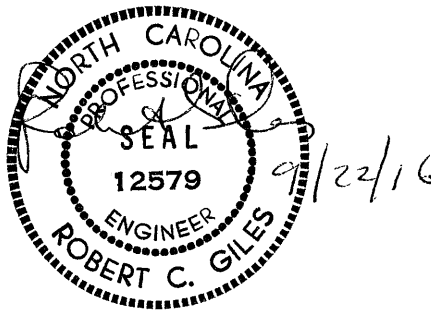


FULL RESERVE STUDY

***SKYBROOK RIDGE TOWNHOMES
HUNTERSVILLE, NC***

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1.0 INTRODUCTION

The Skybrook Ridge Homeowners Association authorized Criterium-Giles Engineers to conduct a Reserve Study for the Skybrook Ridge community located in Huntersville, North Carolina. Studies of this nature are important to ensure a community has sufficient funds for long-term, periodic capital expenditure requirements. Anticipating large expenditures over an extended period of time through a structured analysis and scheduling process assists the Association in meeting financial requirements without increasing the service fees above permitted maximums, borrowing the funds, or levying special financial assessments to the home owners.

Typically, a community association has two broad cash requirements: the general operating reserves and the capital repair and replacement reserves. In this report, we will focus on those items falling under the capital repair and replacement reserve criteria. We have projected a capital repair and replacement reserve for twenty (20) years. The first ten years are the most reliable. Such a study should be updated every five years.

This report is structured to analyze components of the community for which the Association is responsible and to assess a useful expected life and useful remaining life to those components. The anticipated scheduled repair or replacement of the component and the anticipated expense for the activity are then analyzed in conjunction with the current capital reserves funding program for the community. Funding program recommendations are made with the objective of limiting substantial cash excesses while minimizing financial burdens that can result from significant cash inadequacies.

This report is intended to be used as a tool to determine reserve fund allocation requirements for the community, to manage future Association obligations, and to inform the community of future financial needs in general. The report that follows has been prepared from the perspective of what an owner of this property would benefit from knowing. Some items, beyond those of immediate concern, may be discussed. Therefore, the report should be read in its entirety in order to fully understand all of the information that has been obtained.

2.0 EXECUTIVE SUMMARY

Skybrook Ridge is a community in Huntersville, North Carolina that is comprised of 80 townhome units contained within 20 buildings. Based on Mecklenburg County tax records, the buildings in the community were originally constructed in 2007.

The association has responsibility for the exterior of the buildings including roofs, gutters, and siding on the townhome buildings. The association is also responsible for maintaining the rear decks/patios on the townhomes. Site improvements maintained by the association include retaining walls, site fencing, concrete flatwork and the drainage systems.

The buildings, common areas and grounds are generally in good condition. Based on our evaluation, maintaining the current level of funding does not maintain a positive balance through the term of this study. We have provided recommendations for annual reserve contribution schedules that provide sufficient funding to meet capital expenditure requirements in the next twenty years. A more detailed analysis of the reserve fund has been provided in Appendix A.

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

- Replace building roofs and gutters
- Paint and repair siding and trim
- Repair rear decks

There are, of course, other capital expenditures to be expected over the next twenty years. Those items that will require attention are discussed later in this report.

3.0 PURPOSE & SCOPE

3.1 Purpose

The purpose of this study is to perform a reserve fund analysis and to determine a capital needs plan. It is intended to be used as a tool for the Skybrook Ridge Townhomes in determining the allocation requirements into the reserve fund in order to meet future anticipated capital expenditures for the community.

This report forecasts obligations for the community twenty years into the future. It should be noted that events might occur that could have an effect on the underlying component or system useful life assumptions used in this study. Likewise, inevitable market fluctuations can have an impact on component or system replacement and repair costs. Therefore, a study such as this should be updated from time to time, usually on a three to five-year cycle, in order to reflect the most accurate needs and obligations of the community.

3.2 Scope

This study has been performed according to the scope as generally defined by Skybrook Ridge Townhomes, Criterium-Giles Engineers Inc., Key Community Management, and the standards of the Community Associations Institute. The findings and recommendations are based on interviews with the community's management personnel; a review of available documents; and an investigation of the buildings and site.

The "Cash Flow Method" of calculating reserves has been utilized, whereby contributions to the reserve fund are designed to offset the variable annual expenditures. Funding alternates are recommended which are designed to achieve a "Baseline Funding" goal by maintaining a positive balance for the term of the study.

The guidelines used to determine which physical components within the community are to be included in the component inventory are based on the following general criteria:

1. The component must be a common element, or otherwise noted to be the responsibility of the Association to replace.
2. The component must have an estimated remaining useful life of twenty years or less. As the site ages, additional components may need to be added.
3. The funding for replacement should be from one source only, not funded from another area of the budget or through a maintenance contract.
4. The cost of replacement should be high enough to make it financially unsound to fund it from the operating budget.

Our reserve study analysis included evaluating the following association property:

- **Buildings:** The HOA is responsible for maintenance and replacement of the exterior of the buildings including the roofing and gutters, siding, trim and rear decks.

- **Site and Grounds:** The HOA is responsible for common area concrete flatwork, retaining walls and site fencing and drainage systems.

The above list was obtained from the site inspection and discussions with the management firm prior to the inspection.

This study estimates the funding levels required for maintaining the long-term viability of the facility. Our approach involves:

1. Examining association managed equipment, building and site facilities.
2. Predicting their remaining service life and, approximating how frequently they will require repair or replacement.
3. Estimating repair or replacement costs (in 2016 dollars) for each capital item.
4. Using data developed in Steps 1, 2 and 3 to project Capital Reserve balances for Years 1 through 20.

The statements in this report are opinions about the present condition of the subject community. They are based on visual evidence available during a diligent investigation of all reasonably accessible areas falling under the responsibility of the Association. We did not remove any surface materials, perform any destructive testing, or move any furnishings. This study is not an exhaustive technical evaluation. Such an evaluation would entail a significantly larger scope than this effort. For additional limitations, see Section 8.0.

3.3 Sources of Information

Onsite inspections of the property occurred on the following date:

- May 12, 2016

The following people were interviewed during our study:

- Janis Alsop, Community Manager, Key Community Management
- Board members at meeting on July 7, 2016

The following documents were made available to us and reviewed:

- Mecklenburg County real estate records
- Recorded plat maps
- Financial statements (income/balance sheet)
- Governing documents

We based our cost estimates on some or all of the following:

- R.S. Means
- Our data files on similar projects
- Local contractor estimates for similar projects

For your reference, the following definitions may be helpful:

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

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

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

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

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

All ratings are determined by comparison to other buildings of similar age and construction type. Further, some details of workmanship and materials will be examined more closely in higher quality buildings where such details typically become more relevant.

All directions (left, right, rear, etc.), when used, are taken from the viewpoint of an observer standing in front of a building and facing it.

Repair/Replacement Reserves - Non-annual maintenance items that will require significant expenditure over the life of the buildings. Included are items that will reach the end of their estimated useful life during the course of this forecast, or, in the opinion of the investigator, will require attention during that time.

4.0 DESCRIPTION

Skybrook Ridge is a community in Huntersville, North Carolina that is comprised of 80 townhome units contained within 20 buildings. Based on Mecklenburg County tax records, the buildings in the community were originally constructed in 2007.

The association has responsibility for the exterior of the buildings include roofs, gutters, and siding on the townhome buildings. The association is also responsible for maintaining the rear decks/patios on the townhomes. Site improvements maintained by the association include retaining walls, site fencing, concrete flatwork and the drainage systems.

5.0 OBSERVATIONS

The townhome buildings throughout the community are of wood frame construction on both slab-on-grade foundations and basements. The exterior of the buildings are predominately clad in vinyl siding with vinyl and aluminum wrapped trim components. The roofs are predominately clad in architectural grade asphaltic fiberglass shingles with gutters and downspouts. The townhomes include rear decks and/or patios.

Site drainage is provided via landscaped swales that drain towards catch basins in the paved and landscaped areas. These systems direct water flow offsite. The streets, concrete curb and gutter and sidewalks along the streets are public and not maintained by the association.

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

Site and Grounds

The association is responsible for maintaining the concrete flatwork consisting of the walkways and steps at the front of each building, driveways and rear patios. We noted areas of minor cracking developing in sections of the concrete flatwork. It is likely that due to differential settlement, cracking and deterioration in the concrete surfaces will continue and sections will eventually require significant repair. Repairs would include saw-cutting and removing damaged sections of concrete and forming, pouring and finishing new concrete replacement. The association reportedly plans to fund these repairs from an annual maintenance budget.

Wood rail fencing is installed along Linksland Drive near the entrance to the community. The fencing generally appeared to be in good condition and appears to be stained on a regular basis. Minor warping of individual members was observed. The association reportedly plans to fund repairing this section of fencing from an annual maintenance budget.

Wood privacy fencing is installed between units on the rear of the buildings. The fencing is approximately 6-feet in height and extends approximately 6 to 12 feet off the rear of the buildings. The fencing appeared to be in good to fair condition. We noted concerns with warping of individual fence slats in isolated areas. The fencing appears to be stained on a regular basis. We have assumed minor repairs and staining of the fencing would be funded from an annual maintenance budget. We have allocated funds to replace the fencing on a 20 year cycle beginning in 2027.

Storm water on the site drains via surface flow or via landscaped swales toward catch basins and inlet pipes in the paved and landscaped areas. Inlets in the roadway gutters and the grassed areas collect stormwater that flows off site. The inlet basins lead to buried stormwater piping including reinforced concrete pipe and HDPE piping. The association has recently installed a rip rap armored swale, inlet basin and buried piping to address drainage concerns behind the homes on the east side of Linksland Drive near the intersection of Rocky Top Drive. The drainage systems generally

appeared to be in good condition. However, there are areas of significant slope around the community and many sections of retaining walls. We noted minor soil erosion developing in areas of the community. Maintaining adequate soil stabilizing ground cover will help reduce erosion and drainage concerns.

The swales tend to accumulate sediment that settles out during storm events and will need to be periodically removed and re-graded. In addition, over time, small landscape drainage systems will likely need to be installed in flat areas of the community to address concerns. We recommend maintaining adequate soil stabilizing ground cover to reduce erosion concerns. We also recommend having a portion of the private drainage infrastructure (buried piping) inspected with a video borescope system, flushed, and repaired as necessary. We have allocated funds to repair the drainage systems on a 5 year cycle beginning in 2018. Repairs will likely include retrenching of swales to improve flow, adding rip rap or vegetation to stabilize exposed or steep areas, repairing erosion concerns, extending gutter downspouts to underground systems, installing french drains or other types of minor drainage systems.

Segmental block retaining walls are installed in areas of the community to address topographical changes. Segmental block walls are typically installed on a gravel bed footing and include geo-grid reinforcement extending behind the wall. French drains are typically installed immediately behind the wall and include gravel and a drain pipe located near the bottom of the wall. The segmental block walls are installed behind the homes on the west side of Rocky Top Drive and to the right of 14814 Rocky Top Drive. Smaller masonry (brick veneer on concrete/cmu) retaining walls were observed at sides of buildings in the community.

We noted concerns with the condition of the retaining wall to the right of 14814 Rocky Top Drive. Separation was noted between blocks in the wall and the wall appears to be slightly leaning/bulging outwards. We also noted moderate tree growth above this section of wall. This wall section should be closely monitored for additional movement. We have allocated funds to replace sections of the retaining walls on a 20 year cycle beginning in 2022. Replacement walls may include similar segmental concrete block retaining walls with geo-grid reinforcement or pre-cast concrete block gravity wall systems. Note that replacement retaining walls should be designed by a Professional Engineer and should include the installation of drainage systems behind the walls to relieve hydrostatic pressure. Note that we strongly recommend periodic inspections of the retaining walls for additional movement and deterioration.

Landscape irrigation systems are installed and serve the common area landscaping around the buildings. We observed approximately 6 zones, each with water meters, back flow preventers and controllers. The association reportedly plans to fund irrigation system repairs from an annual maintenance budget.

The streets in the community are lined with street trees. The association reportedly plans to fund street tree replacement from an annual

maintenance budget.

A wood deck overlook is located off the end of Linksland Drive in the community. The deck is wood framed and includes a built-in wood bench around the perimeter. It appears the deck is routinely stained/painted and we have assumed this is funded from an annual maintenance budget. The decking appeared to be in good condition with minimal wear noted. We have allocated funds to replace the decking and benches and repair the framing structure on a 20 year cycle beginning in 2027.

Mailboxes are installed on posts in front of the buildings. The metal mailboxes generally appeared to be in good to fair condition, with areas of flaking paint observed. The association reportedly plans to fund mailbox repairs and replacement from an annual maintenance budget.

Custom metal street signs are located throughout the community. Typically the municipality will only maintain standard DOT type street signs. We have assumed the association is responsible for maintaining the street signs. The association reportedly plans to fund street sign repairs from an annual maintenance budget.

Two small stone veneer monuments with small sign inlays are located at the entrance to the community. The entrance signs appeared to be in good condition. The association reportedly plans to fund entrance sign repairs from an annual maintenance budget.

The street lights in the community are labeled with utility provider tags and we have assumed maintenance of the street lights would be provided by the utility provider.

Common Building Exteriors

The predominant pitched roof surfaces over the buildings are covered in asphaltic fiberglass shingles. Roof surfacing is applied over wood roof sheathing, and generally appears to be in good condition. The shingles generally appeared to be in good condition with minor texture loss noted as typical with age. However, it does not appear that felt paper underlayment is installed under the shingles in all areas. The roof systems do include drip edge flashing and nailing patterns in inspected shingles appeared to be adequate.

We anticipate minor improvements including replacing vent boots, flashing and drip edge repairs, and gutter repairs will begin to be required in the near term. We have assumed minor repairs would be funded from an annual maintenance budget.

This type of roofing has an expected useful life of approximately 20 years. We strongly recommend that any re-roofing project closely follow procedures outlined by the National Roofing Contractors Association's *Roofing and Waterproofing Manual*. A re-roofing sequence should include removal of the existing roofing material, replacement of any inadequate roof sheathing, replacement of any damaged flashing, and replacement of

drip edge components. We have allocated funds to replace the roofs on all of the buildings in three phases beginning in 2029 and continuing each year through 2031.

Limited sections of roofing is clad in standing seam metal roofing which appeared to be in good condition. We do not anticipate replacement of the standing seam metal roofing will be required over the term. Minor repairs and spot painting may be required, and we have assumed this would be funded from an annual maintenance budget.

Gutters and downspouts are in generally good condition. We strongly recommend periodic cleaning and repairs/adjustments of gutters and downspouts to allow adequate flow of stormwater. We have allocated funds to replace the gutters and downspouts throughout the community in 2029-2031 in conjunction with the roof replacement noted above. The gutters appeared to be standard 4" K-style gutters with 2" x 3" downspouts. Based on some basic surface area calculations, the association may consider replacing gutters on the rear faces of the buildings with larger 5" or 6" K-style gutters with larger downspouts.

The buildings throughout the community are predominately clad in vinyl siding and trim with sections of aluminum wrapped trim components. Limited areas of brick veneer are also installed on the buildings. The buildings include vinyl shutters flanking many of the windows. Painted fiberglass and metal doors are located on the exterior of the buildings along with metal garage doors. Windows are comprised of vinyl frame thermal pane units. The exterior surfaces of the buildings generally appeared to be in good condition and recently repaired and painted.

Painted metal railings are installed along porches of many units. The doors, painted metal railings/trim and shutters will require periodic painting and repairs. Additionally, it is likely that sections of vinyl/aluminum siding and trim components will require periodic repairs. We have allocated funds to repair and paint the exterior surfaces as noted on a 5 year cycle beginning in 2019 for half of the units and in 2020 for the remaining half of the units.

We do not anticipate that substantial repairs or replacement of the vinyl siding will be required over the term. The vinyl siding has an expected useful life of 50+ years. Routine cleaning is recommended. Sections of the vinyl siding may require repair in the interim due to damage, which we have assumed would be funded in the painting cycles noted above or an annual maintenance budget. Note that our funding recommendations are projected to provide a significant reserve fund balance at the end of the 20 year term. We recommend updating the reserve study every 3-5 years to provide adequate time to prepare for possible long term replacement of sections of the vinyl siding.

We do not anticipate significant expenses will be required for repairing or repointing the brick veneer in the community. Brick veneer has an expected useful life of 50+ years.

Note that according to the governing documents the association shall not

be responsible for glass surfaces, window or door replacements on the townhomes.

Many of the townhomes include rear decks. The decks are of wood construction and of various sizes. Some units include 2 story decks. The decks generally appeared to be in good condition. The association reportedly follows a routine maintenance and inspection schedule with decks periodically repaired and stained/sealed. This routine maintenance has been funded from an annual maintenance budget. Assuming regular maintenance and staining/sealing are completed in the interim, we estimate the decks to have a remaining useful life of approximately 15 years prior to major repairs. Major repairs would include replacing all the decking and railings and repairing the wood framed structure as needed. We have allocated funds for major repairs to the decks in 2032.

Several of the rear decks of the townhomes have been modified since original construction including the installation of screens and four-season type glass enclosure. Decks that have been modified since original construction will reportedly not be maintained by the association.

Exterior wall mounted light fixtures are included in association maintenance responsibility. Exterior light fixtures include lantern style lights on the front of the units at the front doors and garage doors and small light fixtures at the rear doors. We have allocated funds to replace the exterior wall mounted light fixtures on a 15 year cycle beginning in 2021.

6.0 RESERVE FUND ANALYSIS

Using software developed by Criterium Engineers and KPMG Peat Marwick, we have analyzed capital reserves draw-down for the projected capital expenditures to determine the amount needed. The following is a projected reserve fund analysis for non-annual items as discussed in the report. This projection takes into consideration a reasonable return on invested moneys and inflation. Please review this thoroughly and let us know of any changes that may be desired.

The intent of this reserve fund projection is to help the Association develop a reserve fund to provide for anticipated repair or replacements of various system components during the next twenty years.

The capital items listed are those that are typically the responsibility of the Association and are derived from a list provided the Association with several items added as a result of the inspection. However, association by-laws vary, and therefore, which components are the responsibilities of the owner and which are the responsibilities of the Association can vary. The Association should confirm that the items listed should be financed by the reserve fund.

This projection provides the following:

- An input sheet that defines all the criteria used for the financial alternatives, including the assumed inflation rate of 3% annually and rate of return on deposited reserve funds of 1.5% annually.

- A table that lists anticipated replacement and/or repair items complete with estimated remaining life expectancies, projected costs of replacement and/or repair, a frequency in years of when these items require replacement and/or repair, and a projection based on this frequency.
- A table and graph that represent end of year balances versus capital expenditures based on your current funding program and reserve balances, and alternatives to your current program. The provided graphs illustrate what effects the funding methods will have over the presented twenty-year period versus the anticipated capital expenditures.
- Note that based on our developed list of capital items and taking inflation into account; the current funding level is not adequate.
- The Association should bear in mind that unanticipated expenditures can always arise and maintenance of a significant reserve fund balance can be viewed as a way to avoid special assessments.

We have included alternatives to your current reserve funding program and recommend that the board adopt an alternative that best reflects the objectives of the community. In summary they are as follows:

Current Reserve Funding Rate: \$55,473/year

Current Reserve Balance: \$244,808 (projected 2017 starting balance)

- **Alternative 1:** Beginning in 2017, increase the reserve contribution to \$60,000 per year. Then, increase the annual reserve contribution by \$16,800 every other year for the next 8 years. This alternative is projected to maintain a positive balance through the term of this study.

Note that a reduction in annual reserve contribution may be possible after roof replacements and deck replacements are completed. We have included a reduction in reserve contribution to \$60,000 per year beginning in 2033 to provide a projected term ending balance of approximately \$250,000 as requested.

- **Alternative 2:** Increase the reserve contribution every year for the next 9 years by 9% annually. This alternative is projected to maintain a positive balance through the term of this study.

Note that a reduction in annual reserve contribution may be possible after roof replacements and deck replacements are completed. We have included a reduction in reserve contribution to \$60,000 per year beginning in 2033 to provide a projected term ending balance of approximately \$250,000 as requested.

- **Alternative 3** NOT USED. Alternative 3 is typically used for special assessments. Assuming one of the funding alternatives noted above is implemented, we do not anticipate special assessments will be required to fund reserves.

Please note that the reserve fund study does not include typical annual maintenance items. Our assumption is that you already have an annual operating budget that provides for these typical, repetitive items. This includes miscellaneous repairs, lawn and grounds maintenance, routine minor painting, etc. We have focused on those significant, non-annual items where careful financial planning is important.

Finally, please note that the estimates we have developed are based on 2016 dollars. Our reserve fund study does adjust for an estimated annual inflation and a given return on investment assuming that the indicated fund balances are maintained.

7.0 CONCLUSION

The alternatives provided above should provide sufficient funding to meet estimated capital expenditures during the next twenty years. Further detail of the reserve fund analysis is provided in Appendix A.

8.0 LIMITATIONS

The observations described in this study are valid on the date of the investigation and have been made under the conditions noted in the report. We prepared this study for the exclusive use of the Skybrook Ridge Townhomes. Criterium-Giles Engineers Inc. does not intend any other individual or party to rely upon this study without our express written consent. If another individual or party relies on this study, they shall indemnify and hold Criterium-Giles Engineers Inc. harmless for any damages, losses, or expenses they may incur as a result of its use.

This study is limited to the visual observations made during our inspection. We did not remove surface materials, conduct any destructive or invasive testing, move furnishings or equipment, or undertake any digging or excavation. Accordingly, we cannot comment on the condition of systems that we could not see, such as buried structures and utilities, nor are we responsible for conditions that could not be seen or were not within the scope of our services at the time of the investigation. We did not undertake to completely assess the stability of the buildings or the underlying foundation soil since this effort would require excavation and destructive testing. Likewise, this is not a seismic assessment.

We did not investigate the following areas:

- Buried utilities or infrastructure
- Concealed structural members or systems
- Unit interiors

We do not render an opinion on uninvestigated portions of the community.

We did not perform any computations or other engineering analysis as part of this evaluation, nor did we conduct a comprehensive code compliance investigation. This study is not to be considered a warranty of condition, and no warranty is implied. The appendices are an integral part of this report and must be included in any review.

Members of the Criterium-Giles Engineers team working on this reserve study are not members of, or otherwise associated with the association. Criterium-Giles Engineers has disclosed any other involvement with the

association that could result in conflicts of interest.


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

In our Reserve Fund Analysis, we have provided estimated costs. These costs are based on our general knowledge of building systems and the contracting and construction industry. When appropriate, we have relied on standard sources, such as Means Building Construction Cost Data, to develop estimates. However, for items that we have developed costs (e.g.: structural repairs), no standard guide for developing such costs exists. Actual costs can vary significantly, based on the availability of qualified contractors to do the work, as well as many other variables. We cannot be responsible for the specific cost estimates provided.

We have performed no design work as part of this study, nor have we obtained competitive quotations or estimates from contractors as this also is beyond the scope of the project. The actual cost to remedy deficiencies and deferred maintenance items that we have identified may vary significantly from estimates and competitive quotations from contractors.

If you have any questions about this study or the reserve fund analysis, please feel free to contact us. Thank-you for the opportunity to be of assistance to you.

Respectfully submitted,



Kevin R. Giles, RS
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Appendix A: RESERVE FUND PROJECTIONS

Itemized Worksheet

Capital Item To Be Replaced	Quantity	Unit cost	Reserve Requirement (*)	Frequency (yrs**)	Remaining Life (yrs)	Information Source
Site						
Replace wood privacy fencing	960 LF	\$30.00	\$28,800.00	20	10	
Drainage system improvements	1 LS	\$15,000.00	\$15,000.00	5	1	
Repair sections of retaining walls	380 SF	\$50.00	\$19,000.00	20	5	
Replace decking at wood deck overlook	600 SF	\$15.00	\$9,000.00	20	10	
Building Exterior						
Replace building roofs	2,700 SQ	\$265.00	\$715,500.00	20	12	
Replace gutters and downspouts	11,500 LF	\$10.00	\$115,000.00	20	12	
Paint/repair exterior trim components	80 EA	\$400.00	\$32,000.00	5	2	
Replace decking and rails on rear decks	17,000 SF	\$18.00	\$306,000.00	25	15	
Replace exterior wall mounted light fixtures	240 EA	\$135.00	\$32,400.00	15	4	
Building Interior						
Mechanical						
Amenities						
Other						

Totals \$1,272,700.00

Total Over Term \$1,446,100.00

* Costs are typically 10%±

** Reserve study is based on a 20 year projection of non-annual maintenance

Annual Expense By Year

	Year: Year Number:	2017 1	2018 2	2019 3	2020 4	2021 5	2022 6	2023 7	2024 8	2025 9	2026 10	2027 11	2028 12	2029 13	2030 14	2031 15	2032 16
Site																	
Replace wood privacy fencing		0	0	0	0	0	0	0	0	0	0	28,800	0	0	0	0	0
Drainage system improvements		0	15,000	0	0	0	0	15,000	0	0	0	0	15,000	0	0	0	0
Repair sections of retaining walls		0	0	0	0	0	19,000	0	0	0	0	0	0	0	0	0	0
Replace decking at wood deck overlook		0	0	0	0	0	0	0	0	0	0	9,000	0	0	0	0	0
Building Exterior																	
Replace building roofs		0	0	0	0	0	0	0	0	0	0	0	0	238,500	238,500	238,500	0
Replace gutters and downspouts		0	0	0	0	0	0	0	0	0	0	0	0	38,333	38,333	38,333	0
Paint/repair exterior trim components		0	0	16,000	16,000	0	0	0	16,000	16,000	0	0	0	16,000	16,000	0	0
Replace decking and rails on rear decks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	306,000
Replace exterior wall mounted light fixtures		0	0	0	0	32,400	0	0	0	0	0	0	0	0	0	0	0
Building Interior																	
Mechanical																	
Amenities																	
Other																	
Total Costs		0	15,000	16,000	16,000	32,400	19,000	15,000	16,000	16,000	0	37,800	15,000	292,833	292,833	276,833	306,000
Total Costs Adjusted For 3% Inflation		0	15,450	16,974	17,484	36,466	22,026	17,911	19,678	20,268	0	50,800	20,764	417,510	430,036	418,735	476,738

Annual Expense By Year

	Year: Year Number:	2033 17	2034 18	2035 19	2036 20
Site					
Replace wood privacy fencing		0	0	0	0
Drainage system improvements		15,000	0	0	0
Repair sections of retaining walls		0	0	0	0
Replace decking at wood deck overlook		0	0	0	0
Building Exterior					
Replace building roofs		0	0	0	0
Replace gutters and downspouts		0	0	0	0
Paint/repair exterior trim components		0	16,000	16,000	0
Replace decking and rails on rear decks		0	0	0	0
Replace exterior wall mounted light fixtures		0	0	0	32,400
Building Interior					
Mechanical					
Amenities					
Other					
Total Costs		15,000	16,000	16,000	32,400
Total Costs Adjusted For 3% Inflation		24,071	26,446	27,239	56,814

Reserve Study Worksheet

General Information:

1 Organization: **Skybrook Ridge Townhomes**
2 Address: **Huntersville, NC**

3	Number of Units	80
4	Age of Building (in years)	9
5a	Study Period (in years)	20
5b	Normal Fiscal Year starts:	January 1, 2017
5c	Partial Fiscal Year starts:	January 1, 2017
5d	Partial Year Length:	12 months
6	Site Inspection Date	May 12, 2016
7	Reserve Funds at start	\$244,808
8	Rate of Return on invested Reserve Funds (%)	1.5%
9	Inflation Rate (%)	3.0%

10 Current Funding Levels

Existing Funding Levels				
	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
Reserve Fund Contribution.....	\$4,623	\$55,473	\$57.78	\$693.41
	Years Out	Total Annual	Per Unit	
Planned Special Assessment.....	0	\$0	\$0	
Balance Computed.....	(\$659,293)			

11 Alternative Reserve Fund Contribution

Alternative 1 Level Funding with Steps				
	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
Monthly Amount, (First Year).....	\$5,000	\$60,000	\$62.50	\$750.00
Monthly Amount, (Last Year).....	\$5,000	\$60,000	\$62.50	\$750.00
Balance Required Final Year.....	\$105,770			
Special Assessments:	Years Out	Total/Year	Per Unit	
First Assessment.....	0	\$0	\$0	
Second Assessment.....	0	\$0	\$0	
Balance Computed.....	\$250,060			

Alternative 2 Escalating Funding at 9% per Year				
	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
Monthly Amount, (First Year).....	\$5,039	\$60,469	\$62.99	\$755.86
Monthly Amount, (Last Year).....	\$5,000	\$60,000	\$62.50	\$750.00
Balance Required Final Year.....	\$105,770			
Base Escalation %.....	9.00%			
Special Assessments:	Years Out	Total/Year	Per Unit	
First Assessment.....	0	\$0	\$0	
Second Assessment.....	0	\$0	\$0	
Balance Computed.....	\$256,505			

Alternative 3 Escalating Funding with Special Assessments (NOT USED)				
	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
Monthly Amount, (First Year).....	\$0	\$0	\$0.00	\$0.00
Monthly Amount, (Last Year).....	\$0	\$0	\$0.00	\$0.00
Balance Required Final Year.....	\$105,770			
Base Escalation %.....	0.00%			
Special Assessments:	Years Out	Total/Year	Per Unit	
First Assessment.....	0	\$0	\$0	
Second Assessment.....	0	\$0	\$0	
Balance Computed.....	(\$1,844,011)			

Reserve Fund Worksheet

Fiscal Years:

Normal: Jan 2017

Partial: Jan 2017 (12 months)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Existing Funding Levels

Beginning Reserve Fund Balance:	\$244,808	\$304,785	\$349,980	\$394,306	\$438,780	\$464,653	\$505,572	\$551,281	\$595,882	\$640,553	\$706,466	\$721,806	\$767,864	\$411,914	\$37,911	(\$325,351)
Revenue:	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473	\$55,473
Special Assessments:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$4,504	\$5,172	\$5,827	\$6,484	\$6,867	\$7,472	\$8,147	\$8,806	\$9,466	\$10,440	\$10,667	\$11,348	\$6,087	\$560	\$0	\$0
Capital Expenditures:	\$0	\$15,450	\$16,974	\$17,484	\$36,466	\$22,026	\$17,911	\$19,678	\$20,268	\$0	\$50,800	\$20,764	\$417,510	\$430,036	\$418,735	\$476,738
Ending Reserve Balance:	\$304,785	\$349,980	\$394,306	\$438,780	\$464,653	\$505,572	\$551,281	\$595,882	\$640,553	\$706,466	\$721,806	\$767,864	\$411,914	\$37,911	(\$325,351)	(\$746,616)

Alternative 1, Level Funding with Steps

Average Cap. Expenditure \$105,770

Beginning Reserve Fund Balance:	\$244,808	\$309,380	\$359,239	\$425,351	\$491,937	\$557,307	\$638,314	\$741,765	\$844,974	\$966,184	\$1,109,785	\$1,203,978	\$1,330,071	\$1,055,357	\$763,809	\$479,358
Revenue:	\$60,000	\$60,000	\$76,800	\$76,800	\$93,600	\$93,600	\$110,400	\$110,400	\$127,200	\$127,200	\$127,200	\$127,200	\$127,200	\$127,200	\$127,200	\$127,200
Special Assessment #1:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessment #2:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$4,572	\$5,309	\$6,286	\$7,270	\$8,236	\$9,433	\$10,962	\$12,487	\$14,279	\$16,401	\$17,793	\$19,656	\$15,596	\$11,288	\$7,084	\$1,947
Capital Expenditures:	\$0	\$15,450	\$16,974	\$17,484	\$36,466	\$22,026	\$17,911	\$19,678	\$20,268	\$0	\$50,800	\$20,764	\$417,510	\$430,036	\$418,735	\$476,738
Ending Reserve Balance:	\$309,380	\$359,239	\$425,351	\$491,937	\$557,307	\$638,314	\$741,765	\$844,974	\$966,184	\$1,109,785	\$1,203,978	\$1,330,071	\$1,055,357	\$763,809	\$479,358	\$131,767

Alternative 2, Escalating Funding at 9% per Year

Beginning Reserve Fund Balance:	\$244,808	\$309,856	\$365,722	\$426,899	\$495,040	\$552,090	\$632,449	\$726,689	\$829,814	\$943,984	\$1,091,446	\$1,189,557	\$1,319,628	\$1,048,951	\$761,501	\$481,209
Revenue:	\$60,469	\$65,911	\$71,843	\$78,309	\$85,357	\$93,039	\$101,412	\$110,539	\$120,488	\$131,332	\$131,332	\$131,332	\$131,332	\$131,332	\$131,332	\$131,332
Special Assessment #1:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessment #2:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$4,579	\$5,405	\$6,309	\$7,316	\$8,159	\$9,347	\$10,739	\$12,263	\$13,951	\$16,130	\$17,580	\$19,502	\$15,502	\$11,254	\$7,111	\$2,037
Capital Expenditures:	\$0	\$15,450	\$16,974	\$17,484	\$36,466	\$22,026	\$17,911	\$19,678	\$20,268	\$0	\$50,800	\$20,764	\$417,510	\$430,036	\$418,735	\$476,738
Ending Reserve Balance:	\$309,856	\$365,722	\$426,899	\$495,040	\$552,090	\$632,449	\$726,689	\$829,814	\$943,984	\$1,091,446	\$1,189,557	\$1,319,628	\$1,048,951	\$761,501	\$481,209	\$137,840

Alternative 3, Escalating Funding with Special Assessments (NOT USED)

Beginning Reserve Fund Balance:	\$244,808	\$248,480	\$236,526	\$222,844	\$208,441	\$174,554	\$154,816	\$138,959	\$121,070	\$102,314	\$103,849	\$53,844	\$33,577	(\$383,933)	(\$813,969)	(\$1,232,704)
Revenue:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessment #1:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessment #2:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$3,672	\$3,495	\$3,293	\$3,080	\$2,580	\$2,288	\$2,054	\$1,789	\$1,512	\$1,535	\$796	\$496	\$0	\$0	\$0	\$0
Capital Expenditures:	\$0	\$15,450	\$16,974	\$17,484	\$36,466	\$22,026	\$17,911	\$19,678	\$20,268	\$0	\$50,800	\$20,764	\$417,510	\$430,036	\$418,735	\$476,738
Ending Reserve Balance:	\$248,480	\$236,526	\$222,844	\$208,441	\$174,554	\$154,816	\$138,959	\$121,070	\$102,314	\$103,849	\$53,844	\$33,577	(\$383,933)	(\$813,969)	(\$1,232,704)	(\$1,709,442)

Reserve Fund Worksheet

Fiscal Years:				
Normal: Jan 2017	2033	2034	2035	2036
Partial: Jan 2017 (12 months)	17	18	19	20

Existing Funding Levels

Beginning Reserve Fund Balance:	(\$746,616)	(\$715,214)	(\$686,186)	(\$657,952)
Revenue:	\$55,473	\$55,473	\$55,473	\$55,473
Special Assessments:	\$0	\$0	\$0	\$0
Investment Earnings:	\$0	\$0	\$0	\$0
Capital Expenditures:	\$24,071	\$26,446	\$27,239	\$56,814
Ending Reserve Balance:	(\$715,214)	(\$686,186)	(\$657,952)	(\$659,293)

Alternative 1, Level Funding w

Beginning Reserve Fund Balance:	\$131,767	\$170,212	\$206,823	\$243,178
Revenue:	\$60,000	\$60,000	\$60,000	\$60,000
Special Assessment #1:	\$0	\$0	\$0	\$0
Special Assessment #2:	\$0	\$0	\$0	\$0
Investment Earnings:	\$2,515	\$3,056	\$3,594	\$3,695
Capital Expenditures:	\$24,071	\$26,446	\$27,239	\$56,814
Ending Reserve Balance:	\$170,212	\$206,823	\$243,178	\$250,060

Alternative 2, Escalating Fundi

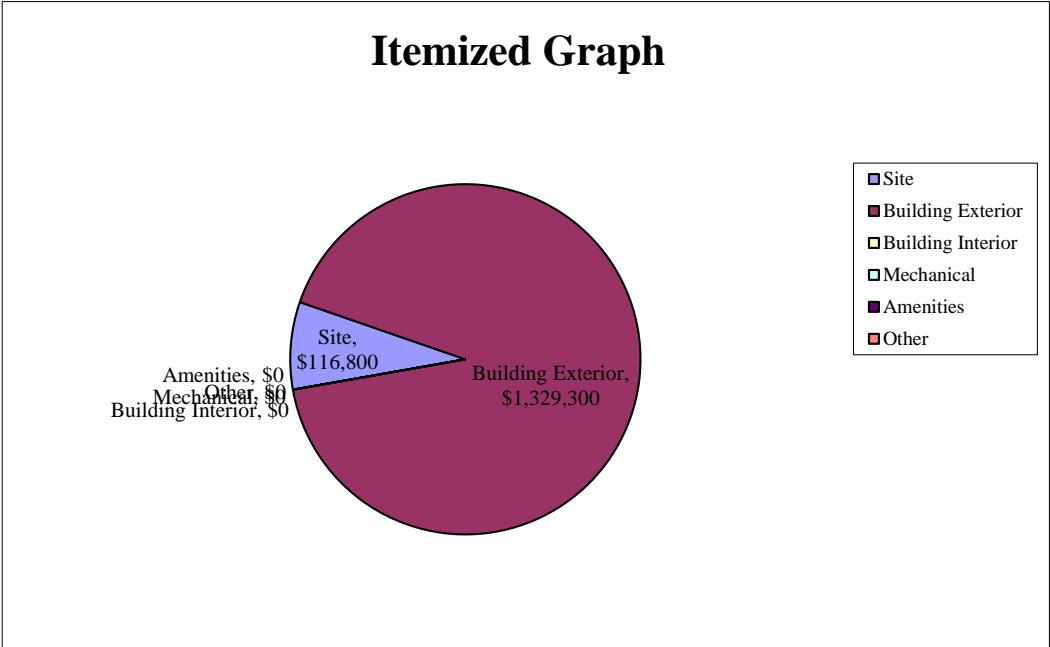
Beginning Reserve Fund Balance:	\$137,840	\$176,376	\$213,079	\$249,528
Revenue:	\$60,000	\$60,000	\$60,000	\$60,000
Special Assessment #1:	\$0	\$0	\$0	\$0
Special Assessment #2:	\$0	\$0	\$0	\$0
Investment Earnings:	\$2,607	\$3,149	\$3,688	\$3,791
Capital Expenditures:	\$24,071	\$26,446	\$27,239	\$56,814
Ending Reserve Balance:	\$176,376	\$213,079	\$249,528	\$256,505

Alternative 3, Escalating Fundi

Beginning Reserve Fund Balance:	(\$1,709,442)	(\$1,733,513)	(\$1,759,958)	(\$1,787,197)
Revenue:	\$0	\$0	\$0	\$0
Special Assessment #1:	\$0	\$0	\$0	\$0
Special Assessment #2:	\$0	\$0	\$0	\$0
Investment Earnings:	\$0	\$0	\$0	\$0
Capital Expenditures:	\$24,071	\$26,446	\$27,239	\$56,814
Ending Reserve Balance:	(\$1,733,513)	(\$1,759,958)	(\$1,787,197)	(\$1,844,011)

Itemized Graph

Categories	Totals
Site	\$116,800
Building Exterior	\$1,329,300
Building Interior	\$0
Mechanical	\$0
Amenities	\$0
Other	\$0
Total	\$1,446,100



Itemized Funding

Categories	Reserve Requirement	Beginning Balance	Balance Requiring Funding	Monthly Reserve Funding Required	Annual Reserve Funding Required	Full Funding Balance	Percent Funded
Site	\$116,800	\$20,366	\$96,434	\$1,252	\$15,029	\$45,150	
Building Exterior	\$1,329,300	\$224,442	\$1,104,858	\$7,544	\$90,530	\$497,560	
Building Interior	\$0	\$0	\$0	\$0	\$0	\$0	
Mechanical	\$0	\$0	\$0	\$0	\$0	\$0	
Amenities	\$0	\$0	\$0	\$0	\$0	\$0	
Other	\$0	\$0	\$0	\$0	\$0	\$0	
Totals	\$1,446,100	\$244,808	\$1,201,292	\$8,797	\$105,559	\$542,710	45.1%

Existing Funding Levels

Year	Year Number	Beginning Reserve Fund Balance	Fee Revenue	Special Assessments	Investment Earnings	Capital Expenditures	Ending Balance
2017	1	\$244,808	\$55,473	\$0	\$4,504	\$0	\$304,785
2018	2	\$304,785	\$55,473	\$0	\$5,172	\$15,450	\$349,980
2019	3	\$349,980	\$55,473	\$0	\$5,827	\$16,974	\$394,306
2020	4	\$394,306	\$55,473	\$0	\$6,484	\$17,484	\$438,780
2021	5	\$438,780	\$55,473	\$0	\$6,867	\$36,466	\$464,653
2022	6	\$464,653	\$55,473	\$0	\$7,472	\$22,026	\$505,572
2023	7	\$505,572	\$55,473	\$0	\$8,147	\$17,911	\$551,281
2024	8	\$551,281	\$55,473	\$0	\$8,806	\$19,678	\$595,882
2025	9	\$595,882	\$55,473	\$0	\$9,466	\$20,268	\$640,553
2026	10	\$640,553	\$55,473	\$0	\$10,440	\$0	\$706,466
2027	11	\$706,466	\$55,473	\$0	\$10,667	\$50,800	\$721,806
2028	12	\$721,806	\$55,473	\$0	\$11,348	\$20,764	\$767,864
2029	13	\$767,864	\$55,473	\$0	\$6,087	\$417,510	\$411,914
2030	14	\$411,914	\$55,473	\$0	\$560	\$430,036	\$37,911
2031	15	\$37,911	\$55,473	\$0	\$0	\$418,735	(\$325,351)
2032	16	(\$325,351)	\$55,473	\$0	\$0	\$476,738	(\$746,616)
2033	17	(\$746,616)	\$55,473	\$0	\$0	\$24,071	(\$715,214)
2034	18	(\$715,214)	\$55,473	\$0	\$0	\$26,446	(\$686,186)
2035	19	(\$686,186)	\$55,473	\$0	\$0	\$27,239	(\$657,952)
2036	20	(\$657,952)	\$55,473	\$0	\$0	\$56,814	(\$659,293)

Existing Funding Levels

Beginning Balance as of start of year beginning Jan 2017: \$244,808

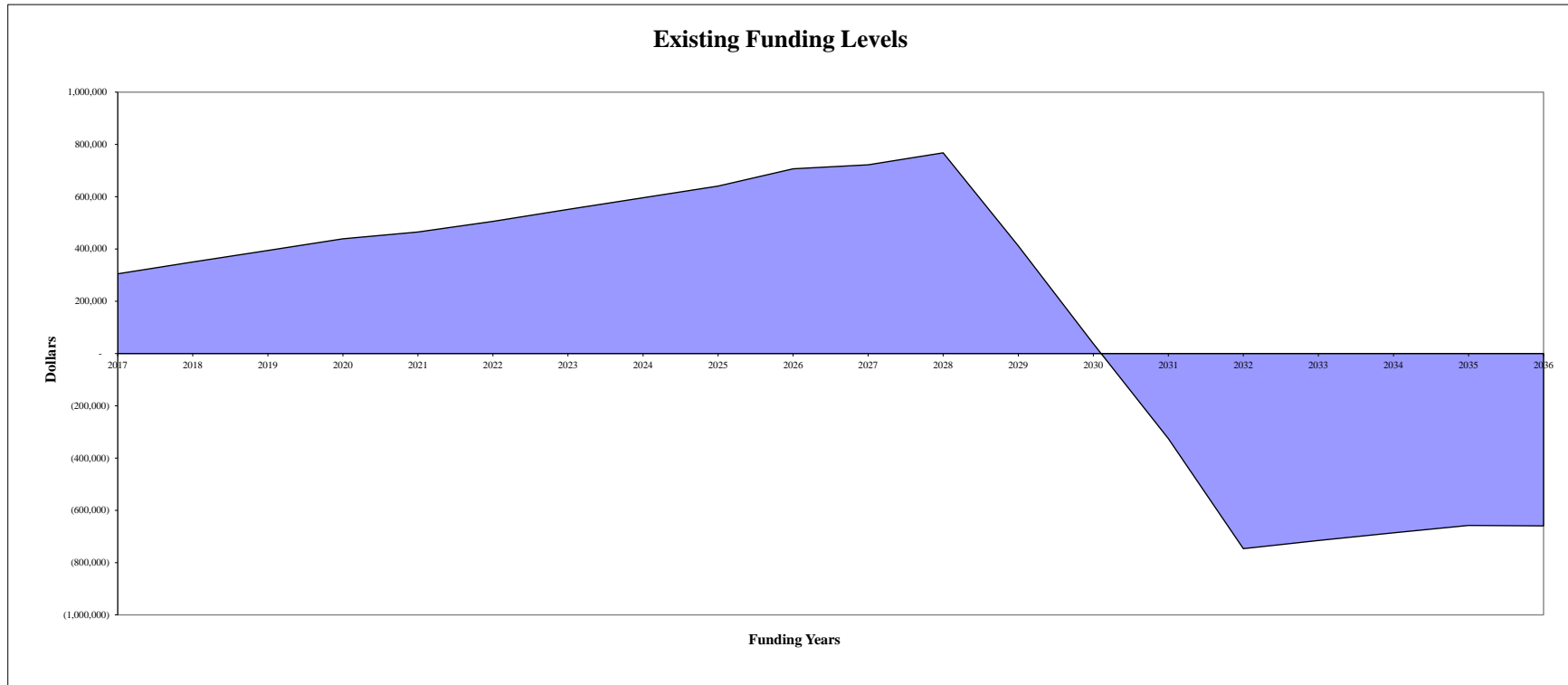
CONTRIBUTIONS	
AMOUNT	
\$55,473.00	per year
\$693.41	per unit per year
\$4,622.75	per month
\$57.78	per unit per month

SPECIAL ASSESSMENTS			
Totals			
Per Year	\$0	Per Unit	\$0

Projected Annual Funding and Expenditures:

Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Year Number:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
End of Year Reserve Fund Balance	304,785	349,980	394,306	438,780	464,653	505,572	551,281	595,882	640,553	706,466	721,806	767,864	411,914	37,911	(325,351)
Capital Expenditures:	-	15,450	16,974	17,484	36,466	22,026	17,911	19,678	20,268	-	50,800	20,764	417,510	430,036	418,735
Total Revenue (all sources)	59,977	60,645	61,300	61,957	62,340	62,945	63,620	64,279	64,939	65,913	66,140	66,821	61,560	56,033	55,473

Year:	2032	2033	2034	2035	2036
Year Number:	16	17	18	19	20
End of Year Reserve Fund Balance	(746,616)	(715,214)	(686,186)	(657,952)	(659,293)
Capital Expenditures:	476,738	24,071	26,446	27,239	56,814
Total Revenue (all sources)	55,473	55,473	55,473	55,473	55,473



Alternative 1: Level Funding with Steps

Year	Year Number	Beginning Reserve Fund Balance	Fee Revenue	Special Assessments 1	Special Assessments 2	Investment Earnings	Capital Expenditures	Ending Balance
2017	1	\$244,808	\$60,000	\$0	\$0	\$4,572	\$0	\$309,380
2018	2	\$309,380	\$60,000	\$0	\$0	\$5,309	\$15,450	\$359,239
2019	3	\$359,239	\$76,800	\$0	\$0	\$6,286	\$16,974	\$425,351
2020	4	\$425,351	\$76,800	\$0	\$0	\$7,270	\$17,484	\$491,937
2021	5	\$491,937	\$93,600	\$0	\$0	\$8,236	\$36,466	\$557,307
2022	6	\$557,307	\$93,600	\$0	\$0	\$9,433	\$22,026	\$638,314
2023	7	\$638,314	\$110,400	\$0	\$0	\$10,962	\$17,911	\$741,765
2024	8	\$741,765	\$110,400	\$0	\$0	\$12,487	\$19,678	\$844,974
2025	9	\$844,974	\$127,200	\$0	\$0	\$14,279	\$20,268	\$966,184
2026	10	\$966,184	\$127,200	\$0	\$0	\$16,401	\$0	\$1,109,785
2027	11	\$1,109,785	\$127,200	\$0	\$0	\$17,793	\$50,800	\$1,203,978
2028	12	\$1,203,978	\$127,200	\$0	\$0	\$19,656	\$20,764	\$1,330,071
2029	13	\$1,330,071	\$127,200	\$0	\$0	\$15,596	\$417,510	\$1,055,357
2030	14	\$1,055,357	\$127,200	\$0	\$0	\$11,288	\$430,036	\$763,809
2031	15	\$763,809	\$127,200	\$0	\$0	\$7,084	\$418,735	\$479,358
2032	16	\$479,358	\$127,200	\$0	\$0	\$1,947	\$476,738	\$131,767
2033	17	\$131,767	\$60,000	\$0	\$0	\$2,515	\$24,071	\$170,212
2034	18	\$170,212	\$60,000	\$0	\$0	\$3,056	\$26,446	\$206,823
2035	19	\$206,823	\$60,000	\$0	\$0	\$3,594	\$27,239	\$243,178
2036	20	\$243,178	\$60,000	\$0	\$0	\$3,695	\$56,814	\$250,060

Alternative 1: Level Funding with Steps

Beginning Balance as of start of year beginning Jan 2017: \$244,808

CONTRIBUTIONS	
FIRST YR	LAST YR
\$60,000.00	\$60,000.00 per year
\$750.00	\$750.00 per unit per year
\$5,000.00	\$5,000.00 per month
\$62.50	\$62.50 per unit per month

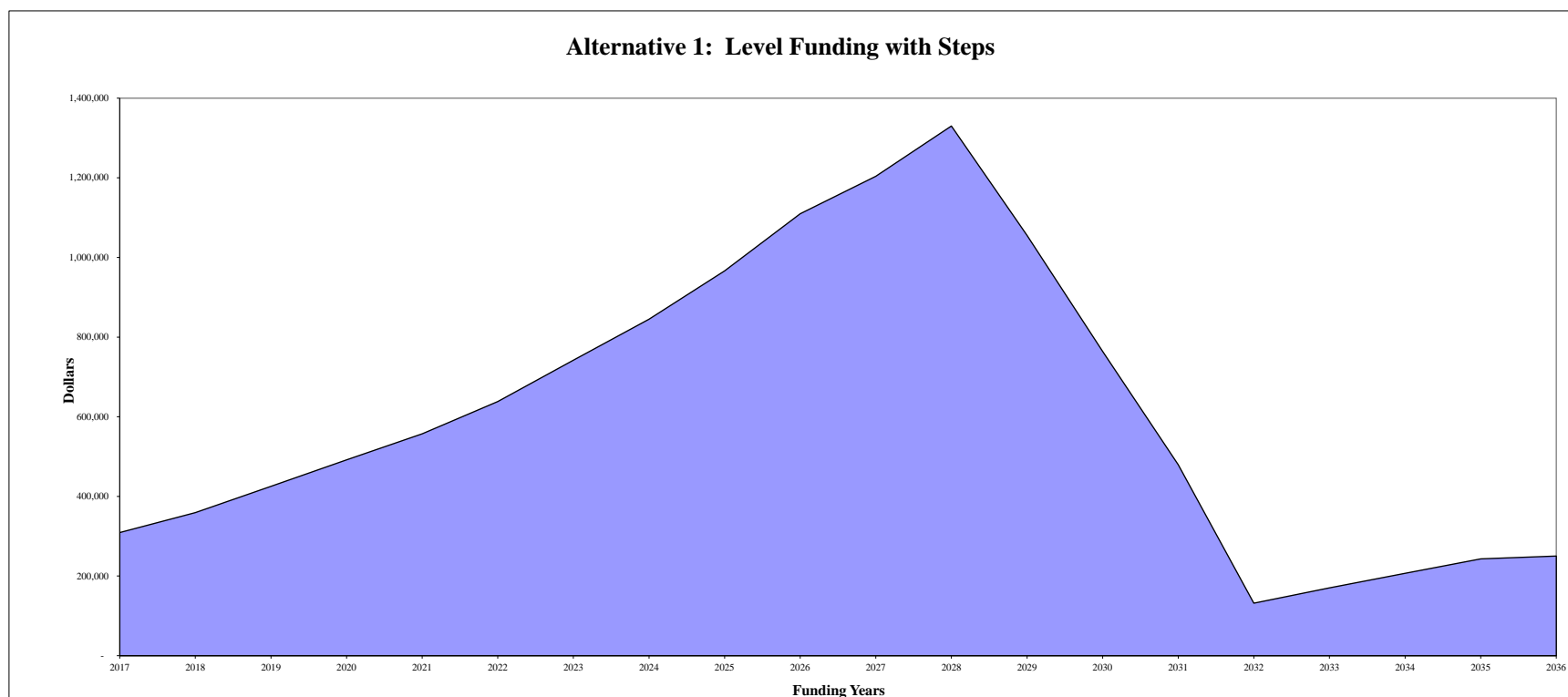
SPECIAL ASSESSMENTS				
First Second	Totals			
	Per Year	\$0	Per Unit	\$0
	Per Year	\$0	Per Unit	\$0

SETTINGS (analyzed by year)			
Starting amount (\$):	5000		
Increment by (\$):	1400		
Every	2	year	
Frequency:	4	time	

Projected Annual Funding and Expenditures:

Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Year Number:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
End of Year Reserve Fund Balance	309,380	359,239	425,351	491,937	557,307	638,314	741,765	844,974	966,184	1,109,785	1,203,978	1,330,071	1,055,357	763,809	479,358
Capital Expenditures:	-	15,450	16,974	17,484	36,466	22,026	17,911	19,678	20,268	-	50,800	20,764	417,510	430,036	418,735
Total Revenue (all sources)	64,572	65,309	83,086	84,070	101,836	103,033	121,362	122,887	141,479	143,601	144,993	146,856	142,796	138,488	134,284

Year:	2032	2033	2034	2035	2036
Year Number:	16	17	18	19	20
End of Year Reserve Fund Balance	131,767	170,212	206,823	243,178	250,060
Capital Expenditures:	476,738	24,071	26,446	27,239	56,814
Total Revenue (all sources)	129,147	62,515	63,056	63,594	63,695



Alternative 2: Escalating Funding at 9% per Year

Year	Year Number	Beginning Reserve Fund Balance	Fee Revenue	Special Assessments 1	Special Assessments 2	Investment Earnings	Capital Expenditures	Ending Balance
2017	1	\$244,808	\$60,469	\$0	\$0	\$4,579	\$0	\$309,856
2018	2	\$309,856	\$65,911	\$0	\$0	\$5,405	\$15,450	\$365,722
2019	3	\$365,722	\$71,843	\$0	\$0	\$6,309	\$16,974	\$426,899
2020	4	\$426,899	\$78,309	\$0	\$0	\$7,316	\$17,484	\$495,040
2021	5	\$495,040	\$85,357	\$0	\$0	\$8,159	\$36,466	\$552,090
2022	6	\$552,090	\$93,039	\$0	\$0	\$9,347	\$22,026	\$632,449
2023	7	\$632,449	\$101,412	\$0	\$0	\$10,739	\$17,911	\$726,689
2024	8	\$726,689	\$110,539	\$0	\$0	\$12,263	\$19,678	\$829,814
2025	9	\$829,814	\$120,488	\$0	\$0	\$13,951	\$20,268	\$943,984
2026	10	\$943,984	\$131,332	\$0	\$0	\$16,130	\$0	\$1,091,446
2027	11	\$1,091,446	\$131,332	\$0	\$0	\$17,580	\$50,800	\$1,189,557
2028	12	\$1,189,557	\$131,332	\$0	\$0	\$19,502	\$20,764	\$1,319,628
2029	13	\$1,319,628	\$131,332	\$0	\$0	\$15,502	\$417,510	\$1,048,951
2030	14	\$1,048,951	\$131,332	\$0	\$0	\$11,254	\$430,036	\$761,501
2031	15	\$761,501	\$131,332	\$0	\$0	\$7,111	\$418,735	\$481,209
2032	16	\$481,209	\$131,332	\$0	\$0	\$2,037	\$476,738	\$137,840
2033	17	\$137,840	\$60,000	\$0	\$0	\$2,607	\$24,071	\$176,376
2034	18	\$176,376	\$60,000	\$0	\$0	\$3,149	\$26,446	\$213,079
2035	19	\$213,079	\$60,000	\$0	\$0	\$3,688	\$27,239	\$249,528
2036	20	\$249,528	\$60,000	\$0	\$0	\$3,791	\$56,814	\$256,505

Alternative 2: Escalating Funding at 9% per Year

Beginning Balance as of start of year beginning Jan 2017: \$244,808

CONTRIBUTIONS		
FIRST YR	LAST YR	
\$60,468.84	\$60,000.00	per year
\$755.86	\$750.00	per unit per year
\$5,039.07	\$5,000.00	per month
\$62.99	\$62.50	per unit per month

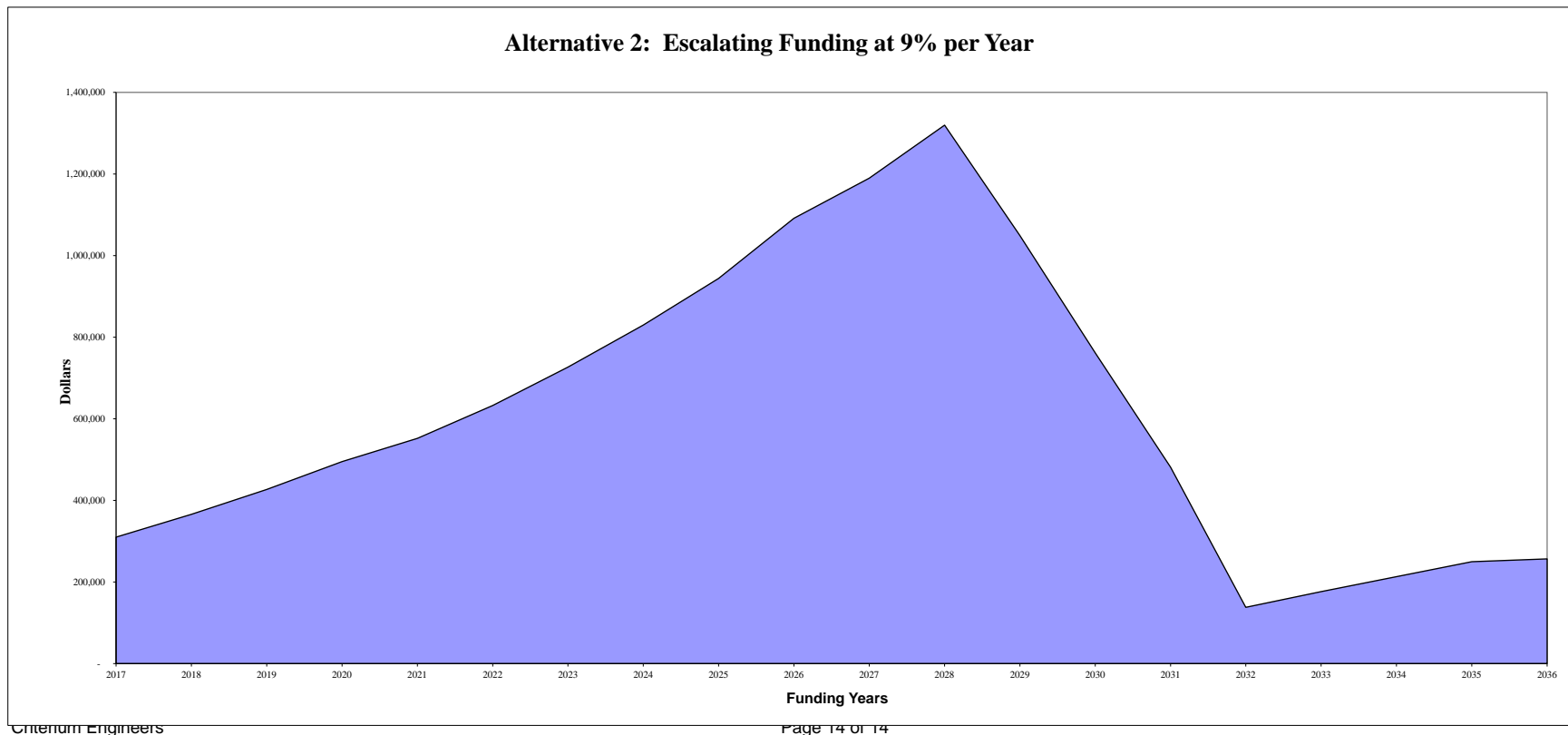
SPECIAL ASSESSMENTS				
First Second	Per Year Per Year	Totals		\$0 \$0
		\$0	Per Unit	
		\$0	Per Unit	\$0

SETTINGS (analyzed by year)		
Starting amount (\$):	5039.07	
Increment by (%):	9	
Step (%):		
Every	1	year
Frequency:	9	time

Projected Annual Funding and Expenditures:

Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Year Number:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
End of Year Reserve Fund Balance	309,856	365,722	426,899	495,040	552,090	632,449	726,689	829,814	943,984	1,091,446	1,189,557	1,319,628	1,048,951	761,501	481,209
Capital Expenditures:	-	15,450	16,974	17,484	36,466	22,026	17,911	19,678	20,268	-	50,800	20,764	417,510	430,036	418,735
Total Revenue (all sources)	65,048	71,316	78,152	85,625	93,516	102,385	112,152	122,803	134,438	147,462	148,912	150,834	146,834	142,586	138,443

Year:	2032	2033	2034	2035	2036
Year Number:	16	17	18	19	20
End of Year Reserve Fund Balance	137,840	176,376	213,079	249,528	256,505
Capital Expenditures:	476,738	24,071	26,446	27,239	56,814
Total Revenue (all sources)	133,369	62,607	63,149	63,688	63,791



Appendix B: PROJECT PHOTOGRAPHS

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:
General view of
community.

Photo Number
1



Description:
Typical front view
of buildings,
driveways,
walkways.

Photo Number
2

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16

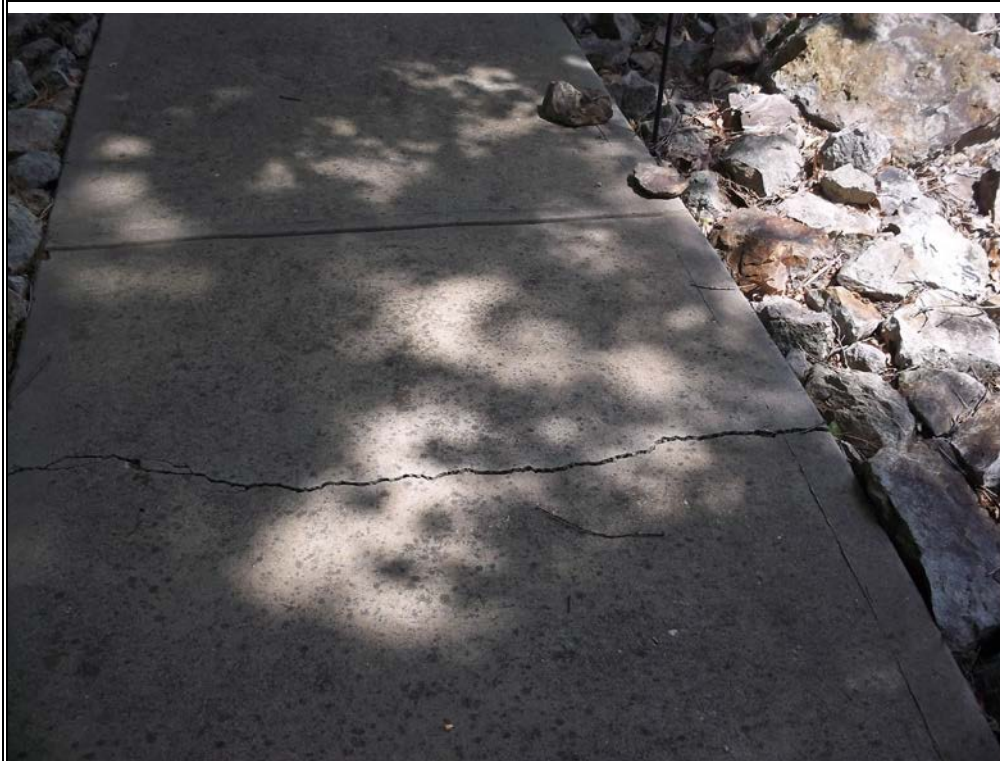


Description:

Typical rear
concrete patio,
privacy fencing.

Photo Number

3



Description:

Minor cracking
developing in
concrete flatwork.

Photo Number

4

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:
Wood deck in
common area.

Photo Number
5



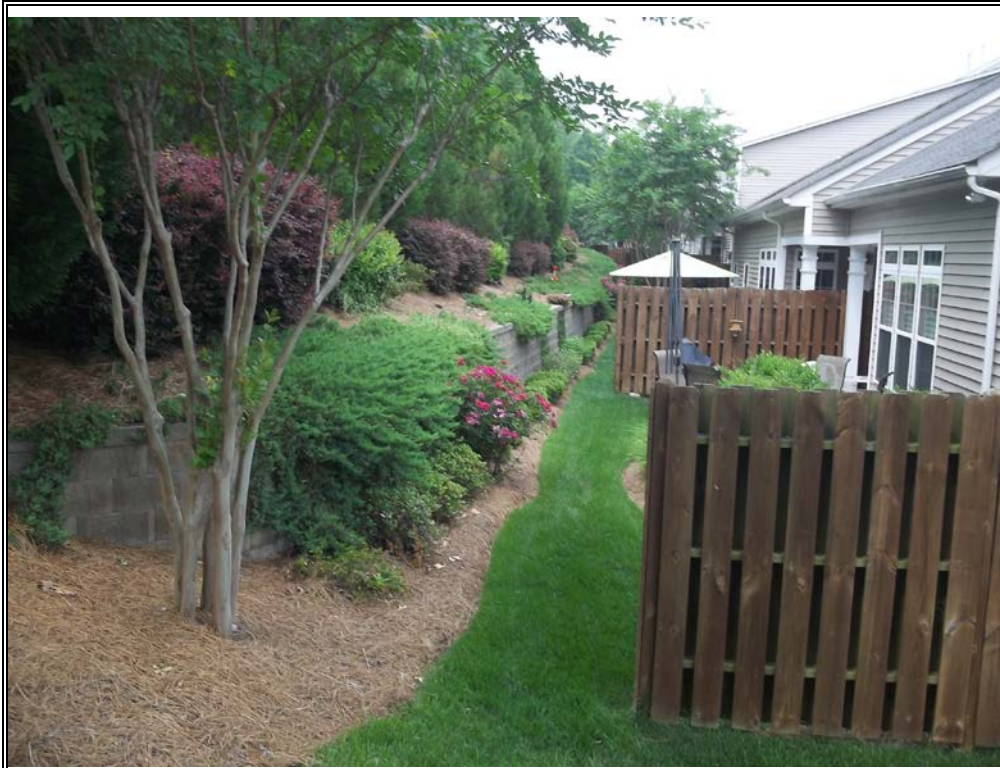
Description:
Wood rail fencing.

Photo Number
6

Location:
Skybrook Ridge Townhomes
Huntersville, NC

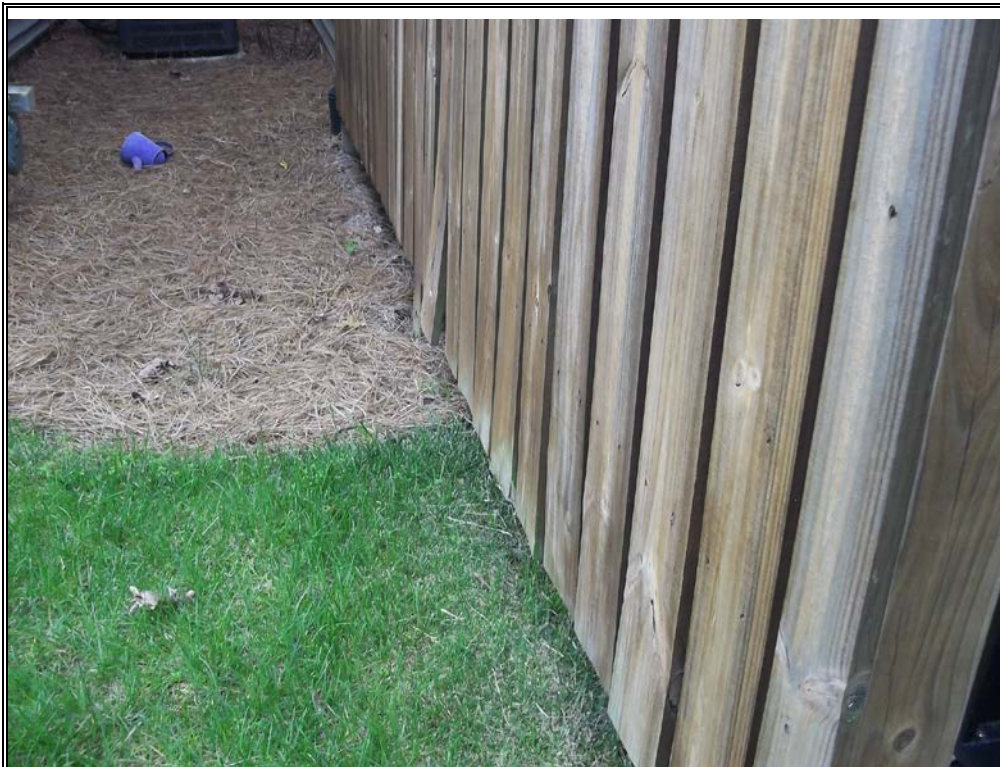
Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:
Typical rear view
of buildings,
retaining wall,
privacy fencing.

Photo Number
7



Description:
Minor warping
noted in individual
fence slats.

Photo Number
8

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:
Drainage inlet
basin.

Photo Number
9



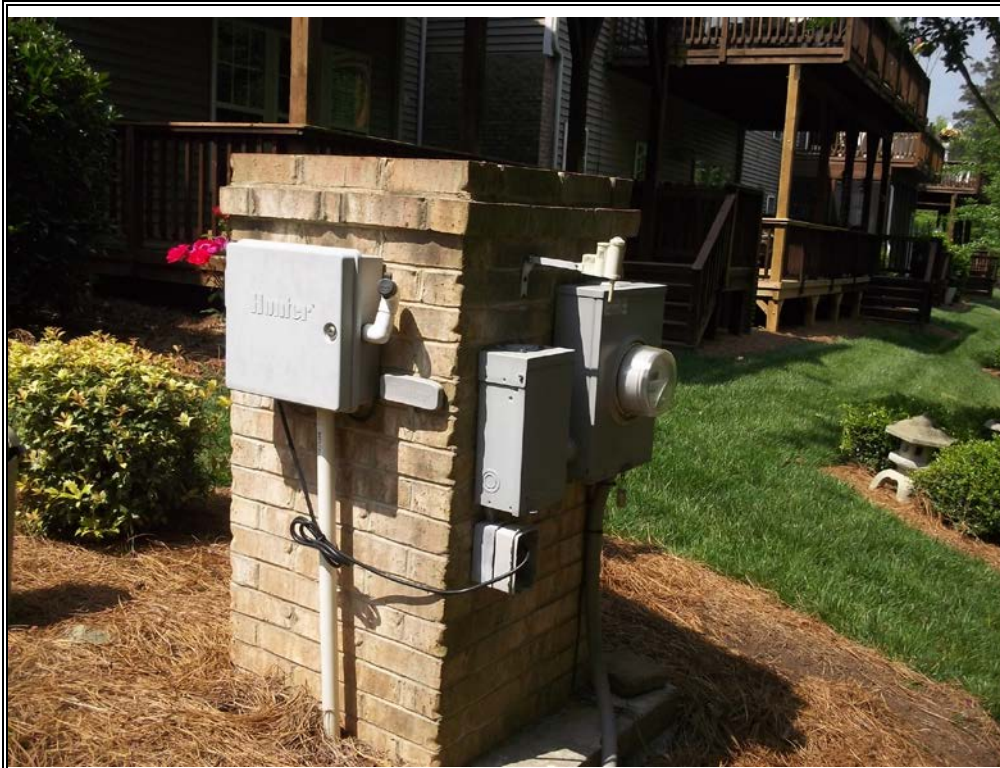
Description:
Section of
retaining wall with
separation noted
between blocks.

Photo Number
10

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:
Landscape
irrigation system
controller.

Photo Number
11



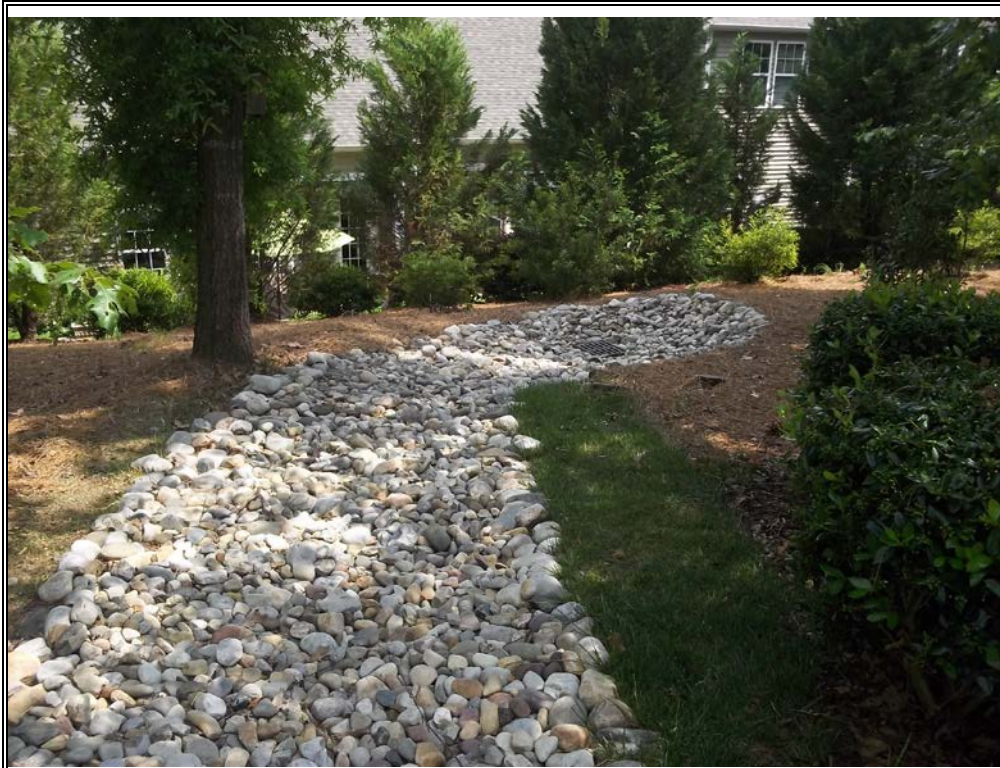
Description:
Area of minor soil
erosion noted.

Photo Number
12

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:
Recently installed
drainage swale.

Photo Number
13



Description:
Mailboxes.

Photo Number
14

Location:
Skybrook Ridge Townhomes
Huntersville, NC

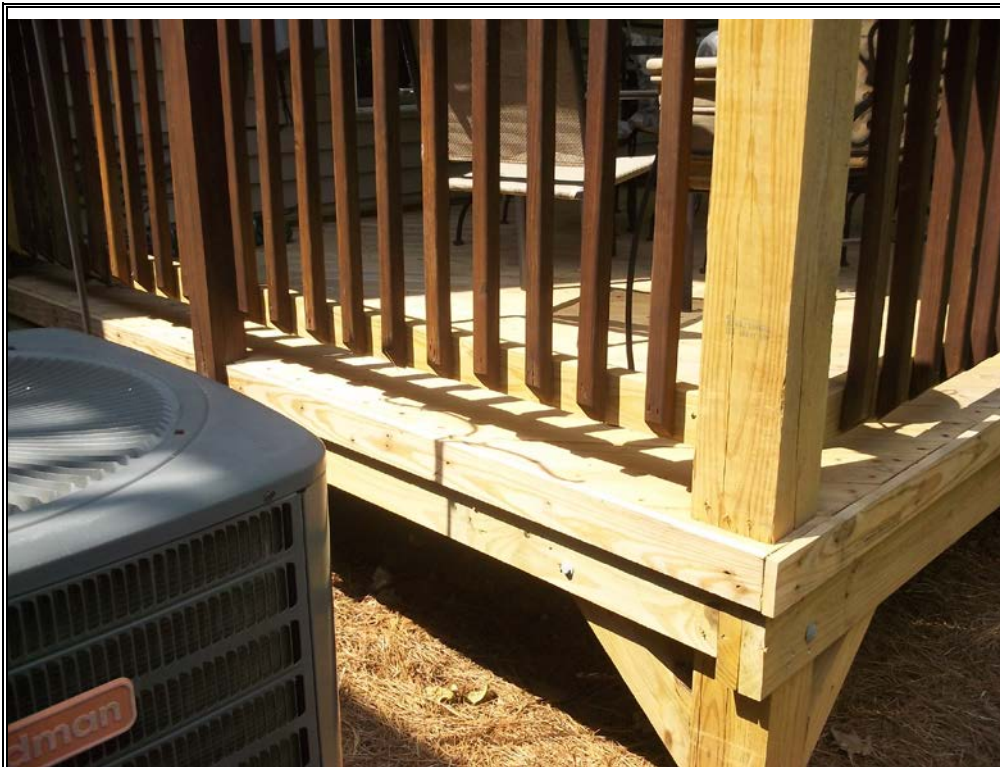
Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:
Rear 2-story decks.

Photo Number
15



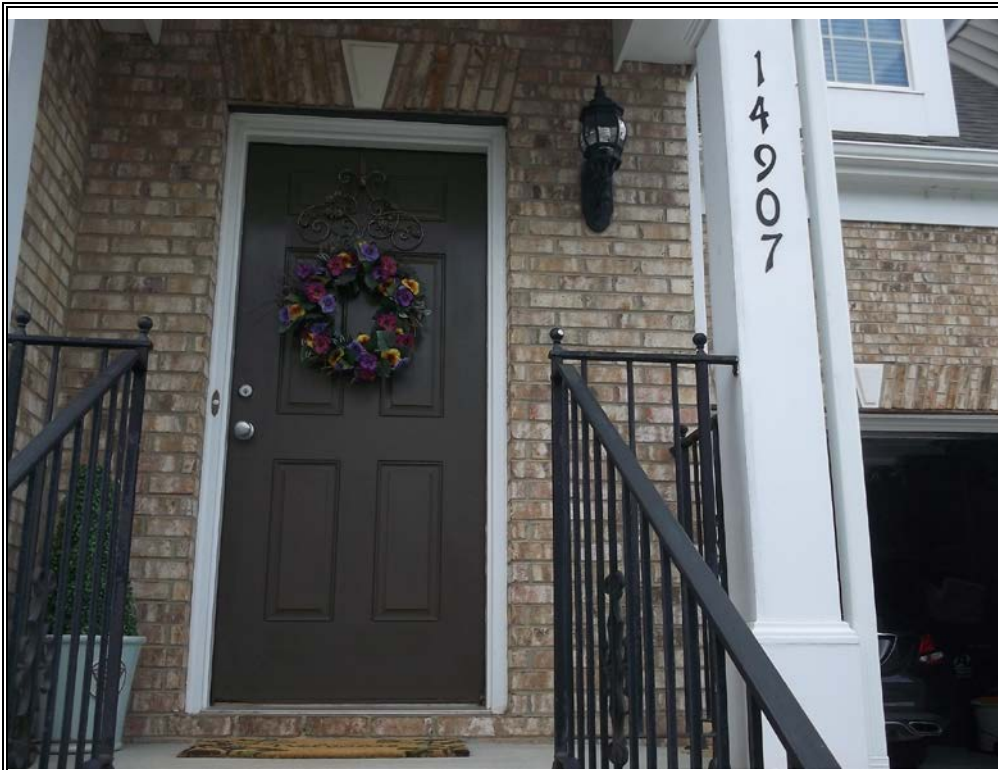
Description:
Recently
completed repairs
to decks.

Photo Number
16

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:

Typical front door, column, painted railings, exterior wall mounted light fixture.

Photo Number
17



Description:

Rear view of buildings, siding, decks.

Photo Number
18

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:

Close up view of shingles and gutters.

Photo Number
19



Description:

View of drip edge flashing, missing felt paper under shingles, roof sheathing.

Photo Number
20

Location:
Skybrook Ridge Townhomes
Huntersville, NC

Photo Taken by:
Kevin R. Giles, RS

Date:
5/12/16



Description:

Close up view of standing seam metal roofing in good condition.

Photo Number
21



Description:

General view of brick veneer and siding on sides of buildings.

Photo Number
22