RESERVE STUDY

FOR

SILVERHAWKE HOMEOWNERS ASSOCIATION

Management By:
Vision Community Management
16625 S Desert Foothills Pkwy
Phoenix, AZ 85048

Prepared By:

FDReserve Studies, LLC
Goodyear, AZ 85338

March 15, 2019

EXECUTIVE SUMMARY

SILVERHAWKE HOMEOWNERS ASSOCIATION

March 15, 2019

Starting Reserve Balance 1/1/2019	$172,187
Projected Fully Funded Reserve Balance 1/1/2019	$105,605
Percent Fully Funded 1/1/2019	162%
Annual Reserve Contribution	$24,148

This study is an update to a previous study performed by Reserve Data Analysis Inc. dated September 24, 2012. This update was performed with a field visit.
This study is based on the cash flow method of funding. This reserve analysis is based on an observation and assessment of the condition of the reserve fund based on a field assessment of the condition of the assets of the association, a projection of the useful life and remaining useful life of those assets, and the replacement costs for those assets. The financial information was provided by the association on the reserve fund balance and contribution to the fund. The general guideline used in our studies to determine whether the cost to replace or maintain an asset is paid from reserves or operations is if the replacement cost exceeds $500 it is included in reserves. That can be modified at the direction of the Board.

Following are some key points relative to your study:

1. The study has a fiscal year beginning date of January 1, 2019.

2. The study reflects a beginning balance for the reserve fund of $172,187 and an annual contribution of $24,148. The financial information was provided by the association and was not audited. As reflected by the Current Assessment Funding Model Projection in the report, the reserve fund currently is 162% of fully funded but decreases to 23% of fully funded in 2026 and will actually run out of funds in year 2033. Reserve funds are generally considered to be in a healthy condition if the reserve balance is at or above 70% of the fully funded balance.

3. Because decline in the percent of fully funded over the next few years based on the current funding, an Alternate Funding Model was prepared and included in the report for consideration by the Association. The model suggests funding of a 20% annual increase in years 2023 thru 2027, and a 5 % increase in years 2037 thru 2043. With this funding alternative the reserve fund will remain in a healthy balance for many years. Other funding alternatives can be prepared if desired by the Board. Note that the study includes a 3% inflation on costs based on current construction cost indexes so some increase in funding over time is recommended to stay even with cost increase from inflation.

4. This study should be compared with the operating budget to make sure there are no overlaps or gaps of items in this study and in the operating budget.

5. The physical assessment of components was based on field reviews conducted on August 29, 2018. The field review consisted of on-site observations of common areas and facilities. No sampling or destructive testing was performed. The on-site observation is not a comprehensive quality inspection. Quantification of assets was accomplished with a combination of on-site measurements, aerial photos and information provided by the association.

6. The consultant has no other involvement with the association that could be considered a conflict of interest. To our knowledge, there are no material issues that have not been disclosed that would cause a distortion of the association's reserve fund.

Report was prepared by:

- William A. Schlimgen, PE, RS, APM, bill@fdreservestudies.com, 602-740-8730
- Barbie Augsburger, barbie@fdreservestudies.com, 512-633-3012.

TABLE OF CONTENTS
SILVERHAWKE HOMEOWNERS ASSOCIATION

PART I • INFORMATION ABOUT YOUR RESERVE STUDY

Important Information 1-1
Introduction 1-2
Funding Options 1-2
Types of Reserve Studies 1-3
Developing a Component List 1-3
Operational Expenses 1-4
Reserve Expenses 1-4
Funding Methods 1-5
Funding Strategies 1-6
Distribution of Reserves 1-7
User's Guide to Your Reserve Study 1-9
Definitions 1-9
Your Reserve Study is a Multi-Purpose Tool 1-13

PART II • RESERVE STUDY

Current Assessment Funding Model Summary 2-1
Current Assessment Funding Model Projection 2-2
Alternate Funding Model Summary 2-3
Alternate Funding Model Projection 2-4
Asset Summary Report 2-5
Annual Expenditure Detail 2-6
Detail Report by Category 2-14
Category Detail Index 2-34
Spread Sheet 2-35

SILVERHAWKE HOMEOWNERS ASSOCIATION
Part One

Important Information

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

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

Part I

Document

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

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

Funding Options

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

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

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

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

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

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and

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

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

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

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

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

The Reserve Study: A Physical and a Financial Analysis

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

Physical Analysis

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

Developing a Component List

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

Operational Expenses

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

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

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

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

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

Reserve Expenses

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

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

Budgeting is Normally Excluded for:

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

properly insured for, rather than reserved for, are also excluded.

Financial Analysis

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

Preparing the Reserve Study

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

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

Funding Methods

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

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Threshold and the Current Assessment funding models are based upon the cash flow method.

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

Funding Strategies

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

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

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

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

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

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

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

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

Component Funding Model Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This

distribution **does not** apply to the cash flow funding models.

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

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

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

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

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

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

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

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

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment

may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

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

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

Users' Guide to your Reserve Analysis Study

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

Report Summaries

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

Index Reports

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

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

Detail Reports

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

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

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

Projections

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

Definitions

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

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

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

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

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

Investment Yield Before Taxes

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

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

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

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

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

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

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

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

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

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

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

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

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

replacement cycles for future replacements.

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

Replacement Year
The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

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

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

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

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

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

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

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

A Multi-Purpose Tool

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

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

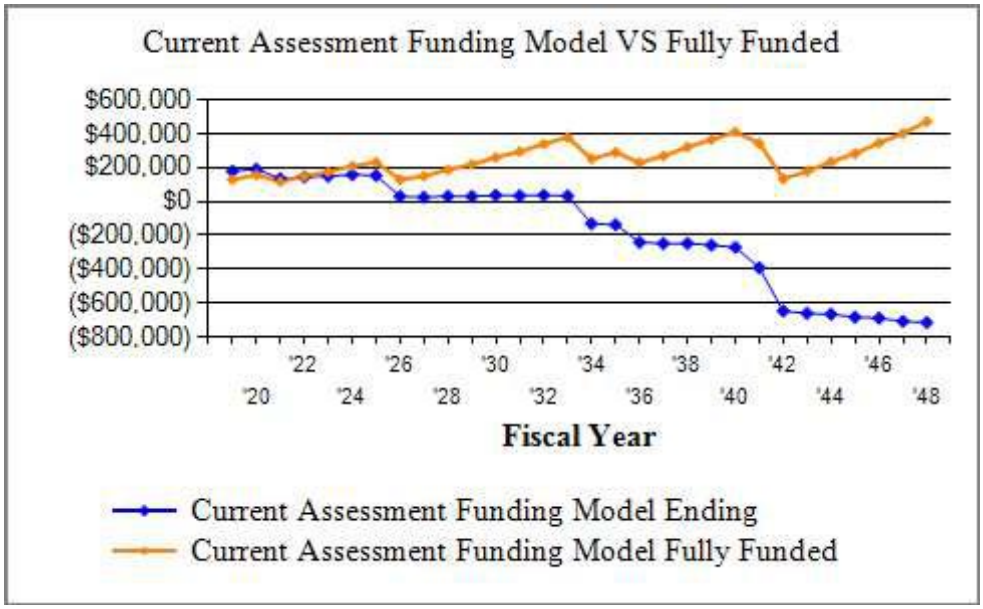
- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the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

SILVERHAWKE HOMEOWNERS ASSOCIATION
Current Assessment Funding Model Summary

Report Date	March 15, 2019
Budget Year Beginning	January 1, 2019
Budget Year Ending	December 31, 2019
Total Units	515

Report Parameters

Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
Contingency	3.00%
2019 Beginning Balance	$172,187



This is your current assessment funding model with a 3% annual increase.

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	$24,148.00
$46.89 per unit annually	
Average Net Annual Interest Earned	$1,240.99
Total Annual Allocation to Reserves	$25,388.99
$49.30 per unit annually	

SILVERHAWKE HOMEOWNERS ASSOCIATION
Current Assessment Funding Model Projection

Beginning Balance: $172,187

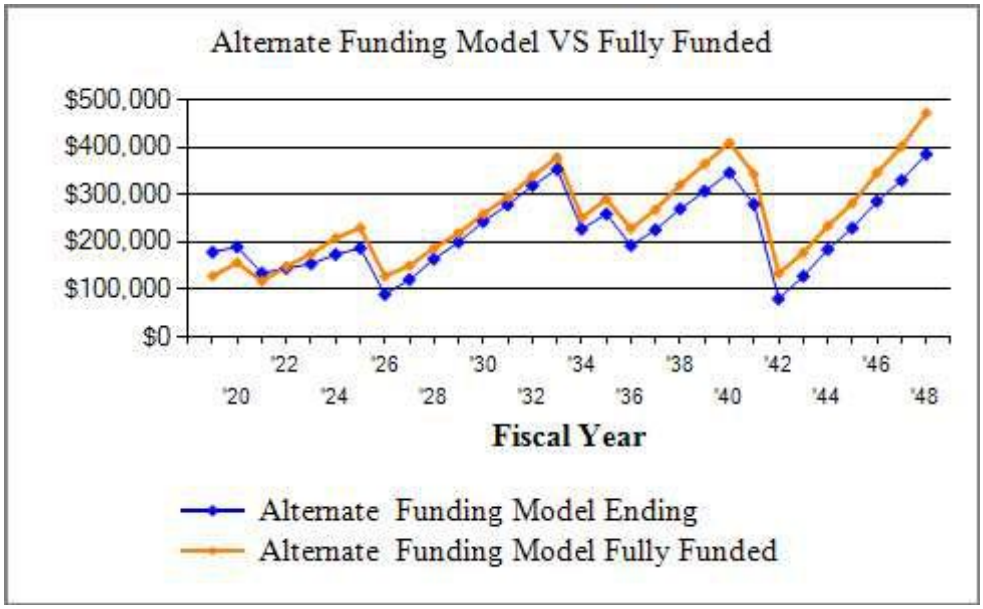
Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2019	276,493	24,148	1,241	19,050	178,526	127,955	140%
2020	284,788	24,872	1,322	14,471	190,249	156,232	122%
2021	293,331	25,619	948	80,416	136,400	117,271	116%
2022	302,131	26,387	1,036	14,806	149,017	148,062	101%
2023	311,195	27,179	1,087	20,878	156,404	174,620	90%
2024	320,531	27,994	1,177	16,288	169,288	208,177	81%
2025	330,147	28,834	1,180	29,553	169,749	230,024	74%
2026	340,052	29,699	360	148,077	51,730	128,080	40%
2027	350,253	30,590	366	30,022	52,664	149,886	35%
2028	360,761	31,508	465	17,680	66,957	186,948	36%
2029	371,583	32,453	517	25,602	74,325	218,250	34%
2030	382,731	33,426	623	18,756	89,619	259,346	35%
2031	394,213	34,429	683	26,448	98,283	295,142	33%
2032	406,039	35,462	785	21,617	112,913	338,825	33%
2033	418,220	36,526	850	28,059	122,230	378,711	32%
2034	430,767	37,622		188,358	-28,506	251,364	
2035	443,690	38,750		29,767	-19,523	290,437	
2036	457,001	39,913		127,843	-107,453	228,434	
2037	470,711	41,110		31,580	-97,922	268,738	
2038	484,832	42,344		23,760	-79,339	320,566	
2039	499,377	43,614		34,406	-70,131	364,713	
2040	514,358	44,922		36,741	-61,950	409,838	
2041	529,789	46,270		145,241	-160,920	343,301	
2042	545,683	47,658		280,399	-393,661	133,511	
2043	562,053	49,088		37,708	-382,282	177,459	
2044	578,915	50,561		29,418	-361,139	233,929	
2045	596,282	52,077		41,083	-350,144	282,178	
2046	614,171	53,640		30,098	-326,603	346,084	
2047	632,596	55,249		42,441	-313,795	401,423	
2048	651,574	56,906		31,931	-288,821	472,282	

SILVERHAWKE HOMEOWNERS ASSOCIATION
Alternate Funding Model Summary

Report Date	March 15, 2019
Budget Year Beginning	January 1, 2019
Budget Year Ending	December 31, 2019
Total Units	515

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
Contingency	3.00%
2019 Beginning Balance	$172,187



The Alternate Funding Model is based on the following annual increases in the contribution to the reserve fund:

- 20% in 2023 thru 2027
- 5% in 2037 thru 2043

Alternate Funding Model Summary of Calculations

Required Annual Contribution	$24,148.00
$46.89 per unit annually	
Average Net Annual Interest Earned	$1,240.99
Total Annual Allocation to Reserves	$25,388.99
$49.30 per unit annually	

SILVERHAWKE HOMEOWNERS ASSOCIATION
Alternate Funding Model Projection

Beginning Balance: $172,187

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2019	276,493	24,148	1,241	19,050	178,526	127,955	140%
2020	284,788	24,148	1,317	14,471	189,520	156,232	121%
2021	293,331	24,148	933	80,416	134,184	117,271	114%
2022	302,131	24,148	1,005	14,806	144,531	148,062	98%
2023	311,195	28,978	1,068	20,878	153,699	174,620	88%
2024	320,531	34,773	1,205	16,288	173,389	208,177	83%
2025	330,147	41,728	1,299	29,553	186,863	230,024	81%
2026	340,052	50,073	622	148,077	89,482	128,080	70%
2027	350,253	60,088	837	30,022	120,384	149,886	80%
2028	360,761	60,088	1,140	17,680	163,932	186,948	88%
2029	371,583	60,088	1,389	25,602	199,807	218,250	92%
2030	382,731	60,088	1,688	18,756	242,826	259,346	94%
2031	394,213	60,088	1,935	26,448	278,402	295,142	94%
2032	406,039	60,088	2,218	21,617	319,091	338,825	94%
2033	418,220	60,088	2,458	28,059	353,578	378,711	93%
2034	430,767	60,088	1,577	188,358	226,885	251,364	90%
2035	443,690	60,088	1,800	29,767	259,006	290,437	89%
2036	457,001	60,088	1,339	127,843	192,590	228,434	84%
2037	470,711	63,092	1,569	31,580	225,671	268,738	84%
2038	484,832	66,247	1,877	23,760	270,035	320,566	84%
2039	499,377	69,559	2,136	34,406	307,324	364,713	84%
2040	514,358	73,037	2,405	36,741	346,026	409,838	84%
2041	529,789	76,689	1,942	145,241	279,417	343,301	81%
2042	545,683	80,524	557	280,399	80,098	133,511	60%
2043	562,053	84,550	889	37,708	127,828	177,459	72%
2044	578,915	84,550	1,281	29,418	184,241	233,929	79%
2045	596,282	84,550	1,594	41,083	229,302	282,178	81%
2046	614,171	84,550	1,986	30,098	285,739	346,084	83%
2047	632,596	84,550	2,295	42,441	330,143	401,423	82%
2048	651,574	84,550	2,679	31,931	385,441	472,282	82%

SILVERHAWKE HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Asset ID	Date In Service	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Painting									
Masonry Walls - Paint	2018	2026	106,850	8	0	7	131,412	1 @	106,850.00
Recreation									
Park Equipment (Abilene Park) - Re..	2016	2036	4,840	20	0	17	8,000	1 @	4,840.00
Park Equipment (Dodge Park) - Repl..	1995	2021	6,540	20	6	2	6,938	1 @	6,540.00
Park Equipment (Saddle Park) - Rep..	1995	2021	4,620	20	6	2	4,901	1 @	4,620.00
Park Equipment (San Remo Park) - ..	1995	2021	2,420	20	6	2	2,567	1 @	2,420.00
Volleyball Court Sand (San Remo Pa..	1995	2019	500	5	0	0	500	1 @	500.00
Equipment									
Backflow Preventers - Replace	2016	2036	5,950	20	0	17	9,834	7 @	850.00
Basketball Backboard (Dodge Park) -..	1995	2020	500	25	0	1	515	1 @	500.00
Dog Stations - Replace	2012	2027	5,150	15	0	8	6,524	10 @	515.00
Drywells - Clean/Inspect	2012	2019	5,000	2	0	0	5,000	1 @	5,000.00
Irrigation Controllers & System - Re..	2010	2025	3,000	15	0	6	3,582	1 @	3,000.00
Park Equipment (Abilene Park) - Re..	2010	2025	800	15	0	6	955	1 @	800.00
Park Equipment (Dodge Park Small) ..	1995	2021	850	20	6	2	902	1 @	850.00
Park Equipment (Dodge Park) - Repl..	2016	2036	13,007	20	0	17	21,499	1 @	13,007.00
Park Equipment (Golden Key Park) -..	1995	2021	1,170	20	6	2	1,241	1 @	1,170.00
Park Equipment (Golden Key Park) -..	1995	2021	1,650	20	6	2	1,750	1 @	1,650.00
Park Equipment (Golden Key Park) -..	2010	2025	800	15	0	6	955	1 @	800.00
Park Equipment (Saddle Park) - Rep..	2010	2025	800	15	0	6	955	1 @	800.00
Park Equipment (Saddle Park) - Rep..	2012	2032	1,170	20	0	13	1,718	1 @	1,170.00
Park Equipment (San Remo Park) - ..	2010	2025	800	15	0	6	955	1 @	800.00
Playstructure (Dodge Park) - Replace	1995	2021	24,000	20	6	2	25,462	1 @	24,000.00
Playstructure (Golden Key Park) - R..	1995	2021	16,000	20	6	2	16,974	1 @	16,000.00
Playstructure (Saddle Park) - Replace	2016	2036	40,000	20	0	17	66,114	1 @	40,000.00
Grounds Components									
Granite - Replenish	2016	2019	10,000	1	0	0	10,000	1 @	10,000.00
Irrigation System Components - Repl..	1995	2019	3,550	1	0	0	3,550	1 @	3,550.00
Signs									
Monument Sign - Refurbish	2017	2042	16,526	25	0	23	32,615	1 @	16,526.00

SILVERHAWKE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2019	
Recreation	
Volleyball Court Sand (San Remo Park) - Fill	500
Equipment	
Drywells - Clean/Inspect	5,000
Grounds Components	
Granite - Replenish	10,000
Irrigation System Components - Replace/Repair	3,550
Total for 2019	**$19,050**
Replacement Year 2020	
Equipment	
Basketball Backboard (Dodge Park) - Replace	515
Grounds Components	
Granite - Replenish	10,300
Irrigation System Components - Replace/Repair	3,656
Total for 2020	**$14,471**
Replacement Year 2021	
Recreation	
Park Equipment (Dodge Park) - Replace	6,938
Park Equipment (Saddle Park) - Replace	4,901
Park Equipment (San Remo Park) - Replace	2,567
Equipment	
Drywells - Clean/Inspect	5,304
Park Equipment (Dodge Park Small) - Replace	902
Park Equipment (Golden Key Park) - Replace	1,241
Park Equipment (Golden Key Park) - Replace	1,750
Playstructure (Dodge Park) - Replace	25,462
Playstructure (Golden Key Park) - Replace	16,974
Grounds Components	
Granite - Replenish	10,609
Irrigation System Components - Replace/Repair	3,766
Total for 2021	**$80,416**

SILVERHAWKE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2022	
Grounds Components	
Granite - Replenish	10,927
Irrigation System Components - Replace/Repair	3,879
Total for 2022	**$14,806**
Replacement Year 2023	
Equipment	
Drywells - Clean/Inspect	5,628
Grounds Components	
Granite - Replenish	11,255
Irrigation System Components - Replace/Repair	3,996
Total for 2023	**$20,878**
Replacement Year 2024	
Recreation	
Volleyball Court Sand (San Remo Park) - Fill	580
Grounds Components	
Granite - Replenish	11,593
Irrigation System Components - Replace/Repair	4,115
Total for 2024	**$16,288**
Replacement Year 2025	
Equipment	
Drywells - Clean/Inspect	5,970
Irrigation Controllers & System - Replace/Repair	3,582
Park Equipment (Abilene Park) - Replace	955
Park Equipment (Golden Key Park) - Replace	955
Park Equipment (Saddle Park) - Replace	955
Park Equipment (San Remo Park) - Replace	955
Grounds Components	
Granite - Replenish	11,941
Irrigation System Components - Replace/Repair	4,239
Total for 2025	**$29,553**

SILVERHAWKE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2026	
Painting	
Masonry Walls - Paint	131,412
Grounds Components	
Granite - Replenish	12,299
Irrigation System Components - Replace/Repair	4,366
Total for 2026	**$148,077**
Replacement Year 2027	
Equipment	
Dog Stations - Replace	6,524
Drywells - Clean/Inspect	6,334
Grounds Components	
Granite - Replenish	12,668
Irrigation System Components - Replace/Repair	4,497
Total for 2027	**$30,022**
Replacement Year 2028	
Grounds Components	
Granite - Replenish	13,048
Irrigation System Components - Replace/Repair	4,632
Total for 2028	**$17,680**
Replacement Year 2029	
Recreation	
Volleyball Court Sand (San Remo Park) - Fill	672
Equipment	
Drywells - Clean/Inspect	6,720
Grounds Components	
Granite - Replenish	13,439
Irrigation System Components - Replace/Repair	4,771
Total for 2029	**$25,602**
Replacement Year 2030	
Grounds Components	
Granite - Replenish	13,842

SILVERHAWKE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2030 continued...	
Irrigation System Components - Replace/Repair	4,914
Total for 2030	**$18,756**
Replacement Year 2031	
Equipment	
Drywells - Clean/Inspect	7,129
Grounds Components	
Granite - Replenish	14,258
Irrigation System Components - Replace/Repair	5,061
Total for 2031	**$26,448**
Replacement Year 2032	
Equipment	
Park Equipment (Saddle Park) - Replace	1,718
Grounds Components	
Granite - Replenish	14,685
Irrigation System Components - Replace/Repair	5,213
Total for 2032	**$21,617**
Replacement Year 2033	
Equipment	
Drywells - Clean/Inspect	7,563
Grounds Components	
Granite - Replenish	15,126
Irrigation System Components - Replace/Repair	5,370
Total for 2033	**$28,059**
Replacement Year 2034	
Painting	
Masonry Walls - Paint	166,469
Recreation	
Volleyball Court Sand (San Remo Park) - Fill	779
Grounds Components	
Granite - Replenish	15,580

Description	Expenditures
Replacement Year 2034 continued...	
Irrigation System Components - Replace/Repair	5,531
Total for 2034	**$188,358**
Replacement Year 2035	
Equipment	
Drywells - Clean/Inspect	8,024
Grounds Components	
Granite - Replenish	16,047
Irrigation System Components - Replace/Repair	5,697
Total for 2035	**$29,767**
Replacement Year 2036	
Recreation	
Park Equipment (Abilene Park) - Replace	8,000
Equipment	
Backflow Preventers - Replace	9,834
Park Equipment (Dodge Park) - Replace	21,499
Playstructure (Saddle Park) - Replace	66,114
Grounds Components	
Granite - Replenish	16,528
Irrigation System Components - Replace/Repair	5,868
Total for 2036	**$127,843**
Replacement Year 2037	
Equipment	
Drywells - Clean/Inspect	8,512
Grounds Components	
Granite - Replenish	17,024
Irrigation System Components - Replace/Repair	6,044
Total for 2037	**$31,580**
Replacement Year 2038	
Grounds Components	
Granite - Replenish	17,535

Description	Expenditures
Replacement Year 2038 continued...	
Irrigation System Components - Replace/Repair	6,225
Total for 2038	**$23,760**
Replacement Year 2039	
Recreation	
Volleyball Court Sand (San Remo Park) - Fill	903
Equipment	
Drywells - Clean/Inspect	9,031
Grounds Components	
Granite - Replenish	18,061
Irrigation System Components - Replace/Repair	6,412
Total for 2039	**$34,406**
Replacement Year 2040	
Equipment	
Irrigation Controllers & System - Replace/Repair	5,581
Park Equipment (Abilene Park) - Replace	1,488
Park Equipment (Golden Key Park) - Replace	1,488
Park Equipment (Saddle Park) - Replace	1,488
Park Equipment (San Remo Park) - Replace	1,488
Grounds Components	
Granite - Replenish	18,603
Irrigation System Components - Replace/Repair	6,604
Total for 2040	**$36,741**
Replacement Year 2041	
Recreation	
Park Equipment (Dodge Park) - Replace	12,531
Park Equipment (Saddle Park) - Replace	8,852
Park Equipment (San Remo Park) - Replace	4,637
Equipment	
Drywells - Clean/Inspect	9,581
Park Equipment (Dodge Park Small) - Replace	1,629
Park Equipment (Golden Key Park) - Replace	2,242

Description	Expenditures
Replacement Year 2041 continued...	
Park Equipment (Golden Key Park) - Replace	3,162
Playstructure (Dodge Park) - Replace	45,986
Playstructure (Golden Key Park) - Replace	30,658
Grounds Components	
Granite - Replenish	19,161
Irrigation System Components - Replace/Repair	6,802
Total for 2041	**$145,241**
Replacement Year 2042	
Painting	
Masonry Walls - Paint	210,878
Equipment	
Dog Stations - Replace	10,164
Grounds Components	
Granite - Replenish	19,736
Irrigation System Components - Replace/Repair	7,006
Signs	
Monument Sign - Refurbish	32,615
Total for 2042	**$280,399**
Replacement Year 2043	
Equipment	
Drywells - Clean/Inspect	10,164
Grounds Components	
Granite - Replenish	20,328
Irrigation System Components - Replace/Repair	7,216
Total for 2043	**$37,708**
Replacement Year 2044	
Recreation	
Volleyball Court Sand (San Remo Park) - Fill	1,047
Grounds Components	
Granite - Replenish	20,938
Irrigation System Components - Replace/Repair	7,433
Total for 2044	**$29,418**

SILVERHAWKE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2045	
Equipment	
Basketball Backboard (Dodge Park) - Replace	1,078
Drywells - Clean/Inspect	10,783
Grounds Components	
Granite - Replenish	21,566
Irrigation System Components - Replace/Repair	7,656
Total for 2045	**$41,083**
Replacement Year 2046	
Grounds Components	
Granite - Replenish	22,213
Irrigation System Components - Replace/Repair	7,886
Total for 2046	**$30,098**
Replacement Year 2047	
Equipment	
Drywells - Clean/Inspect	11,440
Grounds Components	
Granite - Replenish	22,879
Irrigation System Components - Replace/Repair	8,122
Total for 2047	**$42,441**
Replacement Year 2048	
Grounds Components	
Granite - Replenish	23,566
Irrigation System Components - Replace/Repair	8,366
Total for 2048	**$31,931**

Masonry Walls - Paint

		1 LS	@ $106,850.00
Asset ID	1001	Asset Cost	$106,850.00
	Grounds	Percent Replacement	100%
	Painting	Future Cost	$131,412.02
Placed in Service	April 2018		
Useful Life	8		
Replacement Year	2026		
Remaining Life	7		

Good condition. This asset includes repair and painting of stucco masonry walls. Approximately 109,000 SF of community walls. Walls painted in 2018 for a total of $106,849.98.

Park Equipment (Abilene Park) - Replace

Asset ID	1018	1 LS	@ $4,840.00
	Recreation	Asset Cost	$4,840.00
	Recreation	Percent Replacement	100%
Placed in Service	May 2016	Future Cost	$7,999.78
Useful Life	20		
Replacement Year	2036		
Remaining Life	17		

Good condition. Located in greenbelt area at Abilene Park which is west side of N Abilene Dr between W Juanita and W San Pedro.

2 - 38" picnic table w/4 seats	@	$1,170.00 =	$2,340.00
2 - 6' bench w/out backs	@	850.00 =	1,700.00
2 - BBQ Grills single pedestal mounted	@	400.00 =	800.00
		Total =	$4,840.00

Park Equipment (Dodge Park) - Replace

Asset ID	1013	1 LS	@ $6,540.00
	Recreation	Asset Cost	$6,540.00
	Recreation	Percent Replacement	100%
Placed in Service	January 1995	Future Cost	$6,938.29
Useful Life	20		
Adjustment	6		
Replacement Year	2021		
Remaining Life	2		

Park Equipment (Dodge Park) - Replace continued...

Good condition. Original park equipment Located at Dodge Park on east side of N Dodge St between W Scott Ave and W Harvard. Useful life adjusted to reflect current condition.

2 - 38" picnic table w/4 seats	@	$1,170.00 =	$2,340.00
3 - 6' bench w/out backs	@	850.00 =	2,550.00
2 - BBQ Grills single pedestal mounted	@	400.00 =	800.00
1 - trash receptacle	@	850.00 =	850.00
		Total =	$6,540.00

Park Equipment (Saddle Park) - Replace

Asset ID	1002
	Recreation
	Recreation
Placed in Service	January 1995
Useful Life	20
Adjustment	6
Replacement Year	2021
Remaining Life	2

1 LS	@ $4,620.00
Asset Cost	$4,620.00
Percent Replacement	100%
Future Cost	$4,901.36

Park Equipment (Saddle Park) - Replace continued...



Good condition. Located at Saddle Park along west side of N Saddle St between W Scott & W Harvard. Original park equipment except (1) 6' bench w/back placed in service 11/2016 located at the south end of park. Useful life adjusted to reflect current condition.

1	- 38" picnic table w/4 seats	@ $1,170.00 =	$1,170.00
2	- 6' bench w/out backs	@ 850.00 =	1,700.00
2	- BBQ Grills single pedestal mounted	@ 400.00 =	800.00
1	- 6' bench w/back 11/2016	@ 950.00 =	950.00
		Total =	$4,620.00

Park Equipment (San Remo Park) - Replace

		1 LS	@ $2,420.00
Asset ID	1016	Asset Cost	$2,420.00
	Recreation	Percent Replacement	100%
	Recreation	Future Cost	$2,567.38
Placed in Service	January 1995		
Useful Life	20		
Adjustment	6		
Replacement Year	2021		
Remaining Life	2		

Park Equipment (San Remo Park) - Replace continued...



Good condition. Located at San Remo Park end of W San Remo Ct. Useful life adjusted to reflect current condition.

1 - 38" picnic table w/4 seats	@	$1,170.00 =	$1,170.00
1 - 6' bench w/out backs	@	850.00 =	850.00
1 - BBQ Grills single pedestal mounted	@	400.00 =	400.00
		Total =	$2,420.00

Volleyball Court Sand (San Remo Park) - Fill

		1 LS	@ $500.00
Asset ID	1026	Asset Cost	$500.00
	Recreation	Percent Replacement	100%
	Recreation	Future Cost	$500.00
Placed in Service	January 1995		
Useful Life	5		
Replacement Year	2019		
Remaining Life	0		

Good condition. Located at San Remo Park end of W San Remo Ct.

Backflow Preventers - Replace

		7 EA	@ $850.00
Asset ID	1025	Asset Cost	$5,950.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$9,834.44
Placed in Service	January 2016		
Useful Life	20		
Replacement Year	2036		
Remaining Life	17		

New backflow preventer at 774 W San Pedro replaced on 3/2017 for a total of $850. New backflow preventers at Dodge Park and Golden Key Park on 11/2016 totalling $1100.

Basketball Backboard (Dodge Park) - Replace

		1 EA	@ $500.00
Asset ID	1011	Asset Cost	$500.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$515.00
Placed in Service	January 1995		
Useful Life	25		
Replacement Year	2020		
Remaining Life	1		

Basketball Backboard (Dodge Park) - Replace continued...

Fair condition. Located at Dodge Park on east side of N Dodge St between W Scott Ave and W Harvard. This asset is for replacing the metal backboard only not the pole as the pole has a long life.

Dog Stations - Replace

		10 EA	@ $515.00
Asset ID	1024	Asset Cost	$5,150.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$6,523.87
Placed in Service	February 2012		
Useful Life	15		
Replacement Year	2027		
Remaining Life	8		

Good condition. Located throughout community.

Drywells - Clean/Inspect

		1 LS	@ $5,000.00
Asset ID	1019	Asset Cost	$5,000.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$5,000.00
Placed in Service	January 2012		
Useful Life	2		
Replacement Year	2019		
Remaining Life	0		

This asset is for $5000 every 2 years for inspection and cleanout on an "as needed" basis.

Irrigation Controllers & System - Replace/Repair

		1 LS	@ $3,000.00
Asset ID	1021	Asset Cost	$3,000.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$3,582.16
Placed in Service	August 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	6		

(1) 36 station Weathermatic SL4800 Smart Timers irrigation controller @ Saddle Park & (1)

Irrigation Controllers & System - Replace/Repair continued...

24 station Weathermatic SL4800 Smart Timers irrigation controller @ Abilene Park. There are many more smaller controllers located throughout the community - see asset ID 1022.

Park Equipment (Abilene Park) - Replace

		1 EA	@ $800.00
Asset ID	1017	Asset Cost	$800.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$955.24
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	6		

Good condition. Placed in service date taken from prior study. Located in greenbelt area at Abilene Park which is west side of N Abilene Dr between W Juanita and W San Pedro.

1 - trash receptacle w/lid	@	$800.00 =	$800.00
		Total =	$800.00

Park Equipment (Dodge Park Small) - Replace

		1 EA	@ $850.00
Asset ID	1010	Asset Cost	$850.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$901.76
Placed in Service	January 1995		
Useful Life	20		
Adjustment	6		
Replacement Year	2021		
Remaining Life	2		

Park Equipment (Dodge Park Small) - Replace continued...

Good condition. Located at Dodge Park small park on corner of W Harvard Ave. Useful life has been extended due to current condition.

1	- 6' bench w/out back	@	$850.00 =	$850.00
			Total =	$850.00

Park Equipment (Dodge Park) - Replace

Asset ID	1012	1 LS	@ $13,007.00
	Recreation	Asset Cost	$13,007.00
	Equipment	Percent Replacement	100%
Placed in Service	September 2016	Future Cost	$21,498.59
Useful Life	20		
Replacement Year	2036		
Remaining Life	17		

Good/newer condition. Located at Dodge Park on east side of N Dodge St between W Scott Ave and W Harvard. Shade sails New condition total $6,357.

5	- 38" picnic table w/4 seats	@	$1,170.00 =	$5,850.00
1	- trash receptacle 9/2016	@	800.00 =	800.00

Park Equipment (Dodge Park) - Replace continued...

1	- (2) blue shade sails 10/2017	@ 6,357.00 =	6,357.00
		Total =	$13,007.00

Park Equipment (Golden Key Park) - Replace

		1 EA	@ $1,170.00
Asset ID	1006	Asset Cost	$1,170.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$1,241.25
Placed in Service	January 1995		
Useful Life	20		
Adjustment	6		
Replacement Year	2021		
Remaining Life	2		

Good condition. Located at Golden Key Park on west side of N Golden Key between W Encinas and W San Angelo. Useful life adjusted to reflect current condition.

1	- 38" picnic table w/4 seats	@ $1,170.00 =	$1,170.00
		Total =	$1,170.00

Park Equipment (Golden Key Park) - Replace

		1 LS	@ $1,650.00
Asset ID	1008	Asset Cost	$1,650.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$1,750.48
Placed in Service	January 1995		
Useful Life	20		
Adjustment	6		
Replacement Year	2021		
Remaining Life	2		

Good condition. Located at Golden Key Park on west side of N Golden Key between W Encinas and W San Angelo. Useful life adjusted to reflect current condition.

1 - 6' bench w/out back	@	$850.00 =	$850.00
1 - trash receptacle w/lid	@	800.00 =	800.00
		Total =	$1,650.00

Park Equipment (Golden Key Park) - Replace

		1 EA	@ $800.00
Asset ID	1007	Asset Cost	$800.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$955.24
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	6		

Park Equipment (Golden Key Park) - Replace continued...

Good condition. Located at Golden Key Park on west side of N Golden Key between W Encinas and W San Angelo. Placed in service date taken from prior study.

1 - trash receptacle w/lid	@	$800.00 =	$800.00
		Total =	$800.00

Park Equipment (Saddle Park) - Replace

		1 EA	@ $800.00
Asset ID	1003	Asset Cost	$800.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$955.24
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	6		

Good condition. Located at Saddle Park along west side of N Saddle St between W Scott & W Harvard. Placed in service date taken from prior study.

1 - trash receptacle w/lid	@	$800.00 =	$800.00

Park Equipment (Saddle Park) - Replace continued...

Total = $800.00

Park Equipment (Saddle Park) - Replace

		1 EA	@ $1,170.00
Asset ID	1004	Asset Cost	$1,170.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$1,718.18
Placed in Service	June 2012		
Useful Life	20		
Replacement Year	2032		
Remaining Life	13		

Good condition. Located at Saddle Park along west side of N Saddle St between W Scott & W Harvard.

1 - 40" picnic table w/4 seats	@ $1,170.00 =	$1,170.00
	Total =	$1,170.00

Park Equipment (San Remo Park) - Replace

		1 EA	@ $800.00
Asset ID	1015	Asset Cost	$800.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$955.24
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	6		

Park Equipment (San Remo Park) - Replace continued...

Good condition. Placed in service date taken from prior study. Located at San Remo Park end of W San Remo Ct.

1 - trash receptacle w/lid	@	$800.00 =	$800.00
		Total =	$800.00

Playstructure (Dodge Park) - Replace

Asset ID	1014	1 EA	@ $24,000.00
	Recreation	Asset Cost	$24,000.00
	Equipment	Percent Replacement	100%
Placed in Service	January 1995	Future Cost	$25,461.60
Useful Life	20		
Adjustment	6		
Replacement Year	2021		
Remaining Life	2		

Good condition including paint, sand, turf. Located at Dodge Park on east side of N Dodge St between W Scott Ave and W Harvard. Playworld Systems playstructure. This asset includes provisions for sand replenishment on an "as needed" basis. Useful life extended due to current

condition.

Playstructure (Golden Key Park) - Replace

		1 EA	@ $16,000.00
Asset ID	1009	Asset Cost	$16,000.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$16,974.40
Placed in Service	January 1995		
Useful Life	20		
Adjustment	6		
Replacement Year	2021		
Remaining Life	2		

Good condition. Original Playworld park equipment located at Golden Key Park on west side of N Golden Key between W Encinas and W San Angelo. Useful life adjusted to reflect current condition. This asset includes a provision for sand replenishment on an "as needed" basis.

Playstructure (Saddle Park) - Replace

		1 EA	@ $40,000.00
Asset ID	1005	Asset Cost	$40,000.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$66,113.90
Placed in Service	November 2016		
Useful Life	20		
Replacement Year	2036		
Remaining Life	17		

Playstructure (Saddle Park) - Replace continued...

New condition on paint, sand, turf and shade sail. Located at Saddle Park along west side of N Saddle St between W Scott & W Harvard. Playworld Systems playstructure. This asset includes provisions for sand replenishment, turf coating and shade sail replacement on an "as needed" basis.

Granite - Replenish

		1 LS	@ $10,000.00
Asset ID	1020	Asset Cost	$10,000.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	$10,000.00
Placed in Service	October 2016		
Useful Life	1		
Replacement Year	2019		
Remaining Life	0		

Good condition. This asset is for granite replenishment for $10,000 every year where needed. River rock added at north end of Dodge Park on 10/2016 for a total of $3300.

Irrigation System Components - Replace/Repair

		1 LS	@ $3,550.00
Asset ID	1022	Asset Cost	$3,550.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	$3,550.00
Placed in Service	January 1995		
Useful Life	1		
Replacement Year	2019		
Remaining Life	0		

Irrigation System Components - Replace/Repair continued...

This asset is for $3,550 annually for irrigation system repairs or replacements including the many irrigation controllers located throughout community. New controller at Golden Key Park installed 5/2016.

Monument Sign - Refurbish

		1 LS	@ $16,526.00
Asset ID	1023	Asset Cost	$16,526.00
	Grounds	Percent Replacement	100%
	Signs	Future Cost	$32,615.49
Placed in Service	January 2017		
Useful Life	25		
Replacement Year	2042		
Remaining Life	23		

New condition. (3) new signs installed in 2017 for a total of $16,525.71.

SILVERHAWKE HOMEOWNERS ASSOCIATION
Category Detail Index

Asset ID	Description	Replacement	Page
Painting			
1001	Masonry Walls - Paint	2026	2-14
Recreation			
1018	Park Equipment (Abilene Park) - Replace	2036	2-15
1013	Park Equipment (Dodge Park) - Replace	2021	2-15
1002	Park Equipment (Saddle Park) - Replace	2021	2-16
1016	Park Equipment (San Remo Park) - Replace	2021	2-17
1026	Volleyball Court Sand (San Remo Park) - Fill	2019	2-18
Equipment			
1025	Backflow Preventers - Replace	2036	2-19
1011	Basketball Backboard (Dodge Park) - Replace	2020	2-19
1024	Dog Stations - Replace	2027	2-20
1019	Drywells - Clean/Inspect	2019	2-21
1021	Irrigation Controllers & System - Replace/Repair	2025	2-21
1017	Park Equipment (Abilene Park) - Replace	2025	2-22
1010	Park Equipment (Dodge Park Small) - Replace	2021	2-22
1012	Park Equipment (Dodge Park) - Replace	2036	2-23
1006	Park Equipment (Golden Key Park) - Replace	2021	2-24
1008	Park Equipment (Golden Key Park) - Replace	2021	2-25
1007	Park Equipment (Golden Key Park) - Replace	2025	2-25
1003	Park Equipment (Saddle Park) - Replace	2025	2-26
1004	Park Equipment (Saddle Park) - Replace	2032	2-27
1015	Park Equipment (San Remo Park) - Replace	2025	2-27
1014	Playstructure (Dodge Park) - Replace	2021	2-28
1009	Playstructure (Golden Key Park) - Replace	2021	2-29
1005	Playstructure (Saddle Park) - Replace	2036	2-29
Grounds Components			
1020	Granite - Replenish	2019	2-31
1022	Irrigation System Components - Replace/Repair	2019	2-31
Signs			
1023	Monument Sign - Refurbish	2042	2-33

Total Funded Assets	26
Total Unfunded Assets	0
Total Assets	26

SILVERHAWKE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Painting										
Masonry Walls - Paint								131,412		
Painting Total:								**131,412**		
Recreation										
Park Equipment (Abilene Park) - Replace										
Park Equipment (Dodge Park) - Replace			6,938							
Park Equipment (Saddle Park) - Replace			4,901							
Park Equipment (San Remo Park) - Replace			2,567							
Volleyball Court Sand (San Remo Park) - Fill	500					580				
Recreation Total:	**500**		**14,407**			**580**				
Equipment										
Backflow Preventers - Replace										
Basketball Backboard (Dodge Park) - Replace		515								
Dog Stations - Replace									6,524	
Drywells - Clean/Inspect	5,000		5,304		5,628		5,970		6,334	
Irrigation Controllers & System - Replace/Repair							3,582			
Park Equipment (Abilene Park) - Replace							955			
Park Equipment (Dodge Park Small) - Replace			902							
Park Equipment (Dodge Park) - Replace										
Park Equipment (Golden Key Park) - Replace			1,241							
Park Equipment (Golden Key Park) - Replace			1,750							
Park Equipment (Golden Key Park) - Replace							955			
Park Equipment (Saddle Park) - Replace							955			
Park Equipment (Saddle Park) - Replace										
Park Equipment (San Remo Park) - Replace							955			
Playstructure (Dodge Park) - Replace			25,462							
Playstructure (Golden Key Park) - Replace			16,974							
Playstructure (Saddle Park) - Replace										
Equipment Total:	**5,000**	**515**	**51,634**		**5,628**		**13,373**		**12,858**	
Grounds Components										
Granite - Replenish	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Irrigation System Components - Replace/Repair	3,550	3,656	3,766	3,879	3,996	4,115	4,239	4,366	4,497	4,632
Grounds Components Total:	**13,550**	**13,956**	**14,375**	**14,806**	**15,251**	**15,708**	**16,179**	**16,665**	**17,165**	**17,680**

SILVERHAWKE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Signs										
Monument Sign - Refurbish										
Signs Total:										
Year Total:	**19,050**	**14,471**	**80,416**	**14,806**	**20,878**	**16,288**	**29,553**	**148,077**	**30,022**	**17,680**

SILVERHAWKE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Painting										
Masonry Walls - Paint						166,469				
Painting Total:						**166,469**				
Recreation										
Park Equipment (Abilene Park) - Replace								8,000		
Park Equipment (Dodge Park) - Replace										
Park Equipment (Saddle Park) - Replace										
Park Equipment (San Remo Park) - Replace										
Volleyball Court Sand (San Remo Park) - Fill	672					779				
Recreation Total:	**672**					**779**		**8,000**		
Equipment										
Backflow Preventers - Replace								9,834		
Basketball Backboard (Dodge Park) - Replace										
Dog Stations - Replace										
Drywells - Clean/Inspect	6,720		7,129		7,563		8,024		8,512	
Irrigation Controllers & System - Replace/Repair										
Park Equipment (Abilene Park) - Replace										
Park Equipment (Dodge Park Small) - Replace										
Park Equipment (Dodge Park) - Replace								21,499		
Park Equipment (Golden Key Park) - Replace										
Park Equipment (Golden Key Park) - Replace										
Park Equipment (Golden Key Park) - Replace										
Park Equipment (Saddle Park) - Replace										
Park Equipment (Saddle Park) - Replace				1,718						
Park Equipment (San Remo Park) - Replace										
Playstructure (Dodge Park) - Replace										
Playstructure (Golden Key Park) - Replace										
Playstructure (Saddle Park) - Replace								66,114		
Equipment Total:	**6,720**		**7,129**	**1,718**	**7,563**		**8,024**	**97,447**	**8,512**	
Grounds Components										
Granite - Replenish	13,439	13,842	14,258	14,685	15,126	15,580	16,047	16,528	17,024	17,535
Irrigation System Components - Replace/Repair	4,771	4,914	5,061	5,213	5,370	5,531	5,697	5,868	6,044	6,225
Grounds Components Total:	**18,210**	**18,756**	**19,319**	**19,899**	**20,496**	**21,110**	**21,744**	**22,396**	**23,068**	**23,760**

SILVERHAWKE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Signs										
Monument Sign - Refurbish										
Signs Total:										
Year Total:	**25,602**	**18,756**	**26,448**	**21,617**	**28,059**	**188,358**	**29,767**	**127,843**	**31,580**	**23,760**

SILVERHAWKE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Painting										
Masonry Walls - Paint				210,878						
Painting Total:				**210,878**						
Recreation										
Park Equipment (Abilene Park) - Replace										
Park Equipment (Dodge Park) - Replace			12,531							
Park Equipment (Saddle Park) - Replace			8,852							
Park Equipment (San Remo Park) - Replace			4,637							
Volleyball Court Sand (San Remo Park) - Fill	903					1,047				
Recreation Total:	**903**		**26,021**			**1,047**				
Equipment										
Backflow Preventers - Replace										
Basketball Backboard (Dodge Park) - Replace							1,078			
Dog Stations - Replace				10,164						
Drywells - Clean/Inspect	9,031		9,581		10,164		10,783		11,440	
Irrigation Controllers & System - Replace/Repair		5,581								
Park Equipment (Abilene Park) - Replace		1,488								
Park Equipment (Dodge Park Small) - Replace			1,629							
Park Equipment (Dodge Park) - Replace										
Park Equipment (Golden Key Park) - Replace			2,242							
Park Equipment (Golden Key Park) - Replace			3,162							
Park Equipment (Golden Key Park) - Replace		1,488								
Park Equipment (Saddle Park) - Replace		1,488								
Park Equipment (Saddle Park) - Replace										
Park Equipment (San Remo Park) - Replace		1,488								
Playstructure (Dodge Park) - Replace			45,986							
Playstructure (Golden Key Park) - Replace			30,658							
Playstructure (Saddle Park) - Replace										
Equipment Total:	**9,031**	**11,534**	**93,257**	**10,164**	**10,164**		**11,861**		**11,440**	
Grounds Components										
Granite - Replenish	18,061	18,603	19,161	19,736	20,328	20,938	21,566	22,213	22,879	23,566
Irrigation System Components - Replace/Repair	6,412	6,604	6,802	7,006	7,216	7,433	7,656	7,886	8,122	8,366
Grounds Components Total:	**24,473**	**25,207**	**25,963**	**26,742**	**27,544**	**28,371**	**29,222**	**30,098**	**31,001**	**31,931**

SILVERHAWKE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Signs										
Monument Sign - Refurbish				32,615						
Signs Total:				**32,615**						
Year Total:	**34,406**	**36,741**	**145,241**	**280,399**	**37,708**	**29,418**	**41,083**	**30,098**	**42,441**	**31,931**