DAYBREAK COHOUSING OWNERS ASSOCIATION

MAINTENANCE PLAN

RESERVE STUDY

LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION

BUDGET YEAR

January 1, 2022 to December 31, 2022

SCHWINDT & CO.
RESERVE STUDY SERVICES

https://www.schwindtco.com/
(503) 227-1165

DAYBREAK COHOUSING OWNERS ASSOCIATION

Executive Summary

Year of Report:

January 1, 2022 to December 31, 2022

Number of Units:

30 Units

Parameters:

Beginning Balance: $519,231

Year 2022 Suggested Contribution: $74,800

Year 2022 Projected Interest Earned: $418

Inflation: 4.00%

Annual Increase to Suggested Contribution: 10.00%

Lowest Cash Balance Over 30 Years (Threshold): $270,200

Average Reserve Assessment per Unit: $207.78

Prior Year's Actual Contribution: $64,000

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We have conducted an offsite reserve study update and maintenance plan for Daybreak Cohousing Owners Association for the year beginning January 1, 2022, in accordance with guidelines established by Community Associations Institute and the American Institute of Certified Public Accountants.

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

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

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

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

Please note that the Association had a complete building envelope inspection in 2016.

Assumptions used for inflation, interest, and other factors are detailed on page 25. Income tax factors were not considered due to the uncertainty of factors affecting net taxable income and the election of tax forms to be filed.

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

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

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

Increases in Roofing and Painting Costs

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

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

These increases are being built into cost estimates and required contributions. Associations have seen an increase in the suggested reserve contributions beginning with the 2018/2019 budget years and depending on the year the roofing and painting projects occur, the increases may be substantial. As of 2020, we are seeing the prices remain at the elevated rate.

In December 2021, the average annual inflation rate increased to 7.04%. Experts are not sure if this increase is temporary due to supply chain issues or if this will be a long-term increase. At this time, Schwindt and Company is recommending an inflation rate of 4% in reserve studies. We will continue to monitor the inflation rate throughout this period. More information can be found at https://inflationdata.com/Inflation/Inflation_Rate/HistoricalInflation.aspx.

Currently, the price of oil has fluctuated greatly, and there are ongoing issues with the supply chain. As of now, it is unknown when these factors will be resolved, making it difficult to predict prices. We recommend the Association begin the replacement process several years out, including inspection, creation of a scope of work, and a competitive bidding process. For large projects, associations may choose to sign contracts a year before the work is to occur so that they can get scheduled during the spring and summer.

According to Section 4.3 of the Declaration, the unit is bound by the interior surface of its perimeter walls, windows, window frames, exterior doors and door frames.

According to Section 5 of the Declaration, the General Common Elements include the land, pathways, fences, grounds, common house, roofs, foundations, perimeter walls.

According to Section 6 of the Declaration, the Limited Common Elements include the storage spaces, back decks adjacent to units 202 and 203, and the terraces adjacent to units 213 and 214.

According to Section 9.1(a) of the Bylaws, each unit owner shall be responsible for the maintenance, repair or replacement of the attached decks, deck roofs, foundations, attached awnings and trellises…and accessories that may be in or connected with such owner's unit. The Association, however, may repair or replace, at the Association's expense, portions of units or limited common elements to the extent reasonably necessary for the preservation of the common elements in good condition and working order.

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

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

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

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

background checks of historical records.

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

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

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

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

Physical Analysis:

New projects generally include information provided by developers and/or refer to drawings.

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

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

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

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

DAYBREAK COHOUSING OWNERS ASSOCIATION

MAINTENANCE PLAN

BUDGET YEAR

January 1, 2022 to December 31, 2022

Daybreak Cohousing Owners Association
Executive Summary of Maintenance Plan

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

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

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

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

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

Daybreak Cohousing Owners Association
Maintenance Plan
2022

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

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

Property Inspection

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

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

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

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

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

Frequency: Annually

Building Envelope Inspection

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

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

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

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

of action for their individual situation.

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

Frequency: Every 5 years

Roof Inspection

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

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

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

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

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

Frequency: Refer to roof warranty for frequency

Lighting: Exterior & Common Area Interior – Inspection/Maintenance

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

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

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

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

Repairs and inspections should be completed by a qualified professional.

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

Frequency: Bi-Weekly

Common House/Fitness/Recreation Areas

The common house may experience heavy traffic that can have a dramatic impact on the life expectancy of the equipment. Preventive maintenance is critical. Consult the manufacturers of exercise and weight equipment for specific maintenance. The overall condition of the floors and mats should be reviewed for deficiencies such as excessive wear, stains, tears, and tripping hazards. The overall condition of the following should be reviewed: walls/ceilings, lighting fixture protection, exercise/weight equipment; location of signs and fire safety devices, fire extinguishers, and trash receptacles. Mirrors and glass should be reviewed for cracked/broken surfaces or rough edges.

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

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

Frequency: Monthly

Common House–Kitchen–Review

In condo facilities, common area kitchenettes and dining areas may contain pieces of equipment that can jeopardize life safety if preventive maintenance is neglected. The following monthly checklist includes common cooking equipment and dining furniture.

Review the electrical outlet load for fire safety (per manufacturer and code); check that paper/flammable materials are positioned away from heat sources; insure there is an accessible route, and there is sufficient visibility of emergency exits.

A fire extinguisher review should include: tag currency, placement, housing condition, hose condition, and overall condition.

Equipment, such as dishwashers, garbage disposals, stoves, refrigerators, and sinks should undergo review. ***Note: Always follow manufacturer's guidelines.*** For each item, check overall condition, switches, timer, piping and valves for leaks, wiring, pilots, doors, gaskets, and belts where applicable. Gas connections should be checked.

The flooring systems should be reviewed for deficiencies such as excessive wear, stains, and tripping hazards.

Review the exhaust system for hood function and condition, grease trap function, cleanliness and condition, filter condition, exhaust duct condition, and fan function and condition

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

Frequency: Monthly

Common Play Area – Review

As play areas, surfaces, and equipment vary widely, a general safety and maintenance protocol will be included in the maintenance plan. Management should work with their insurance company to identify additional specific recommendations and should consult manufacturer's specifications. Note deficiencies and required maintenance and repairs after completion of the review.

Generally, in order to maintain a safe playing area, the following should be reviewed: signage visibility and currency; accessible safety/first aid equipment location; fence condition for protruding or loose parts, holes or inoperable gates; and overall condition of grounds for deficiencies such as vandalism, debris buildup, trash, or tripping hazards.

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

Frequency: Monthly

Exterior Stairs and Decks

A method should be adopted for owners to report problems.

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

Frequency: Monthly

Gas Connections–Review

These maintenance procedures should also be performed on the common area equipment, such as the equipment in the common house. This expense should be included in the Association's operating budget in the year it is to occur.

The following check should be performed monthly for all gas connections and main valves throughout the facility. (Do not open and close valves.) The gas company should be contacted if:

* There is an odor of gas anywhere at any time.

* Valves cannot be turned off or appear to be rusted or damaged.

* Minor repairs are needed and maintenance personnel do not have adequate training or tools.

When gas is detected by odor, building occupants should immediately evacuate. The gas company and fire department should be contacted.

Possible undetected leakage should be visually checked (***do not open and close valves)*** by performing a bubble test with soap and water, or by using a handheld combustible gas detector of professional quality.

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

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

Frequency: Monthly

Hot Water Heater – Common Area Only – Inspection/Maintenance

Maintenance of the hot water heater includes regularly scheduled inspections and maintenance.

The water heater and related components should be checked for water leaks and fuel supply leaks. The water heater and related components should also be checked for proper operation and settings. Filters should be changed and all components serviced as required. The surrounding area should be cleaned at the time of servicing.

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

Inspections and maintenance should be performed by a qualified, licensed service provider.

We understand that this expense should be included in the annual operating budget for the Association.

Frequency: Monthly to Annually

Property Entrance - Review

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

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

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

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

maintenance expense.

Frequency: Monthly

Windows & Doors

A method should be adopted for owners to report problems.

These maintenance procedures should also be performed on the common area buildings including the common house. This expense for the common buildings should be included in the Association's operating budget and may be considered part of the annual property inspection.

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

Frequency: Monthly

Gutters & Downspouts

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

This important maintenance procedure will help to ensure that the gutters and downspouts are free-flowing at all times, thus preventing the backup of water within the drainage system. Such backup can lead to water ingress issues along the roof edges, around scuppers or other roof penetrations, and at sheet metal flashing or transition points that rely on quick and continuous discharge of water from surrounding roof surfaces to maintain a watertight building exterior.

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

Frequency: Semiannually, more often if necessary

HVAC–Common House Air Conditioning Unit

Regular preventive maintenance of HVAC (heating, ventilation, and air-conditioning) systems is crucial to the quality of air and comfort level within the condominium community. Preventive maintenance is also important for energy efficiency and maximizing equipment life. HVAC systems should always sufficiently control temperature and humidity, distribute outside air uniformly, and isolate and remove odors and pollutants. Improper function and maintenance can cause indoor air pollution by allowing stale or contaminated air to remain in the building. It is essential that both the building's common HVAC system and those for individual units have fully functional and regularly inspected pressure control, filtration, and exhaust equipment. HVAC systems must also be properly sized in proportion to the area and number of occupants.

Management may opt to contract outside professionals to handle this task, although the following

preventive maintenance procedures can be conducted by in-house maintenance personnel. If an outside service contractor is used, be sure to validate their performance by an audit of service performed.

When performing any maintenance procedures, always refer to manufacturer's recommendations. Diagnostic tools, such as a digital HVAC analyzer, can also be of help.

For all types of HVAC systems, change filters twice a year and post a sticker on the HVAC unit with the date of change and initials of the mechanic. If an outside service is used, plot the date of service on the wall chart and verify that performance is as per contract.

Frequency: Semiannually

Exterior Walls

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

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

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

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

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

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

Inspections should be made by a qualified professional.

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

Frequency: Annually

Fire Extinguishers – Common Areas Only

The following annual preventive maintenance checklist is for the fire extinguishers located in the common areas. This inspection and certification must be conducted by a licensed specialty contractor and should be scheduled in advance to ensure that the date on extinguishers will not expire. Monthly inspections of fire extinguishers' general condition, housing, and locations per code should be conducted as part of preventive maintenance procedures. In addition to the annual preventive maintenance tasks

outlined below, check the pressure and weight of each extinguisher in the facility every 6 months, according to its manufacturer's label. If the pressure is below the recommended minimum or if the extinguisher has been used, it should be recharged. Consult the National Fire Protect Association's (NFPA) Standard 10 for the specific requirements regarding the proper locations of fire extinguishers and signage.

Annual preventive maintenance checklist consists of the following: certification; housing condition; hose condition; proper location per code; count per code; and overall condition.

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

Frequency: Annual

Trees - Maintenance

The Association will be responsible for trimming trees in the common area throughout the property. Trees and shrubs should be kept clear of the building components.

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

This expense should be included in the Association's operating budget.

Frequency: Annually

Landscape Maintenance

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

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

This expense should be included in the Association's operating budget.

Frequency: Annually

Lawn Irrigation System

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

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

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

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

Frequency: Annually

Exterior Siding Maintenance – Painting

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

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

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

Frequency: Every 10 years

Metal Work Painting

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

The railings at have been powder-coated in a factory setting prior to installation. This process results in a very hard, durable finish that should result in a longer life expectancy for the original painted surface.

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

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

Frequency: Every 10 years

Hydraulic Elevator Maintenance

Schwindt & Company recommends that a provision for the periodic inspection and maintenance the hydraulic elevator components be included in the reserve study and maintenance plan for all associations.

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

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

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

Frequency: Some services should be performed monthly

Backflow Device Maintenance

Maintenance of the backflow device and components related to the water system includes, but is not limited to, inspecting for leaks under pressure and checking for damage or deterioration.

Annual maintenance on the backflow device includes the testing and calibrating of valve operation. Air should be bled from the backflow preventer and the area should be cleaned.

Inspections and maintenance should be performed by a qualified, licensed service provider.

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

This maintenance item should be included in the Association's annual operating budget.

Frequency: Annually

Fire Alarm System Maintenance

Regular inspection and maintenance of the fire alarm system includes a visual inspection of the alarm equipment and operational testing. Regular maintenance of this system will help to ensure building safety.

Inspections and maintenance should be performed by a licensed service provider.

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

Fire sprinklers should be tested as required. Interior and exterior sprinkler heads may need to be tested with different frequency.

The expense for this service should be included in the operating budget for the Association.

Frequency: Annually

Concrete Pavement

A method should be adopted for owners to report problems.

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

below the concrete surface which will undermine the integrity of the base material over time.

Frequency: Annually

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

DAYBREAK COHOUSING OWNERS ASSOCIATION

RESERVE STUDY

LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION

BUDGET YEAR

January 1, 2022 to December 31, 2022

Daybreak Cohousing Owners Association
Category Detail Index

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Daybreak Cohousing Owners Association
Property Description

Daybreak Cohousing Owners Association consists of 3 buildings with 30 units located in Portland, Oregon. The buildings are of wood frame construction with cementitious siding and a TPO membrane roof. The units were first occupied in October 2009. The reserve study is using a placed in-service date of 1/1/2010. The Association shall provide exterior improvements upon each unit, such as paint, maintenance, repair and replacement of roofs, gutters, downspouts, rain drains, windows, window frames, exterior doors, door frames and exterior building surfaces. The individual homeowners are responsible for all maintenance and repairs of their home.

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

A site visit was performed by Schwindt and Company in 2020. Schwindt and Company did not investigate components for defects, materials, design or workmanship. This would ordinarily be considered in a complete building envelope inspection. Our condition assessment considers if the component is wearing as intended. All components are considered to be in fair condition and appear to be wearing as intended unless noted otherwise in the component detail.

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

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

Daybreak Cohousing Owners Association
Portland, Oregon
Cash Flow Method - Threshold Funding Model Summary

Report Date	July 21, 2022
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	30

Report Parameters

Inflation	4.00%
Interest Rate on Reserve Deposit	0.10%
2022 Beginning Balance	$519,231

Threshold Funding
Fully Reserved Model Summary

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. The threshold method assumes that the threshold method is funded with a positive threshold balance, therefore, "fully reserved".
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage; foundation/footings; storm drains; telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **$74,800** in **2022** and varies each year until 2034. In 2034 the contribution is $465,168 and increases 1.0% for the remaining years of the study. A minimum balance of **$270,200** is maintained.
- According to the Association governance, the reserve percentage funded should be above 30% and must not be below 20%. The Association also has the added goal to be fully funded by 2034.
- The purpose of this study is to ensure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

Cash Flow Method - Threshold Funding Model Summary of Calculations

Required Monthly Contribution	$6,233.33
$207.78 per unit monthly	
Average Net Monthly Interest Earned	$34.87
Total Monthly Allocation to Reserves	$6,268.20
$208.94 per unit monthly	

Daybreak Cohousing Owners Association
Cash Flow Method - Threshold Funding Model Projection

Beginning Balance: $519,231

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	74,800	418	141,484	452,965	1,246,369	36%
2023	104,720	222	287,708	270,200	1,128,073	24%
2024	136,135	342	1,947	404,730	1,307,141	31%
2025	171,531	387	110,583	466,065	1,386,067	34%
2026	209,268	379	200,610	475,102	1,380,188	34%
2027	246,936	299	309,816	412,521	1,263,797	33%
2028	286,446	507	61,062	638,412	1,407,480	45%
2029	326,549	816		965,777	1,626,680	59%
2030	365,735	1,047	117,259	1,215,300	1,739,500	70%
2031	402,308	1,353	80,949	1,538,012	1,901,383	81%
2032	434,923	1,686	87,873	1,886,748	2,069,137	91%
2033	460,562	2,045	92,272	2,257,083	2,246,671	100%
2034	465,138	2,506	3,714	2,721,013	2,531,035	108%
2035	469,789	2,953	23,478	3,170,278	2,814,155	113%
2036	474,487	2,177	1,250,887	2,396,056	1,837,139	130%
2037	479,232	2,612	44,339	2,833,561	2,084,306	136%
2038	484,024	2,967	129,577	3,190,977	2,261,699	141%
2039	488,865	3,457		3,683,299	2,590,099	142%
2040	493,753	3,443	508,901	3,671,594	2,411,263	152%
2041	498,691	3,828	114,937	4,059,177	2,640,925	154%
2042	503,678	4,208	126,130	4,440,932	2,878,243	154%
2043	508,715	4,577	141,872	4,812,352	3,119,196	154%
2044	513,802	5,089	4,266	5,326,977	3,523,832	151%
2045	518,940	5,590	20,950	5,830,556	3,938,674	148%
2046	524,129	4,022	2,094,717	4,263,990	2,220,580	192%
2047	529,370	3,874	678,846	4,118,388	1,918,382	215%
2048	534,664	4,283	127,362	4,529,973	2,189,374	207%
2049	540,011	4,241	583,363	4,490,862	2,010,632	223%
2050	545,411	4,543	245,533	4,795,282	2,189,699	219%
2051	550,865	4,920	176,198	5,174,870	2,468,685	210%

Daybreak Cohousing Owners Association
Component Summary By Category

Description	Date in Service	Next Occurrence	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Roofing								
Roof: Metal Flashing - Replacement	2010	2027	20	-3	5	1,100 LF	23.20	25,520
Roof: Scuppers & Downspouts - Replacement	2010	2027	20	-3	5	630 LF	11.60	7,308
Roof: TPO Membrane - Replacement	2010	2027	20	-3	5	11,400 SF	11.60	132,239
Roof: Trex Deck - Replacement	2010	2027	20	-3	5	1,450 SF	46.40	67,280
Roofing - Total								$232,347
Siding								
Siding & Trim - Repair	2021	2026	5	0	4	1 Total	20,000.00	20,000
Siding - Replacement	2010	2046	40	-4	24	33,600 SF	19.72	662,592
Siding - Total								$682,592
Painting								
Metal Work - Painting	2021	2026	5	0	4	1 Total	29,554.00	29,554
Siding - Painting	2016	2026	10	0	4	33,600 SF	3.48	116,928
Painting - Total								$146,482
Equipment								
Elevator - Modernization	2010	2040	30	0	18	1 Total	116,000.00	116,000
Fire Alarm - Repair	2010	2030	20	0	8	1 Total	13,920.00	13,920
Fire Sprinkler - Repair	2010	2022	10	2	0	1 Total	11,600.00	11,600
Fire Sprinkler: Outdoor - Testing	2010	2022	10	2	0	4 Each	1,276.00	5,104
Equipment - Total								$146,624
Decks and Railings								
Walkway & Deck - Recoat	2018	2023	5	0	1	4,150 SF	8.12	33,698
Decks and Railings - Total								$33,698
Lighting								
Light Fixtures: Exterior - Replacement	2010	2023	15	-2	1	96 Each	174.00	16,704
Lighting - Total								$16,704
Common House								
Common House: Basement Freezers - Replac...	2010	2030	15	5	8	3 Each	2,000.00	6,000
Common House: Computers - Replacement	2018	2023	5	0	1	1 Total	4,640.00	4,640
Common House: Dining Room - Renovation	2010	2040	30	0	18	1 Total	11,600.00	11,600
Common House: Dining Room Furniture - R...	2010	2030	20	0	8	1 Total	11,600.00	11,600
Common House: Dishwasher - Replacement	2018	2028	10	0	6	1 Total	5,800.00	5,800
Common House: Entry System - Replacement	2010	2025	15	0	3	1 Total	10,000.00	10,000
Common House: Exercise Room - Renovation	2010	2025	15	0	3	1 Total	2,320.00	2,320
Common House: Flooring - Main Level	2010	2030	20	0	8	3,200 SF	11.60	37,120
Common House: Freezer/Refrigerator - Repl...	2010	2040	30	0	18	1 Total	3,480.00	3,480
Common House: Gas Fireplace - Replacement	2018	2038	20	0	16	1 Total	7,540.00	7,540

Daybreak Cohousing Owners Association
Component Summary By Category

Description	Date in Service	Next Occurrence	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Common House continued...								
Common House: Guest Room - Renovation	2010	2025	15	0	3	1 Total	5,000.00	5,000
Common House: Guest Room Water Heater -..	2021	2036	15	0	14	1 Total	1,944.00	1,944
Common House: HVAC - Replacement	2010	2025	15	0	3	1 Total	46,400.00	46,400
Common House: Hood Vent - Replacement	2010	2040	30	0	18	1 Total	17,400.00	17,400
Common House: Interior Lights - Basement	2010	2030	20	0	8	26 Each	203.00	5,278
Common House: Interior Lights - Main Level	2010	2030	20	0	8	54 Each	203.00	10,962
Common House: Interior Paint - Main & Bas..	2010	2023	10	3	1	10,800 SF	2.00	21,600
Common House: Kitchen - Renovation	2010	2025	15	0	3	1 Total	11,600.00	11,600
Common House: Kitchen Water Heater - Rep..	2010	2025	15	0	3	1 Total	1,944.00	1,944
Common House: Laundry Dryer I - Replace..	2022	2022	5	0	0	1 Total	2,500.00	2,500
Common House: Laundry Dryer II - Replace..	2022	2022	5	0	0	1 Total	2,500.00	2,500
Common House: Laundry Room Water Heat..	2010	2025	15	0	3	1 Total	1,944.00	1,944
Common House: Laundry Washer I - Replac..	2017	2022	5	0	0	1 Total	2,500.00	2,500
Common House: Laundry Washer II - Replac..	2021	2026	5	0	4	1 Total	2,500.00	2,500
Common House: Laundry Washer III - Repla..	2021	2026	5	0	4	1 Total	2,500.00	2,500
Common House: Living Room - Renovation	2010	2025	15	0	3	1 Total	5,800.00	5,800
Common House: Media Room - Renovation	2010	2025	15	0	3	1 Total	3,480.00	3,480
Common House: Network Switches- Replace..	2010	2025	10	5	3	1 Total	2,500.00	2,500
Common House: Restrooms - Renovation	2010	2040	30	0	18	2 Each	2,320.00	4,640
Common House: Shop Tools - Replacement	2018	2022	3	1	0	1 Total	2,320.00	2,320
Common House: Stove/Oven - Replacement	2010	2040	30	0	18	1 Total	3,480.00	3,480
Common House - Total								$258,892
Grounds Components								
Concrete Sidewalk - Repair	2010	2022	5	7	0	1 Total	4,000.00	4,000
Landscape - Renewal	2022	2022	5	0	0	1 Total	5,000.00	5,000
Patio, Ramp, & Parking Concrete & Paver - ..	2010	2025	15	0	3	1 Total	2,000.00	2,000
Playground Equipment & Outdoor Furniture ..	2010	2022	10	2	0	1 Total	18,560.00	18,560
Trash Enclosure - Renovation	2010	2025	25	-10	3	1 Total	3,000.00	3,000
Grounds Components - Total								$32,560
Mailboxes								
Mailboxes - Replacement		*Unfunded*						
Mailboxes - Total								
Doors and Windows								
Awnings & Sunshades - Replacement	2010	2023	13	0	1	1 Total	200,000.00	200,000
Exterior Doors - Replacement	2010	2036	30	-4	14	57 Each	1,160.00	66,120
Interior Doors - Replacement	2010	2036	30	-4	14	30 Each	1,160.00	34,800
Windows - Replacement	2010	2036	30	-4	14	283 Each	870.00	246,210
Doors and Windows - Total								$547,130

Daybreak Cohousing Owners Association
Component Summary By Category

Description	Date in Service	Next Occurrence	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Inspections								
Building Envelope Inspection	2016	2022	5	1	0	1 Total	5,800.00	5,800
Electrical Inspection	2010	2035	25	0	13	1 Total	5,800.00	5,800
Plumbing Inspection	2010	2035	25	0	13	1 Total	5,800.00	5,800
Inspections - Total								$17,400
Reserve Study								
Reserve Study Update - Offsite	2018	2022	4	0	0	1 Total	800.00	800
Reserve Study Update - Onsite	2020	2024	4	0	2	1 Total	1,800.00	1,800
Reserve Study - Total								$2,600
Contingency								
Insurance Deductible	2021	2022	1	0	0	1 Total	5,800.00	5,800
Insurance Deductible(Earthquake)	2021	2022	1	0	0	1 Total	75,000.00	75,000
Contingency - Total								$80,800
Total Asset Summary								$2,197,828

Daybreak Cohousing Owners Association
Component Summary By Group

Description	Date in Service	Next Occurrence	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Capital								
Awnings & Sunshades - Replacement	2010	2023	13	0	1	1 Total	200,000.00	200,000
Common House: Basement Freezers - Replac..	2010	2030	15	5	8	3 Each	2,000.00	6,000
Common House: Computers - Replacement	2018	2023	5	0	1	1 Total	4,640.00	4,640
Common House: Dining Room - Renovation	2010	2040	30	0	18	1 Total	11,600.00	11,600
Common House: Dining Room Furniture - R..	2010	2030	20	0	8	1 Total	11,600.00	11,600
Common House: Dishwasher - Replacement	2018	2028	10	0	6	1 Total	5,800.00	5,800
Common House: Entry System - Replacement	2010	2025	15	0	3	1 Total	10,000.00	10,000
Common House: Exercise Room - Renovation	2010	2025	15	0	3	1 Total	2,320.00	2,320
Common House: Flooring - Main Level	2010	2030	20	0	8	3,200 SF	11.60	37,120
Common House: Freezer/Refrigerator - Repl..	2010	2040	30	0	18	1 Total	3,480.00	3,480
Common House: Gas Fireplace - Replacement	2018	2038	20	0	16	1 Total	7,540.00	7,540
Common House: Guest Room - Renovation	2010	2025	15	0	3	1 Total	5,000.00	5,000
Common House: Guest Room Water Heater -..	2021	2036	15	0	14	1 Total	1,944.00	1,944
Common House: HVAC - Replacement	2010	2025	15	0	3	1 Total	46,400.00	46,400
Common House: Hood Vent - Replacement	2010	2040	30	0	18	1 Total	17,400.00	17,400
Common House: Interior Lights - Basement	2010	2030	20	0	8	26 Each	203.00	5,278
Common House: Interior Lights - Main Level	2010	2030	20	0	8	54 Each	203.00	10,962
Common House: Kitchen - Renovation	2010	2025	15	0	3	1 Total	11,600.00	11,600
Common House: Kitchen Water Heater - Rep..	2010	2025	15	0	3	1 Total	1,944.00	1,944
Common House: Laundry Dryer I - Replace..	2022	2022	5	0	0	1 Total	2,500.00	2,500
Common House: Laundry Dryer II - Replace..	2022	2022	5	0	0	1 Total	2,500.00	2,500
Common House: Laundry Room Water Heat..	2010	2025	15	0	3	1 Total	1,944.00	1,944
Common House: Laundry Washer I - Replac..	2017	2022	5	0	0	1 Total	2,500.00	2,500
Common House: Laundry Washer II - Replac..	2021	2026	5	0	4	1 Total	2,500.00	2,500
Common House: Laundry Washer III - Repla..	2021	2026	5	0	4	1 Total	2,500.00	2,500
Common House: Living Room - Renovation	2010	2025	15	0	3	1 Total	5,800.00	5,800
Common House: Media Room - Renovation	2010	2025	15	0	3	1 Total	3,480.00	3,480
Common House: Network Switches- Replace..	2010	2025	10	5	3	1 Total	2,500.00	2,500
Common House: Restrooms - Renovation	2010	2040	30	0	18	2 Each	2,320.00	4,640
Common House: Shop Tools - Replacement	2018	2022	3	1	0	1 Total	2,320.00	2,320
Common House: Stove/Oven - Replacement	2010	2040	30	0	18	1 Total	3,480.00	3,480
Elevator - Modernization	2010	2040	30	0	18	1 Total	116,000.00	116,000
Exterior Doors - Replacement	2010	2036	30	-4	14	57 Each	1,160.00	66,120
Fire Alarm - Repair	2010	2030	20	0	8	1 Total	13,920.00	13,920
Fire Sprinkler - Repair	2010	2022	10	2	0	1 Total	11,600.00	11,600
Interior Doors - Replacement	2010	2036	30	-4	14	30 Each	1,160.00	34,800
Light Fixtures: Exterior - Replacement	2010	2023	15	-2	1	96 Each	174.00	16,704
Mailboxes - Replacement		*Unfunded*						
Playground Equipment & Outdoor Furniture ..	2010	2022	10	2	0	1 Total	18,560.00	18,560
Roof: Metal Flashing - Replacement	2010	2027	20	-3	5	1,100 LF	23.20	25,520
Roof: Scuppers & Downspouts - Replacement	2010	2027	20	-3	5	630 LF	11.60	7,308
Roof: TPO Membrane - Replacement	2010	2027	20	-3	5	11,400 SF	11.60	132,239
Roof: Trex Deck - Replacement	2010	2027	20	-3	5	1,450 SF	46.40	67,280

Daybreak Cohousing Owners Association
Component Summary By Group

Description	Date in Service	Next Occurrence	Useful	Adjustment	Remaining	Units		Unit Cost	Current Cost
Capital continued...									
Siding & Trim - Repair	2021	2026	5	0	4	1	Total	20,000.00	20,000
Siding - Replacement	2010	2046	40	-4	24	33,600	SF	19.72	662,592
Trash Enclosure - Renovation	2010	2025	25	-10	3	1	Total	3,000.00	3,000
Windows - Replacement	2010	2036	30	-4	14	283	Each	870.00	246,210
Capital - Total									$1,879,144
Non-Capital									
Building Envelope Inspection	2016	2022	5	1	0	1	Total	5,800.00	5,800
Common House: Interior Paint - Main & Bas..	2010	2023	10	3	1	10,800	SF	2.00	21,600
Concrete Sidewalk - Repair	2010	2022	5	7	0	1	Total	4,000.00	4,000
Electrical Inspection	2010	2035	25	0	13	1	Total	5,800.00	5,800
Fire Sprinkler: Outdoor - Testing	2010	2022	10	2	0	4	Each	1,276.00	5,104
Insurance Deductible	2021	2022	1	0	0	1	Total	5,800.00	5,800
Insurance Deductible(Earthquake)	2021	2022	1	0	0	1	Total	75,000.00	75,000
Landscape - Renewal	2022	2022	5	0	0	1	Total	5,000.00	5,000
Metal Work - Painting	2021	2026	5	0	4	1	Total	29,554.00	29,554
Patio, Ramp, & Parking Concrete & Paver - ..	2010	2025	15	0	3	1	Total	2,000.00	2,000
Plumbing Inspection	2010	2035	25	0	13	1	Total	5,800.00	5,800
Reserve Study Update - Offsite	2018	2022	4	0	0	1	Total	800.00	800
Reserve Study Update - Onsite	2020	2024	4	0	2	1	Total	1,800.00	1,800
Siding - Painting	2016	2026	10	0	4	33,600	SF	3.48	116,928
Walkway & Deck - Recoat	2018	2023	5	0	1	4,150	SF	8.12	33,698
Non-Capital - Total									$318,684
Total Asset Summary									$2,197,828

Daybreak Cohousing Owners Association
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2022	
Building Envelope Inspection	5,800
Common House: Laundry Dryer I - Replacement	2,500
Common House: Laundry Dryer II - Replacement	2,500
Common House: Laundry Washer I - Replacement	2,500
Common House: Shop Tools - Replacement	2,320
Concrete Sidewalk - Repair	4,000
Fire Sprinkler - Repair	11,600
Fire Sprinkler: Outdoor - Testing	5,104
Insurance Deductible - 1 of 1X	5,800
Insurance Deductible(Earthquake) - 1 of 1X	75,000
Landscape - Renewal	5,000
Playground Equipment & Outdoor Furniture - Replacement	18,560
Reserve Study Update - Offsite	800
Total for 2022	**$141,484**
Replacement Year 2023	
Awnings & Sunshades - Replacement	208,000
Common House: Computers - Replacement	4,826
Common House: Interior Paint - Main & Basement Levels	22,464
Light Fixtures: Exterior - Replacement	17,372
Walkway & Deck - Recoat	35,046
Total for 2023	**$287,708**
Replacement Year 2024	
Reserve Study Update - Onsite	1,947
Total for 2024	**$1,947**
Replacement Year 2025	
Common House: Entry System - Replacement	11,249
Common House: Exercise Room - Renovation	2,610
Common House: Guest Room - Renovation	5,624
Common House: HVAC - Replacement	52,194
Common House: Kitchen - Renovation	13,048
Common House: Kitchen Water Heater - Replacement	2,187

Daybreak Cohousing Owners Association
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025 continued...	
Common House: Laundry Room Water Heater - Replacement	2,187
Common House: Living Room - Renovation	6,524
Common House: Media Room - Renovation	3,915
Common House: Network Switches- Replacement	2,812
Common House: Shop Tools - Replacement	2,610
Patio, Ramp, & Parking Concrete & Paver - Repair	2,250
Trash Enclosure - Renovation	3,375
Total for 2025	**$110,583**
Replacement Year 2026	
Common House: Laundry Washer II - Replacement	2,925
Common House: Laundry Washer III - Replacement	2,925
Metal Work - Painting	34,574
Siding & Trim - Repair	23,397
Siding - Painting	136,789
Total for 2026	**$200,610**
Replacement Year 2027	
Building Envelope Inspection	7,057
Common House: Laundry Dryer I - Replacement	3,042
Common House: Laundry Dryer II - Replacement	3,042
Common House: Laundry Washer I - Replacement	3,042
Concrete Sidewalk - Repair	4,867
Landscape - Renewal	6,083
Roof: Metal Flashing - Replacement	31,049
Roof: Scuppers & Downspouts - Replacement	8,891
Roof: TPO Membrane - Replacement	160,889
Roof: Trex Deck - Replacement	81,856
Total for 2027	**$309,816**
Replacement Year 2028	
Common House: Computers - Replacement	5,871
Common House: Dishwasher - Replacement	7,339
Common House: Shop Tools - Replacement	2,936
Reserve Study Update - Onsite	2,278

Daybreak Cohousing Owners Association
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2028 continued...	
Walkway & Deck - Recoat	42,639
Total for 2028	**$61,062**
No Replacement in 2029	
Replacement Year 2030	
Common House: Basement Freezers - Replacement	8,211
Common House: Dining Room Furniture - Replacement	15,875
Common House: Flooring - Main Level	50,801
Common House: Interior Lights - Basement	7,223
Common House: Interior Lights - Main Level	15,002
Fire Alarm - Repair	19,050
Reserve Study Update - Offsite	1,095
Total for 2030	**$117,259**
Replacement Year 2031	
Common House: Laundry Washer II - Replacement	3,558
Common House: Laundry Washer III - Replacement	3,558
Common House: Shop Tools - Replacement	3,302
Metal Work - Painting	42,065
Siding & Trim - Repair	28,466
Total for 2031	**$80,949**
Replacement Year 2032	
Building Envelope Inspection	8,585
Common House: Laundry Dryer I - Replacement	3,701
Common House: Laundry Dryer II - Replacement	3,701
Common House: Laundry Washer I - Replacement	3,701
Concrete Sidewalk - Repair	5,921
Fire Sprinkler - Repair	17,171
Fire Sprinkler: Outdoor - Testing	7,555
Landscape - Renewal	7,401
Playground Equipment & Outdoor Furniture - Replacement	27,473
Reserve Study Update - Onsite	2,664
Total for 2032	**$87,873**

Daybreak Cohousing Owners Association
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2033	
Common House: Computers - Replacement	7,143
Common House: Interior Paint - Main & Basement Levels	33,252
Walkway & Deck - Recoat	51,877
Total for 2033	**$92,272**
Replacement Year 2034	
Common House: Shop Tools - Replacement	3,714
Total for 2034	**$3,714**
Replacement Year 2035	
Common House: Network Switches- Replacement	4,163
Electrical Inspection	9,657
Plumbing Inspection	9,657
Total for 2035	**$23,478**
Replacement Year 2036	
Awnings & Sunshades - Replacement	346,335
Common House: Guest Room Water Heater - Replacement	3,366
Common House: Laundry Washer II - Replacement	4,329
Common House: Laundry Washer III - Replacement	4,329
Exterior Doors - Replacement	114,498
Interior Doors - Replacement	60,262
Metal Work - Painting	51,178
Reserve Study Update - Onsite	3,117
Siding & Trim - Repair	34,634
Siding - Painting	202,481
Windows - Replacement	426,356
Total for 2036	**$1,250,887**
Replacement Year 2037	
Building Envelope Inspection	10,445
Common House: Laundry Dryer I - Replacement	4,502
Common House: Laundry Dryer II - Replacement	4,502
Common House: Laundry Washer I - Replacement	4,502

Daybreak Cohousing Owners Association
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2037 continued...	
Common House: Shop Tools - Replacement	4,178
Concrete Sidewalk - Repair	7,204
Landscape - Renewal	9,005
Total for 2037	**$44,339**
Replacement Year 2038	
Common House: Computers - Replacement	8,691
Common House: Dishwasher - Replacement	10,863
Common House: Gas Fireplace - Replacement	14,122
Light Fixtures: Exterior - Replacement	31,286
Reserve Study Update - Offsite	1,498
Walkway & Deck - Recoat	63,116
Total for 2038	**$129,577**
No Replacement in 2039	
Replacement Year 2040	
Common House: Dining Room - Renovation	23,499
Common House: Entry System - Replacement	20,258
Common House: Exercise Room - Renovation	4,700
Common House: Freezer/Refrigerator - Replacement	7,050
Common House: Guest Room - Renovation	10,129
Common House: HVAC - Replacement	93,998
Common House: Hood Vent - Replacement	35,249
Common House: Kitchen - Renovation	23,499
Common House: Kitchen Water Heater - Replacement	3,938
Common House: Laundry Room Water Heater - Replacement	3,938
Common House: Living Room - Renovation	11,750
Common House: Media Room - Renovation	7,050
Common House: Restrooms - Renovation	9,400
Common House: Shop Tools - Replacement	4,700
Common House: Stove/Oven - Replacement	7,050
Elevator - Modernization	234,995
Patio, Ramp, & Parking Concrete & Paver - Repair	4,052
Reserve Study Update - Onsite	3,646
Total for 2040	**$508,901**

Daybreak Cohousing Owners Association
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2041	
Common House: Laundry Washer II - Replacement	5,267
Common House: Laundry Washer III - Replacement	5,267
Metal Work - Painting	62,266
Siding & Trim - Repair	42,137
Total for 2041	**$114,937**
Replacement Year 2042	
Building Envelope Inspection	12,709
Common House: Laundry Dryer I - Replacement	5,478
Common House: Laundry Dryer II - Replacement	5,478
Common House: Laundry Washer I - Replacement	5,478
Concrete Sidewalk - Repair	8,764
Fire Sprinkler - Repair	25,417
Fire Sprinkler: Outdoor - Testing	11,183
Landscape - Renewal	10,956
Playground Equipment & Outdoor Furniture - Replacement	40,667
Total for 2042	**$126,130**
Replacement Year 2043	
Common House: Computers - Replacement	10,573
Common House: Interior Paint - Main & Basement Levels	49,221
Common House: Shop Tools - Replacement	5,287
Walkway & Deck - Recoat	76,790
Total for 2043	**$141,872**
Replacement Year 2044	
Reserve Study Update - Onsite	4,266
Total for 2044	**$4,266**
Replacement Year 2045	
Common House: Basement Freezers - Replacement	14,788
Common House: Network Switches- Replacement	6,162
Total for 2045	**$20,950**

Daybreak Cohousing Owners Association
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2046	
Common House: Laundry Washer II - Replacement	6,408
Common House: Laundry Washer III - Replacement	6,408
Common House: Shop Tools - Replacement	5,947
Metal Work - Painting	75,756
Reserve Study Update - Offsite	2,051
Siding - Painting	299,722
Siding - Replacement	1,698,425
Total for 2046	**$2,094,717**
Replacement Year 2047	
Building Envelope Inspection	15,462
Common House: Laundry Dryer I - Replacement	6,665
Common House: Laundry Dryer II - Replacement	6,665
Common House: Laundry Washer I - Replacement	6,665
Concrete Sidewalk - Repair	10,663
Landscape - Renewal	13,329
Roof: Metal Flashing - Replacement	68,032
Roof: Scuppers & Downspouts - Replacement	19,482
Roof: TPO Membrane - Replacement	352,527
Roof: Trex Deck - Replacement	179,357
Total for 2047	**$678,846**
Replacement Year 2048	
Common House: Computers - Replacement	12,864
Common House: Dishwasher - Replacement	16,080
Reserve Study Update - Onsite	4,990
Walkway & Deck - Recoat	93,427
Total for 2048	**$127,362**
Replacement Year 2049	
Awnings & Sunshades - Replacement	576,674
Common House: Shop Tools - Replacement	6,689
Total for 2049	**$583,363**

Daybreak Cohousing Owners Association
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2050	
Common House: Dining Room Furniture - Replacement	34,785
Common House: Flooring - Main Level	111,311
Common House: Interior Lights - Basement	15,827
Common House: Interior Lights - Main Level	32,872
Fire Alarm - Repair	41,742
Trash Enclosure - Renovation	8,996
Total for 2050	**$245,533**
Replacement Year 2051	
Common House: Guest Room Water Heater - Replacement	6,063
Common House: Laundry Washer II - Replacement	7,797
Common House: Laundry Washer III - Replacement	7,797
Metal Work - Painting	92,169
Siding & Trim - Repair	62,373
Total for 2051	**$176,198**

Daybreak Cohousing Owners Association
Detail Report by Category

Awnings & Sunshades - Replacement

		1 Total	@ $200,000.00
Asset ID	1054	Asset Actual Cost	$200,000.00
	Capital	Percent Replacement	100%
Category	Doors and Windows	Future Cost	$208,000.00
Placed in Service	January 2010		
Useful Life	13		
Replacement Year	2023		
Remaining Life	1		

This provision is for the awnings and sunshades, including the downspout supports, on buildings A, B and C North and the cantilevered awnings on building C South.

The useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. In 2022, the Association requested a price of $200,000 based on a bid.

Building Envelope Inspection

		1 Total	@ $5,800.00
Asset ID	1001	Asset Actual Cost	$5,800.00
	Non-Capital	Percent Replacement	100%
Category	Inspections	Future Cost	$5,800.00
Placed in Service	January 2016		
Useful Life	5		
Adjustment	1		
Replacement Year	2022		
Remaining Life	0		

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

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

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Basement Freezers - Replacement

		3 Each	@ $2,000.00
Asset ID	1039	Asset Actual Cost	$6,000.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$8,211.41
Placed in Service	January 2010		
Useful Life	15		
Adjustment	5		
Replacement Year	2030		
Remaining Life	8		

This provision is for the replacement of the basement freezers in the common house.

According to the Association, there are 3.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Computers - Replacement

		1 Total	@ $4,640.00
Asset ID	1033	Asset Actual Cost	$4,640.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$4,825.60
Placed in Service	January 2018		
Useful Life	5		
Replacement Year	2023		
Remaining Life	1		

This provision is for the replacement of the computer equipment in the common house.

This includes the computer, printer, and wifi routers.

The cost and useful life assumptions are based on information from the Association.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Dining Room - Renovation

		1 Total	@ $11,600.00
Asset ID	1023	Asset Actual Cost	$11,600.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$23,499.47
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	18		

This provision is for the renovation of the dining room in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Dining Room Furniture - Replacement

		1 Total	@ $11,600.00
Asset ID	1022	Asset Actual Cost	$11,600.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$15,875.40
Placed in Service	January 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	8		

This provision is for the replacement of the dining room furniture in the common house.

At the time of site visit there were the following:

5 3x6 tables
4 42" square tables
50 Chairs

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Dishwasher - Replacement

		1 Total	@ $5,800.00
Asset ID	1025	Asset Actual Cost	$5,800.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$7,338.85
Placed in Service	January 2018		
Useful Life	10		
Replacement Year	2028		
Remaining Life	6		

This provision is for the replacement of the kitchen dishwasher in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Entry System - Replacement

		1 Total	@ $10,000.00
Asset ID	1050	Asset Actual Cost	$10,000.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$11,248.64
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the replacement of the common house entry system.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Exercise Room - Renovation

		1 Total	@ $2,320.00
Asset ID	1037	Asset Actual Cost	$2,320.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,609.68
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the renovation of the exercise room in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Flooring - Main Level

		3,200 SF	@ $11.60
Asset ID	1016	Asset Actual Cost	$37,119.68
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$50,800.84
Placed in Service	January 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	8		

This provision is for the replacement of the main level flooring of the common house.

According to information provided by the Association, there is 3,200 square feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Freezer/Refrigerator - Replacement

		1 Total	@ $3,480.00
Asset ID	1028	Asset Actual Cost	$3,480.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$7,049.84
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	18		

This provision is for the replacement of the kitchen freezer in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Gas Fireplace - Replacement

		1 Total	@ $7,540.00
Asset ID	1031	Asset Actual Cost	$7,540.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$14,122.28
Placed in Service	January 2018		
Useful Life	20		
Replacement Year	2038		
Remaining Life	16		

This provision is for the replacement of the replacement of the gas fireplace in the common house.

According to the Association, it was replaced in 2018 for $6,000.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Guest Room - Renovation

		1 Total	@ $5,000.00
Asset ID	1055	Asset Actual Cost	$5,000.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$5,624.32
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the renovation of the guest room in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Guest Room Water Heater - Replacement

		1 Total	@ $1,944.00
Asset ID	1013	Asset Actual Cost	$1,944.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$3,366.38
Placed in Service	January 2021		
Useful Life	15		
Replacement Year	2036		
Remaining Life	14		

This provision is for the replacement of the common house guest room water heater.

According to the Association, this was replaced in 2021 for $1,800.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: HVAC - Replacement

		1 Total	@ $46,400.00
Asset ID	1036	Asset Actual Cost	$46,400.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$52,193.69
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the replacement of the HVAC in the common house. It is a split zone system with 7 zones.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Hood Vent - Replacement

		1 Total	@ $17,400.00
Asset ID	1027	Asset Actual Cost	$17,400.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$35,249.21
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	18		

This provision is for the replacement of the kitchen hood vent in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Interior Lights - Basement

		26 Each	@ $203.00
Asset ID	1018	Asset Actual Cost	$5,278.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$7,223.30
Placed in Service	January 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	8		

This provision is for the replacement of the basement level interior lights of the common house.

According to information provided by the Association, there are 26.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Interior Lights - Main Level

		54 Each	@ $203.00
Asset ID	1017	Asset Actual Cost	$10,962.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$15,002.25
Placed in Service	January 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	8		

This provision is for the replacement of the main level interior lights of the common house.

According to information provided by the Association, there are 54.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Interior Paint - Main & Basement Levels

		10,800 SF	@ $2.00
Asset ID	1015	Asset Actual Cost	$21,600.00
	Non-Capital	Percent Replacement	100%
Category	Common House	Future Cost	$22,464.00
Placed in Service	January 2010		
Useful Life	10		
Adjustment	3		
Replacement Year	2023		
Remaining Life	1		

This provision is for the painting of the interior main and basement levels of the common house.

According to information provided by the Association, there is 4,000 square feet in the basement and 6,800 square feet on the main level.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Kitchen - Renovation

		1 Total	@ $11,600.00
Asset ID	1024	Asset Actual Cost	$11,600.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$13,048.42
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the renovation of the kitchen in the common house.

This includes the countertops, cabinets, flooring, etc. This does not include the equipment like freezers, stovetops, dishwasher, etc. These items are their own component.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Kitchen Water Heater - Replacement

		1 Total	@ $1,944.00
Asset ID	1059	Asset Actual Cost	$1,944.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,186.74
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the replacement of the common house kitchen water heater.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Laundry Dryer I - Replacement

		1 Total	@ $2,500.00
Asset ID	1064	Asset Actual Cost	$2,500.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,500.00
Placed in Service	January 2022		
Useful Life	5		
Replacement Year	2022		
Remaining Life	0		

This provision is for the replacement of the replacement of the laundry equipment in the common house.

At the time of site visit there were 3 washers and 2 dryers.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Laundry Dryer II - Replacement

		1 Total	@ $2,500.00
Asset ID	1065	Asset Actual Cost	$2,500.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,500.00
Placed in Service	January 2022		
Useful Life	5		
Replacement Year	2022		
Remaining Life	0		

This provision is for the replacement of the replacement of the laundry equipment in the common house.

At the time of site visit there were 3 washers and 2 dryers.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Laundry Room Water Heater - Replacement

		1 Total	@ $1,944.00
Asset ID	1058	Asset Actual Cost	$1,944.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,186.74
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the replacement of the common house laundry room water heater.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Laundry Washer I - Replacement

		1 Total	@ $2,500.00
Asset ID	1030	Asset Actual Cost	$2,500.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,500.00
Placed in Service	January 2017		
Useful Life	5		
Replacement Year	2022		
Remaining Life	0		

This provision is for the replacement of the replacement of the laundry equipment in the common house.

At the time of site visit there were 3 washers and 2 dryers.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Laundry Washer II - Replacement

		1 Total	@ $2,500.00
Asset ID	1062	Asset Actual Cost	$2,500.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,924.65
Placed in Service	January 2021		
Useful Life	5		
Replacement Year	2026		
Remaining Life	4		

This provision is for the replacement of the replacement of the laundry equipment in the common house.

At the time of site visit there were 3 washers and 2 dryers.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Laundry Washer III - Replacement

		1 Total	@ $2,500.00
Asset ID	1063	Asset Actual Cost	$2,500.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,924.65
Placed in Service	January 2021		
Useful Life	5		
Replacement Year	2026		
Remaining Life	4		

This provision is for the replacement of the replacement of the laundry equipment in the common house.

At the time of site visit there were 3 washers and 2 dryers.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Living Room - Renovation

		1 Total	@ $5,800.00
Asset ID	1021	Asset Actual Cost	$5,800.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$6,524.21
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the renovation of the living room in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Media Room - Renovation

		1 Total	@ $3,480.00
Asset ID	1019	Asset Actual Cost	$3,480.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$3,914.53
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the renovation of the media room in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Network Switches- Replacement

		1 Total	@ $2,500.00
Asset ID	1034	Asset Actual Cost	$2,500.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,812.16
Placed in Service	January 2010		
Useful Life	10		
Adjustment	5		
Replacement Year	2025		
Remaining Life	3		

This provision is for the replacement of the network switches.

The cost and useful life assumptions are based on information from the Association.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Restrooms - Renovation

		2 Each	@ $2,320.00
Asset ID	1035	Asset Actual Cost	$4,640.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$9,399.79
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	18		

This provision is for the renovation of the restrooms in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Common House: Shop Tools - Replacement

		1 Total	@ $2,320.00
Asset ID	1032	Asset Actual Cost	$2,320.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$2,320.00
Placed in Service	January 2018		
Useful Life	3		
Adjustment	1		
Replacement Year	2022		
Remaining Life	0		

This provision is for the replacement of the shop tools as needed in the common house.

The cost and useful life assumptions are based on information from the Association.

Daybreak Cohousing Owners Association
Detail Report by Category

Common House: Stove/Oven - Replacement

		1 Total	@ $3,480.00
Asset ID	1026	Asset Actual Cost	$3,480.00
	Capital	Percent Replacement	100%
Category	Common House	Future Cost	$7,049.84
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	18		

This provision is for the replacement of the kitchen stove/oven in the common house.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Concrete Sidewalk - Repair

		1 Total	@ $4,000.00
Asset ID	1047	Asset Actual Cost	$4,000.00
	Non-Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	$4,000.00
Placed in Service	January 2010		
Useful Life	5		
Adjustment	7		
Replacement Year	2022		
Remaining Life	0		

This provision is for the repair of the city sidewalk.

The cost is based on information from the Association. The useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Electrical Inspection

		1 Total	@ $5,800.00
Asset ID	1003	Asset Actual Cost	$5,800.00
	Non-Capital	Percent Replacement	100%
Category	Inspections	Future Cost	$9,657.43
Placed in Service	January 2010		
Useful Life	25		
Replacement Year	2035		
Remaining Life	13		

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

Elevator - Modernization

		1 Total	@ $116,000.00
Asset ID	1038	Asset Actual Cost	$116,000.00
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$234,994.71
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	18		

This provision is for the modernization of the elevator.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Exterior Doors - Replacement

		57 Each	@ $1,160.00
Asset ID	1053	Asset Actual Cost	$66,120.00
	Capital	Percent Replacement	100%
Category	Doors and Windows	Future Cost	$114,498.45
Placed in Service	January 2010		
Useful Life	30		
Adjustment	-4		
Replacement Year	2036		
Remaining Life	14		

This provision is for the replacement of the exterior doors.

Daybreak Cohousing Owners Association
Detail Report by Category

Exterior Doors - Replacement continued...

47 exterior unit doors

CH Doors 10 as follows:
1st floor:
2 outside full window;
1 outside closet door;
3 double patio doors w/ full window
Guest/CH North
1 exterior half window

Note that exterior unit doors will include framing work (known issues), and adjust cost each estimate for extra labor and materials.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Fire Alarm - Repair

		1 Total	@ $13,920.00
Asset ID	1040	Asset Actual Cost	$13,920.00
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$19,050.48
Placed in Service	January 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	8		

This provision is for the repair of the fire alarm system.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Fire Sprinkler - Repair

		1 Total	@ $11,600.00
Asset ID	1041	Asset Actual Cost	$11,600.00
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$11,600.00
Placed in Service	January 2010		
Useful Life	10		
Adjustment	2		
Replacement Year	2022		
Remaining Life	0		

This provision is for the repair of the fire sprinkler system.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Fire Sprinkler: Outdoor - Testing

		4 Each	@ $1,276.00
Asset ID	1042	Asset Actual Cost	$5,104.00
	Non-Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$5,104.00
Placed in Service	January 2010		
Useful Life	10		
Adjustment	2		
Replacement Year	2022		
Remaining Life	0		

This provision is for the testing of the outdoor fire sprinkler heads.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Insurance Deductible

		1 Total	@ $5,800.00
Asset ID	1004	Asset Actual Cost	$5,800.00
	Non-Capital	Percent Replacement	100%
Category	Contingency	Future Cost	$5,800.00
Placed in Service	January 2021		
Useful Life	1		
Replacement Year	2022		
Remaining Life	0		

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

The insurance deductible component is only included as an expenditure in the first year of the study. This expenditure is not listed again during the 30 year cash flow projection.
Boards have asked if the inclusion of an insurance deductible in the study as a component can increase the suggested annual reserve contribution. As long as the Association has a threshold amount of greater than $10,000 in the reserve study as a contingency in the first year of the study, the inclusion of the insurance deductible should not affect the suggested reserve contribution. In other words, if the cash flow projection shows an amount greater than $10,000 as a contingency balance in the reserve cash flow model without the insurance deductible, the inclusion of the insurance component should not affect the suggested reserve contribution.

Insurance Deductible(Earthquake)

		1 Total	@ $75,000.00
Asset ID	1057	Asset Actual Cost	$75,000.00
	Non-Capital	Percent Replacement	100%
Category	Contingency	Future Cost	$75,000.00
Placed in Service	January 2021		
Useful Life	1		
Replacement Year	2022		
Remaining Life	0		

This provision is for the earthquake insurance deductible.

The total deductible is $250,000; the Association will be slowly increasing this number over the next 10 years to reach that amount.

Daybreak Cohousing Owners Association
Detail Report by Category

Interior Doors - Replacement

		30 Each	@ $1,160.00
Asset ID	1056	Asset Actual Cost	$34,800.00
	Capital	Percent Replacement	100%
Category	Doors and Windows	Future Cost	$60,262.34
Placed in Service	January 2010		
Useful Life	30		
Adjustment	-4		
Replacement Year	2036		
Remaining Life	14		

This provision is for the replacement of the interior doors.

1st floor:
- 3 single hollow core doors
- 2 double door closets
- 2 full window doors

Basement:
- 7 hollow core doors
- 3 double doors (no window)
- 1 double door w/ full window

Guest/CH North
- 6 Hollow core

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Landscape - Renewal

		1 Total	@ $5,000.00
Asset ID	1048	Asset Actual Cost	$5,000.00
	Non-Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	$5,000.00
Placed in Service	January 2022		
Useful Life	5		
Replacement Year	2022		
Remaining Life	0		

This provision is for the renewal of the landscaping. This includes the retaining walls.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid

Landscape - Renewal continued...

to confirm this estimate.

Light Fixtures: Exterior - Replacement

		96 Each	@ $174.00
Asset ID	1012	Asset Actual Cost	$16,704.00
	Capital	Percent Replacement	100%
Category	Lighting	Future Cost	$17,372.16
Placed in Service	January 2010		
Useful Life	15		
Adjustment	-2		
Replacement Year	2023		
Remaining Life	1		

This provision is for the replacement of the exterior lights. According to the Association, lights have been replaced as needed, some have been replaced multiple times. They appear to be interior lights.

According to information provided by the Association there are 96.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Mailboxes - Replacement

		1 Total	@ $0.00
Asset ID	1046	Asset Actual Cost	
	Capital	Percent Replacement	100%
Category	Mailboxes	Future Cost	
Placed in Service	January 2010		
Useful Life	50		
Replacement Year	2060		
Remaining Life	38		

This provision is for the replacement of the mailboxes. The mailboxes are in the common house and protected from the elements. It is estimated that they will greater than 30 years.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Metal Work - Painting

		1 Total	@ $29,554.00
Asset ID	1051	Asset Actual Cost	$29,554.00
	Non-Capital	Percent Replacement	100%
Category	Painting	Future Cost	$34,574.00
Placed in Service	January 2021		
Useful Life	5		
Replacement Year	2026		
Remaining Life	4		

This provision is for the painting of the metal work.

This was done in 2021 for $27,365.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Patio, Ramp, & Parking Concrete & Paver - Repair

		1 Total	@ $2,000.00
Asset ID	1066	Asset Actual Cost	$2,000.00
	Non-Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	$2,249.73
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	3		

This provision is for the repair of the patio, ramp, and parking concrete and pavers.

The cost is based on information from the Association. The useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Playground Equipment & Outdoor Furniture - Replacement

		1 Total	@ $18,560.00
Asset ID	1043	Asset Actual Cost	$18,560.00
	Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	$18,560.00
Placed in Service	January 2010		
Useful Life	10		
Adjustment	2		
Replacement Year	2022		
Remaining Life	0		

This provision is for the replacement of the playground equipment and outdoor furniture.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Plumbing Inspection

		1 Total	@ $5,800.00
Asset ID	1002	Asset Actual Cost	$5,800.00
	Non-Capital	Percent Replacement	100%
Category	Inspections	Future Cost	$9,657.43
Placed in Service	January 2010		
Useful Life	25		
Replacement Year	2035		
Remaining Life	13		

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

Daybreak Cohousing Owners Association
Detail Report by Category

Reserve Study Update - Offsite

		1 Total	@ $800.00
Asset ID	1060	Asset Actual Cost	$800.00
	Non-Capital	Percent Replacement	100%
Category	Reserve Study	Future Cost	$800.00
Placed in Service	January 2018		
Useful Life	4		
Replacement Year	2022		
Remaining Life	0		

This provision is for an offsite reserve study update.

Reserve Study Update - Onsite

		1 Total	@ $1,800.00
Asset ID	1061	Asset Actual Cost	$1,800.00
	Non-Capital	Percent Replacement	100%
Category	Reserve Study	Future Cost	$1,946.88
Placed in Service	January 2020		
Useful Life	4		
Replacement Year	2024		
Remaining Life	2		

This provision is for an onsite reserve study update.

Roof: Metal Flashing - Replacement

		1,100 LF	@ $23.20
Asset ID	1007	Asset Actual Cost	$25,519.89
	Capital	Percent Replacement	100%
Category	Roofing	Future Cost	$31,048.85
Placed in Service	January 2010		
Useful Life	20		
Adjustment	-3		
Replacement Year	2027		
Remaining Life	5		

This provision is for the replacement of the metal flashing

According to information provided by the Association, the metal flashing measure 1,100 lineal feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Roof: Scuppers & Downspouts - Replacement

		630 LF	@ $11.60
Asset ID	1006	Asset Actual Cost	$7,307.94
	Capital	Percent Replacement	100%
Category	Roofing	Future Cost	$8,891.22
Placed in Service	January 2010		
Useful Life	20		
Adjustment	-3		
Replacement Year	2027		
Remaining Life	5		

This provision is for the replacement of the scuppers and downspouts

According to information provided by the Association, the scuppers and downspouts measure 630 lineal feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Roof: TPO Membrane - Replacement

		11,400 SF	@ $11.60
Asset ID	1005	Asset Actual Cost	$132,238.86
	Capital	Percent Replacement	100%
Category	Roofing	Future Cost	$160,888.79
Placed in Service	January 2010		
Useful Life	20		
Adjustment	-3		
Replacement Year	2027		
Remaining Life	5		

This provision is for the replacement of the TPO membrane roof.

According to information provided by the Association, the roof measures 11,400 square feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Roof: Trex Deck - Replacement

		1,450 SF	@ $46.40
Asset ID	1008	Asset Actual Cost	$67,279.85
	Capital	Percent Replacement	100%
Category	Roofing	Future Cost	$81,856.23
Placed in Service	January 2010		
Useful Life	20		
Adjustment	-3		
Replacement Year	2027		
Remaining Life	5		

This provision is for the replacement of the trex deck, including the cedar railings on the roof of building B. At the time of site visit the support board between the roof and the trex board were beginning to rot.

According to information provided by the Association, the trex deck measures 1,450 square feet.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Siding & Trim - Repair

		1 Total	@ $20,000.00
Asset ID	1052	Asset Actual Cost	$20,000.00
	Capital	Percent Replacement	100%
Category	Siding	Future Cost	$23,397.17
Placed in Service	January 2021		
Useful Life	5		
Replacement Year	2026		
Remaining Life	4		

This provision is for the repair of the exterior fiber cement siding and trim as the building is painted.

According to information provided by the Association, there is 33,600 square feet of siding.

This was done in 2021 for $32,640. The Association requested this be $20,000 every 5 years moving forward.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Siding - Painting

		33,600 SF	@ $3.48
Asset ID	1010	Asset Actual Cost	$116,928.00
	Non-Capital	Percent Replacement	100%
Category	Painting	Future Cost	$136,789.22
Placed in Service	January 2016		
Useful Life	10		
Replacement Year	2026		
Remaining Life	4		

This provision is for the painting of the exterior fiber cement siding.

According to information provided by the Association, there is 33,600 square feet of siding.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Siding - Replacement

		33,600 SF	@ $19.72
Asset ID	1009	Asset Actual Cost	$662,592.00
	Capital	Percent Replacement	100%
Category	Siding	Future Cost	$1,698,424.83
Placed in Service	January 2010		
Useful Life	40		
Adjustment	-4		
Replacement Year	2046		
Remaining Life	24		

This provision is for the replacement of the exterior fiber cement siding.

According to information provided by the Association, there is 33,600 square feet of siding.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Trash Enclosure - Renovation

		1 Total	@ $3,000.00
Asset ID	1044	Asset Actual Cost	$3,000.00
	Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	$3,374.59
Placed in Service	January 2010		
Useful Life	25		
Adjustment	-10		
Replacement Year	2025		
Remaining Life	3		

This provision is for the renovation of the trash enclosure. This includes replacement of the shingle roof and repair to the chain link fence as needed. The Association is considering replacing the roof with a metal roof.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Walkway & Deck - Recoat

		4,150 SF	@ $8.12
Asset ID	1011	Asset Actual Cost	$33,698.00
	Non-Capital	Percent Replacement	100%
Category	Decks and Railings	Future Cost	$35,045.92
Placed in Service	January 2018		
Useful Life	5		
Replacement Year	2023		
Remaining Life	1		

This provision is for the recoating of the walkway and decks.

According to information provided by the Association, there is 4,150 square feet of walkways and decks.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Daybreak Cohousing Owners Association
Detail Report by Category

Windows - Replacement

		283 Each	@ $870.00
Asset ID	1049	Asset Actual Cost	$246,210.00
	Capital	Percent Replacement	100%
Category	Doors and Windows	Future Cost	$426,356.06
Placed in Service	January 2010		
Useful Life	30		
Adjustment	-4		
Replacement Year	2036		
Remaining Life	14		

This provision is for the replacement of the exterior windows.

According to information provided by the Association, there are 283.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Additional Disclosures

Levels of Service

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

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

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

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

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

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

- Life and Valuation Estimates
- Fund Status
- Funding Plan

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

- Component inventory
- Life and valuation estimates
- Funding Plan

Terms and Definitions

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

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

COMPONENT: The individual line items in the *Reserve Study* developed or updated in the *Physical Analysis*. These elements form the building blocks for the *Reserve Study*. *Components* typically are: 1) association

responsibility; 2) with limited *Useful Life* expectancies; 3) predictable *Remaining Useful Life* expectancies; 4) above a minimum threshold cost, and 5) as required by local codes.

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

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

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

CURRENT REPLACEMENT COST: See *Replacement Cost*.

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

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

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

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

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

FFB = Current Cost X *Effective Age* / *Useful Life*

or

FFB = (Current Cost X *Effective Age* / *Useful Life*) + [(Current Cost X *Effective Age* / *Useful Life*) / (1 + Interest Rate) ^ Remaining Life] - [(Current Cost X *Effective Age* / *Useful Life*) / (1 + Inflation Rate) ^ Remaining Life]

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding. The Association appears to be adequately funded as the threshold method, reducing the potential risk of a special assessment.

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

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

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

FUNDING PRINCIPLES:

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

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

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

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

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

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

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

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

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

RESPONSIBLE CHARGE: A reserve specialist in *Responsible Charge* of a *Reserve Study* shall render regular

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

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

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

SURPLUS: An actual or projected *Reserve Balance* greater than the *Fully Funded Balance*.

The opposite would be a *Deficit*.

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