grass on both sides. In the background, a concrete curb and some landscaping are visible.
<p>Photo No. 1</p>	

<p>Description</p> <p>Minor cracking in asphalt driveway</p>	 A photograph of an asphalt driveway. The surface shows several distinct, dark, irregular cracks and some small potholes. The driveway is bordered by green grass on both sides. In the background, a concrete curb and some landscaping are visible.
<p>Photo No. 2</p>	

<p>Description</p> <p>Cracking in textured pool deck</p>	
<p>Photo No. 3</p>	

<p>Description</p> <p>General view of pool deck</p>	
<p>Photo No. 4</p>	

Description

Site drainage between
condominiums



Photo No.
5

Description

Site drainage adjacent to
asphalt driveway



Photo No.
6

<p>Description</p> <p>Stormwater pond</p>	
<p>Photo No. 7</p>	

<p>Description</p> <p>Earthen dam at stormwater pond</p>	
<p>Photo No. 8</p>	

Description

Typical mailboxes on site



Photo No.
9

Description

Split rail wood fence at rear of condominiums



Photo No.
10

Description

Aluminum fence and
pergola structure at pool



Photo No.
11

Description

Vinyl fencing at rear of
condominiums



Photo No.
12

Description

Vinyl fencing




Photo No.
13

Description

Vinyl fencing and
retaining wall



Photo No.
14

<p>Description</p> <p>General view of retaining wall</p>	
<p>Photo No. 15</p>	

<p>Description</p> <p>General view of retaining wall after vegetation cleanup</p>	
<p>Photo No. 16</p>	

Description

Minor deterioration and
discoloration on roofs



Photo No.
17

Description

Discoloration and
texture loss on roofs



Photo No.
18

Description

Paintable trim and gutters



Photo No.
19

Description

Paintable trim and siding on condominium units



Photo No.
20

Description

Clubhouse door and window



Photo No.
21


Description

Clubhouse door



Photo No.
22

<p>Description</p> <p>Clubhouse carpet</p>	
<p>Photo No. 23</p>	

<p>Description</p> <p>Clubhouse hardwood flooring</p>	
<p>Photo No. 24</p>	

Description
Clubhouse entry tile



Photo No.
25

Description
Clubhouse restroom tile
and partitions



Photo No.
26

Description
Clubhouse restroom



Photo No.
27

Description
Clubhouse kitchen
cabinets and countertops



Photo No.
28

Description

General view of
clubhouse furnishings



Photo No.
29

Description

Clubhouse HVAC



Photo No.
30

Description

Water heater and pool
filtration equipment



Photo No.
31

Description

General view of pool
surface



Photo No.
32

Description

Pool furnishings



Photo No.
33

Description

Pergola structure at pool deck



Photo No.
34