

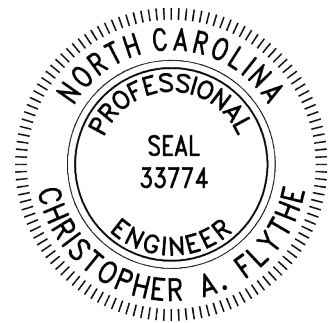
PREPARED FOR:

**PRESTON POINT
HOMEOWNERS
ASSOCIATION
CARY, NC**

**MANAGED BY:
GRANDCHESTER MEADOWS**

**DATE:
JANUARY 7, 2025**

**RESERVE STUDY
UPDATE with Site
Inspection**



Raleigh Office:
7334 Chapel Hill Road
Suite 200
Raleigh, NC 27607
919.465.3801
NC Lic. NO: C-2871

Charlotte Office:
10400 Mallard Creek Road
Suite 320
Charlotte, NC 28262
704.810.1808



GILES & FLYTHE
ENGINEERS

TABLE OF CONTENTS

INTRODUCTIONS	3
EXECUTIVE SUMMARY	4
PURPOSE & SCOPE	5
Standards of Reference	6
SOURCES OF INFORMATION	7
Date of Inspection	7
Persons Interviewed	7
Documents	7
Cost Estimates	7
DESCRIPTION	8
OBSERVATIONS	9
Site Improvements	9
PREVENTATIVE MAINTENANCE	11
RESERVE FUND ANALYSIS	12
CONCLUSION & LIMITATIONS	14
APPENDIX A: RESERVE FUND PROJECTIONS	
APPENDIX B: PROJECT PHOTOGRAPHS	

INTRODUCTIONS

Preston Point Homeowners Association authorized Giles Flythe Engineers to perform a Reserve Study Update with Site Inspection for the Preston Point community located in Cary, NC. We previously performed a full reserve study for the community dated November 29, 2016. 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

Preston Point includes approximately 93 single-family homes located between Bridle Creek Drive and Creek Park Drive in the Preston subdivision. According to Wake County Tax Records, the homes were generally constructed in the late 1980s.

The Association has responsibility for the private alleys at the rear of the units. Other significant site improvements include the entrance signage and common area drainage. The main roads at the front of the homes are publicly maintained.

The common areas and site improvements generally vary in 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**: Increase the annual reserve contribution by \$28,000 in 2025. Then, beginning in 2026, increase the annual reserve contribution by \$7,700 every year for 6 years. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2**: Increase the annual reserve contribution to \$50,000 in 2025. Then, beginning in 2026, increase the annual reserve contribution by 10% every year for 5 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:

- Repair/resurface asphalt alleys

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 Preston Point Homeowners Association, 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 September 12, 2024.

Persons Interviewed

The following persons were interviewed in connection with this study:

- Board members on site

Documents

The following documents were made available to us and reviewed:

- Wake County Tax Records
- Recorded plat maps
- Association 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

Preston Point includes approximately 93 single-family homes located between Bridle Creek Drive and Creek Park Drive in the Preston subdivision. According to Wake County Tax Records, the homes were generally constructed in the late 1980s.

The Association has responsibility for the private alleys at the rear of the units. Other significant site improvements include the entrance signage and common area drainage. The main roads at the front of the homes are publicly maintained.

The community is accessed by entrances off of Creek Park Drive and Bridle Creek Drive. The Bridle Creek Drive entrance includes two large stone veneer masonry monument structures and one monument that includes stone veneer piers and a painted composite plaque bearing the name of the community.

Site drainage is provided via sheet flow along the roadways which drains into the catch basins and storm pipe infrastructure or through shoulder drains and into the nearby creeks.

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 asphalt streets throughout the neighborhood are publicly maintained, while the asphalt alleys behind the units are privately maintained by the Association. Overall, the pavement structure is in fair to poor condition for the given age. Some of the alleys are sloped using an “inverted crown” which funnels the water toward the center of the drive, while the others are either superelevated to one side or have a normal crown. The section of alley from 112-118 Cumberland Green Drive was overlaid most recently (reportedly around 2015); however, a pothole has appeared at the center of the inverted crown.

Previous sealcoats and crack repairs have been installed. 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 sealcoating of the pavement every 5 years, beginning in 2036.

We noted areas of alligator or “fatigue” cracking and some edge cracking along the shoulders. Some areas of tree root intrusion were noted at the alley along the southern border of the community due to the trees in close proximity. These areas will need to have full-depth asphalt patching similar to what we noted in various areas. This type of repair includes sawcutting and removing the damaged/deteriorated asphalt, re-compacting the subgrade, and installing new asphalt surface materials. Root pruning may also be required. We have included funds to make full depth asphalt patching on a 10-year cycle beginning in 2025.

Assuming crack repairs and sealcoat applications occur in the interim, the pavement has an estimated useful life of approximately 20-25 years; however, we have deferred asphalt resurfacing due to funding constraints. We have allocated funds to mill and resurface the asphalt paving in two phases in 2030 to 2031, and on a 20-year cycle thereafter. Resurfacing will include the milling and installation of a new asphalt wearing surface up to approximately 3” thick over the entire width. Because several areas have had a previous overlay, we do not recommend overlaying again, as this could cause ponding at the shoulders along the driveways and lawns. The Association may consider having a full pavement evaluation conducted in order get a more in-depth understanding of the state of the pavement.

The following phases have been used for the funding projections:

- Phase 1: Alleys south of Cumberland Green Drive
- Phase 2: Alleys north of Cumberland Green Drive

Drainage systems include surface flow within the paved areas and riprap swales that discharge water towards the wooded areas in the community or towards the drainage systems maintained by the municipality. A number of small drainage projects have been completed on the east and south sides of the community that include the addition of riprap swales and small drains installed at gutter downspouts. We have allocated funds to repair the drainage systems and open space swales on a 5-year cycle beginning in 2028. Repairs will likely include retrenching of swales to improve flow, adding rip rap or vegetation to stabilize exposed or steep areas, and installing french drains or adding inlets or other types of minor drainage systems.

The entrance signage at the intersection of Bridle Creek Drive consists of masonry monument walls and piers with stone veneer and a painted composite plaque with lighting. Reportedly, a project is planned for 2024 that will involve replacing the composite signage at the Bridle Creek Drive entrance and adding signage at the Creek Park Drive entrance. We have included funds to repair/refurbish the entrance signage every 15 years beginning in 2039. We have assumed that minor repairs and replacement of landscape uplighting would be funded as needed from the annual maintenance budget.

Per the board members on site, concerns have been shared regarding several trees within the Association maintained wooded areas in the community. We have allocated funds for landscape overhaul and tree removal every 5 years beginning in 2027.

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: \$14,295 per year

Current Reserve Balance: \$129,081 (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:** Increase the annual reserve contribution by \$28,000 in 2025. Then, beginning in 2026, increase the annual reserve contribution by \$7,700 every year for 6 years. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2:** Increase the annual reserve contribution to \$50,000 in 2025. Then, beginning in 2026, increase the annual reserve contribution by 10% every year for 5 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 Preston Point Homeowners Association. 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,



Heather Hancock, EI
Project Engineer
Giles Flythe Engineers, Inc.



Kevin R. Giles, RS
Project Manager
Giles Flythe Engineers, Inc.



Christopher A. Flythe, PE, RS
Principal Engineer
Giles Flythe Engineers, Inc.

APPENDIX A: RESERVE FUND PROJECTIONS

2024 Reserve Study Update

Client Name:	Preston Point
Service:	2024 Reserve Study Update
Number of Units:	93
Location:	Cary, NC
Date of Inspection:	September 12, 2024
Term of Study in Years:	30
Beginning Year:	2025
Estimated Starting Reserve:	\$129,081
Current Annual Contribution:	\$14,295
Annual Inflation Rate:	4.00%
Assumed Rate of Return on Reserve Funds:	1.50%
Total Over Term Capital Expenditure with Inflation:	\$2,106,742
Recommended Threshold Reserve Balance: (Average Annual Capital Expenditure with Inflation)	\$70,225



GILES \oplus FLYTHE
ENGINEERS

Expense Estimates

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Building Exteriors							
Crack fill and seal coat asphalt paving	9,500	SY	\$3.25	\$30,875	5	11	
Full depth repairs to sections of asphalt paving	500	SY	\$65.00	\$32,500	10	0	
Mill and resurface asphalt paving - Phase 1	5,500	SY	\$42.00	\$231,000	20	5	South of Cumbeland Green Dr.
Mill and resurface asphalt paving - Phase 2	4,000	SY	\$42.00	\$168,000	20	6	North of Cumberland Green Dr.
Common area drainage improvements	1	LS	\$10,000.00	\$10,000	5	3	
Repair/refurbish entrance monuments	1	LS	\$6,500.00	\$6,500	15	14	
Landscape overhaul & tree removal	1	LS	\$5,000.00	\$5,000	5	2	

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
Building Exteriors										
Crack fill and seal coat asphalt paving										
Full depth repairs to sections of asphalt paving	\$32,500									
Mill and resurface asphalt paving - Phase 1						\$281,047				
Mill and resurface asphalt paving - Phase 2							\$212,574			
Common area drainage improvements				\$11,249					\$13,686	
Repair/refurbish entrance monuments										
Landscape overhaul & tree removal			\$5,408					\$6,580		
Total	\$32,500	\$0	\$5,408	\$11,249	\$0	\$281,047	\$212,574	\$6,580	\$13,686	\$0

Annual Expense By Year With Inflation

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Building Exteriors										
Crack fill and seal coat asphalt paving		\$47,531					\$57,828			
Full depth repairs to sections of asphalt paving	\$48,108									
Mill and resurface asphalt paving - Phase 1										
Mill and resurface asphalt paving - Phase 2										
Common area drainage improvements				\$16,651					\$20,258	
Repair/refurbish entrance monuments					\$11,256					
Landscape overhaul & tree removal			\$8,005					\$9,740		
Total	\$48,108	\$47,531	\$8,005	\$16,651	\$11,256	\$0	\$57,828	\$9,740	\$20,258	\$0

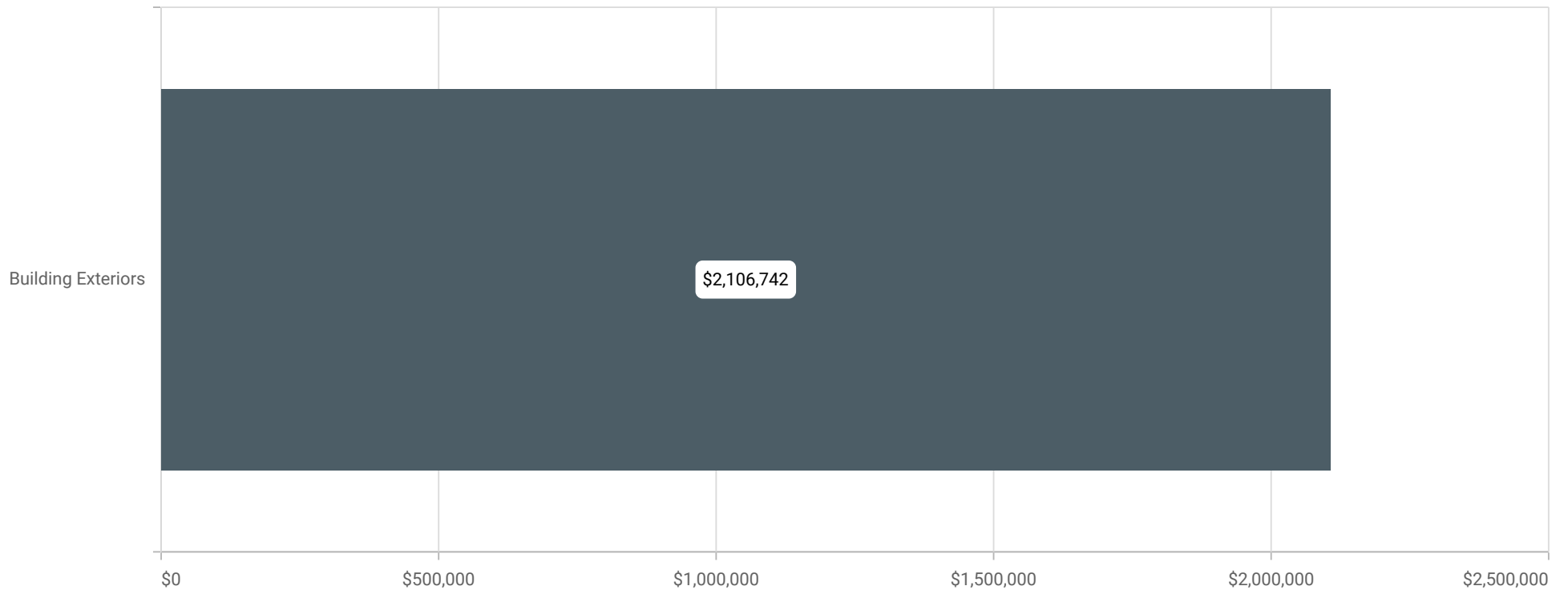
Annual Expense By Year With Inflation

Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Building Exteriors										
Crack fill and seal coat asphalt paving		\$70,357					\$0			
Full depth repairs to sections of asphalt paving	\$71,212									
Mill and resurface asphalt paving - Phase 1						\$615,808				
Mill and resurface asphalt paving - Phase 2							\$465,775			
Common area drainage improvements				\$24,647					\$29,987	
Repair/refurbish entrance monuments										\$20,271
Landscape overhaul & tree removal			\$11,850					\$14,417		
Total	\$71,212	\$70,357	\$11,850	\$24,647	\$0	\$615,808	\$465,775	\$14,417	\$29,987	\$20,271

Expense Summary

Total Over Term Capital Expenditure with Inflation:	\$2,106,742
Average Estimated Annual Capital Expenditure with Inflation:	\$70,225
Current Reserve Account Balance:	\$129,081
Full Funding Balance:	\$330,783
Percent Funded:	39.02%

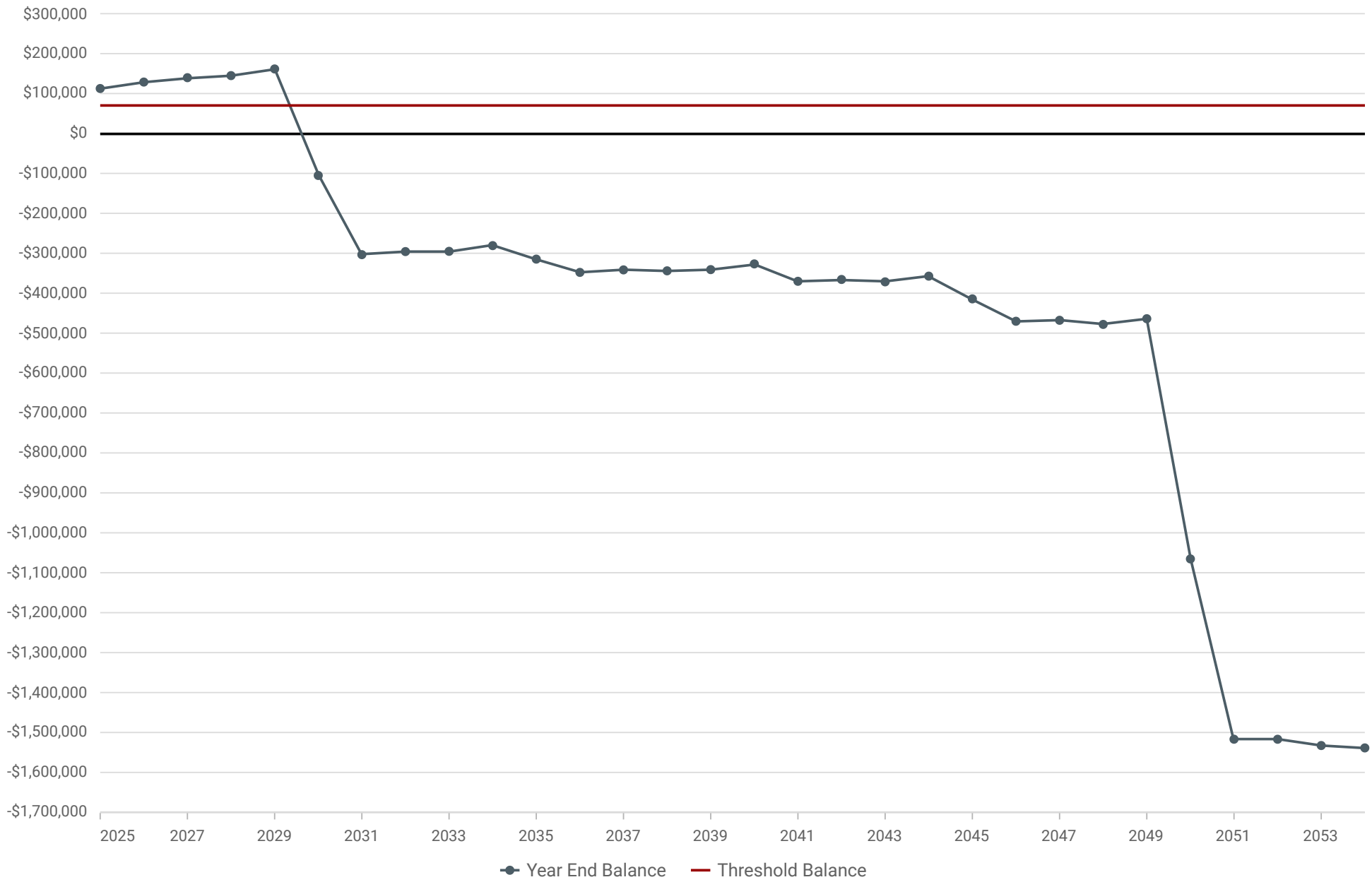
Breakdown of Total Costs by Type



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	\$129,081	\$14,295	\$12.81	\$1,663	\$32,500		\$112,539
2026	\$112,539	\$14,295	\$12.81	\$1,903	\$0		\$128,737
2027	\$128,737	\$14,295	\$12.81	\$2,064	\$5,408		\$139,688
2028	\$139,688	\$14,295	\$12.81	\$2,141	\$11,249		\$144,875
2029	\$144,875	\$14,295	\$12.81	\$2,388	\$0		\$161,558
2030	\$161,558	\$14,295	\$12.81	\$0	\$281,047		-\$105,194
2031	-\$105,194	\$14,295	\$12.81	\$0	\$212,574		-\$303,472
2032	-\$303,472	\$14,295	\$12.81	\$0	\$6,580		-\$295,757
2033	-\$295,757	\$14,295	\$12.81	\$0	\$13,686		-\$295,148
2034	-\$295,148	\$14,295	\$12.81	\$0	\$0		-\$280,853
2035	-\$280,853	\$14,295	\$12.81	\$0	\$48,108		-\$314,666
2036	-\$314,666	\$14,295	\$12.81	\$0	\$47,531		-\$347,901
2037	-\$347,901	\$14,295	\$12.81	\$0	\$8,005		-\$341,612
2038	-\$341,612	\$14,295	\$12.81	\$0	\$16,651		-\$343,967
2039	-\$343,967	\$14,295	\$12.81	\$0	\$11,256		-\$340,928
2040	-\$340,928	\$14,295	\$12.81	\$0	\$0		-\$326,633
2041	-\$326,633	\$14,295	\$12.81	\$0	\$57,828		-\$370,166
2042	-\$370,166	\$14,295	\$12.81	\$0	\$9,740		-\$365,611
2043	-\$365,611	\$14,295	\$12.81	\$0	\$20,258		-\$371,574
2044	-\$371,574	\$14,295	\$12.81	\$0	\$0		-\$357,279
2045	-\$357,279	\$14,295	\$12.81	\$0	\$71,212		-\$414,196
2046	-\$414,196	\$14,295	\$12.81	\$0	\$70,357		-\$470,258
2047	-\$470,258	\$14,295	\$12.81	\$0	\$11,850		-\$467,812
2048	-\$467,812	\$14,295	\$12.81	\$0	\$24,647		-\$478,164
2049	-\$478,164	\$14,295	\$12.81	\$0	\$0		-\$463,869
2050	-\$463,869	\$14,295	\$12.81	\$0	\$615,808		-\$1,065,383
2051	-\$1,065,383	\$14,295	\$12.81	\$0	\$465,775		-\$1,516,862
2052	-\$1,516,862	\$14,295	\$12.81	\$0	\$14,417		-\$1,516,984
2053	-\$1,516,984	\$14,295	\$12.81	\$0	\$29,987		-\$1,532,676
2054	-\$1,532,676	\$14,295	\$12.81	\$0	\$20,271		-\$1,538,653

Current Funding: Year End Balance Projection

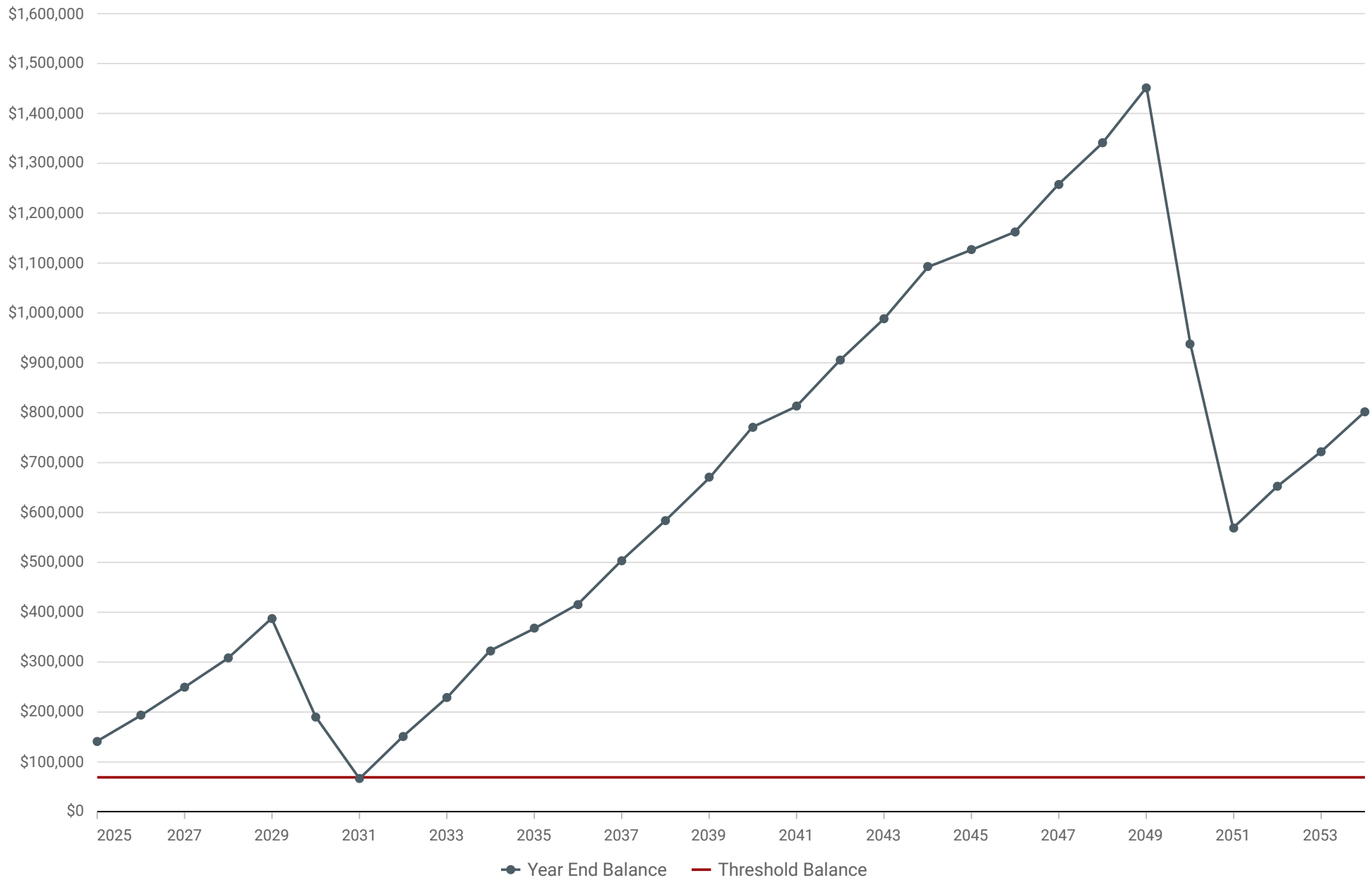


Funding Alternative 1: Year End Balance Projection

Increase by \$28,000 in 2025. Then, beginning in 2026, increase by \$7,700 every year for 6 years.

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	\$129,081	\$42,295	\$37.90	\$2,083	\$32,500		\$140,959
2026	\$140,959	\$49,995	\$44.80	\$2,864	\$0		\$193,818
2027	\$193,818	\$57,695	\$51.70	\$3,692	\$5,408		\$249,797
2028	\$249,797	\$65,395	\$58.60	\$4,559	\$11,249		\$308,503
2029	\$308,503	\$73,095	\$65.50	\$5,724	\$0		\$387,322
2030	\$387,322	\$80,795	\$72.40	\$2,806	\$281,047		\$189,876
2031	\$189,876	\$88,495	\$79.30	\$987	\$212,574		\$66,784
2032	\$66,784	\$88,495	\$79.30	\$2,230	\$6,580		\$150,930
2033	\$150,930	\$88,495	\$79.30	\$3,386	\$13,686		\$229,125
2034	\$229,125	\$88,495	\$79.30	\$4,764	\$0		\$322,385
2035	\$322,385	\$88,495	\$79.30	\$5,442	\$48,108		\$368,213
2036	\$368,213	\$88,495	\$79.30	\$6,138	\$47,531		\$415,315
2037	\$415,315	\$88,495	\$79.30	\$7,437	\$8,005		\$503,242
2038	\$503,242	\$88,495	\$79.30	\$8,626	\$16,651		\$583,713
2039	\$583,713	\$88,495	\$79.30	\$9,914	\$11,256		\$670,866
2040	\$670,866	\$88,495	\$79.30	\$11,390	\$0		\$770,752
2041	\$770,752	\$88,495	\$79.30	\$12,021	\$57,828		\$813,440
2042	\$813,440	\$88,495	\$79.30	\$13,383	\$9,740		\$905,578
2043	\$905,578	\$88,495	\$79.30	\$14,607	\$20,258		\$988,422
2044	\$988,422	\$88,495	\$79.30	\$16,154	\$0		\$1,093,071
2045	\$1,093,071	\$88,495	\$79.30	\$16,655	\$71,212		\$1,127,010
2046	\$1,127,010	\$88,495	\$79.30	\$17,177	\$70,357		\$1,162,325
2047	\$1,162,325	\$88,495	\$79.30	\$18,585	\$11,850		\$1,257,555
2048	\$1,257,555	\$88,495	\$79.30	\$19,821	\$24,647		\$1,341,224
2049	\$1,341,224	\$88,495	\$79.30	\$21,446	\$0		\$1,451,164
2050	\$1,451,164	\$88,495	\$79.30	\$13,858	\$615,808		\$937,709
2051	\$937,709	\$88,495	\$79.30	\$8,406	\$465,775		\$568,836
2052	\$568,836	\$88,495	\$79.30	\$9,644	\$14,417		\$652,557
2053	\$652,557	\$88,495	\$79.30	\$10,666	\$29,987		\$721,731
2054	\$721,731	\$88,495	\$79.30	\$11,849	\$20,271		\$801,804

Funding Alternative 1: Year End Balance Projection

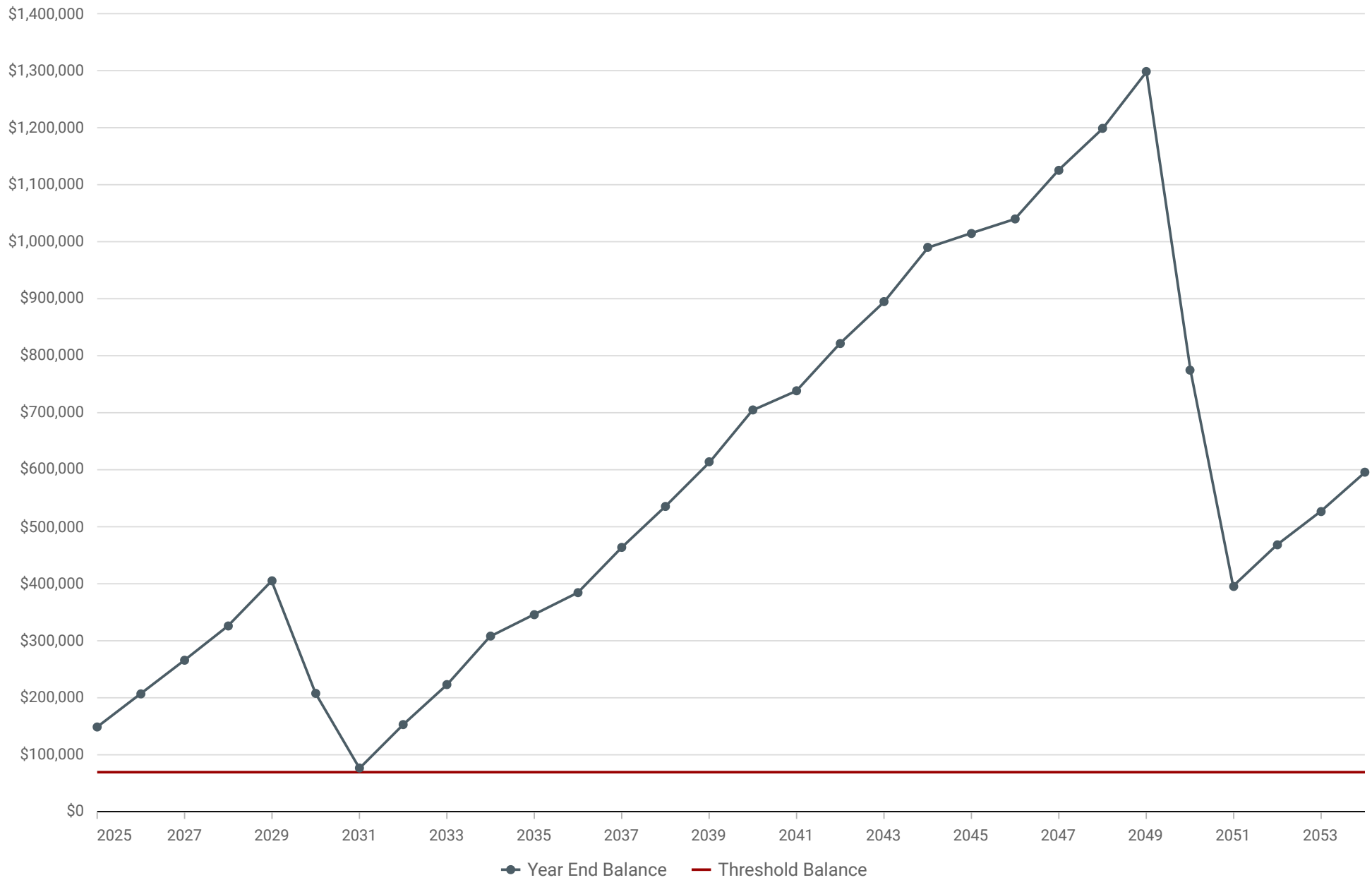


Funding Alternative 2: Year End Balance Projection

Increase to \$50,000 in 2025. Then, beginning in 2026, increase by 10% every year for 5 years.

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	\$129,081	\$50,000	\$44.80	\$2,199	\$32,500		\$148,780
2026	\$148,780	\$55,000	\$49.28	\$3,057	\$0		\$206,836
2027	\$206,836	\$60,500	\$54.21	\$3,929	\$5,408		\$265,857
2028	\$265,857	\$66,550	\$59.63	\$4,817	\$11,249		\$325,976
2029	\$325,976	\$73,205	\$65.60	\$5,988	\$0		\$405,169
2030	\$405,169	\$80,526	\$72.16	\$3,070	\$281,047		\$207,717
2031	\$207,717	\$80,526	\$72.16	\$1,135	\$212,574		\$76,804
2032	\$76,804	\$80,526	\$72.16	\$2,261	\$6,580		\$153,011
2033	\$153,011	\$80,526	\$72.16	\$3,298	\$13,686		\$223,149
2034	\$223,149	\$80,526	\$72.16	\$4,555	\$0		\$308,229
2035	\$308,229	\$80,526	\$72.16	\$5,110	\$48,108		\$345,757
2036	\$345,757	\$80,526	\$72.16	\$5,681	\$47,531		\$384,433
2037	\$384,433	\$80,526	\$72.16	\$6,854	\$8,005		\$463,807
2038	\$463,807	\$80,526	\$72.16	\$7,915	\$16,651		\$535,597
2039	\$535,597	\$80,526	\$72.16	\$9,073	\$11,256		\$613,940
2040	\$613,940	\$80,526	\$72.16	\$10,417	\$0		\$704,883
2041	\$704,883	\$80,526	\$72.16	\$10,914	\$57,828		\$738,493
2042	\$738,493	\$80,526	\$72.16	\$12,139	\$9,740		\$821,419
2043	\$821,419	\$80,526	\$72.16	\$13,225	\$20,258		\$894,911
2044	\$894,911	\$80,526	\$72.16	\$14,632	\$0		\$990,068
2045	\$990,068	\$80,526	\$72.16	\$14,991	\$71,212		\$1,014,373
2046	\$1,014,373	\$80,526	\$72.16	\$15,368	\$70,357		\$1,039,910
2047	\$1,039,910	\$80,526	\$72.16	\$16,629	\$11,850		\$1,125,214
2048	\$1,125,214	\$80,526	\$72.16	\$17,716	\$24,647		\$1,198,809
2049	\$1,198,809	\$80,526	\$72.16	\$19,190	\$0		\$1,298,525
2050	\$1,298,525	\$80,526	\$72.16	\$11,449	\$615,808		\$774,691
2051	\$774,691	\$80,526	\$72.16	\$5,842	\$465,775		\$395,283
2052	\$395,283	\$80,526	\$72.16	\$6,921	\$14,417		\$468,312
2053	\$468,312	\$80,526	\$72.16	\$7,783	\$29,987		\$526,634
2054	\$526,634	\$80,526	\$72.16	\$8,803	\$20,271		\$595,691

Funding Alternative 2: Year End Balance Projection



APPENDIX B: PROJECT PHOTOGRAPHS

Description

Previous asphalt
patching



Photo No.
1

Description

Fatigue cracking



Photo No.
2

Description

Fatigue cracking and
previous crack seal
application



Photo No.
3

Description

Alligator cracking



Photo No.
4

Description

Previous overlay is crumbling and flaking off



Photo No.
5

Description

Previous overlay is crumbling and flaking off



Photo No.
6

Description

Deteriorated previous asphalt patching at manhole south of Cumberland Green Drive



Photo No.
7

Description

Upheaval of pavement due to tree root invasion



Photo No.
8

Description

Alligator cracking at surface of asphalt



Photo No.
9

Description

Fatigue cracking and flaking at a previous asphalt patch



Photo No.
10

Description

Fatigue cracking and previous crack fill application



Photo No.
11

Description

Drainage components added to the alley between Crestpoint Court and Bridle Creek Drive



Photo No.
12

Description

Drainage components added adjacent to Bridle Creek Drive



Photo No.
13

Description

Drain added at base of gutter downspout



Photo No.
14

Description

Saturated soil and pooling water downstream from site stormwater discharge



Photo No.
15

Description

Entrance signage and landscape uplighting



Photo No.
16

Description

Landscape lighting system at entrance monument



Photo No.
17

Description

Monument at Bridle Creek Drive entrance



Photo No.
18