

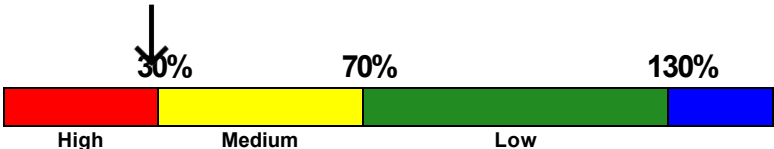
3- Minute Executive Summary

Association: Hudson Trace HOA **Assoc. #: 11438-2**
Location: Tempe, AZ **# of Units: 138**
Report Period: January 1, 2018 through December 31, 2018

Findings/Recommendations as-of: January 1, 2018

Projected Starting Reserve Balance	\$212,674
Current Fully Funded Reserve Balance	\$721,135
Average Reserve Deficit (Surplus) Per Unit	\$3,685
Percent Funded	29.5 %
Recommended 2018 Monthly Reserve Contribution	\$8,000
Recommended 2018 Special Assessments for Reserves	\$207,000 (\$1,500/Unit)
Most Recent Reserve Contribution Rate	\$0

Reserves % Funded: 29.5%



Special Assessment Risk:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves 1.00 %
Annual Inflation Rate 3.00 %

- This is an Update "With-Site-Visit" Reserve Study based on a prior report prepared by Association Reserves for your 2011 Fiscal Year. We performed the site inspection on 10/26/2017.
- The Reserve expense threshold for this analysis is \$1,000, which means no expenses under that amount are funded in the Reserve Study.
- Your Reserve Fund is 29.5 % Funded. This means the Reserve Fund status is Weak, and special assessment risk is currently High.
- The objective of your multi-year Funding Plan is to Fully Fund Reserves, where associations enjoy a low risk of Reserve cash flow problems.
- Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$8,000. Nominal annual increases are scheduled to help offset inflation (see tables herein for details).
- A special assessment of \$207,000 (\$1,500/Unit) is also recommended during 2018 to help fund repaving the asphalt and renovating the irrigation system.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
103	Concrete - Repair	4	1	\$3,500
201	Asphalt - Resurface	28	0	\$190,000
202	Asphalt - Seal/Repair	4	1	\$11,500
300	Monument - Refurbish	15	9	\$5,000
320	Pole Lights - Replace	20	9	\$102,500
325	Pole Lights - Repaint	4	0	\$7,000
404	Concrete Tables - Replace	20	0	\$12,500
520	Perimeter Walls - Paint/Repair	10	1	\$9,000
1001	Irrigation System - Refurbish	30	0	\$30,000
1005	Landscape - Refurbish	3	0	\$7,000
1020	Drywells - Inspect/Clean	5	4	\$4,000
BUILDINGS				
323	Security Lights - Replace	20	9	\$16,000
324	Wall Lights - Replace	30	8	\$22,500
360	Unit Number Tiles - Replace	30	0	\$10,000
706	Garage Door Trim - Replace	30	0	\$25,000
910	Stairwells - Refurbish	2	0	\$4,500
950	Landing Decks - Resurface	4	0	\$28,000
960	Landing Decks - Seal/Repair	1	0	\$4,000
1113	Stair Rails/Stringers - Repaint	5	3	\$11,000
1115	Stucco Surfaces - Repaint	10	2	\$115,000
1116	Wood Trim - Repaint	5	0	\$30,000
1118	Wood Trim - Repair	5	0	\$10,000
1301	Flat Roofs - Replace	18	9	\$33,500
1304	Tile Roofs - Refurbish (A)	30	20	\$185,000
1304	Tile Roofs - Refurbish (B)	30	26	\$185,000
RECREATION AREA				
303	HVAC Unit - Replace	15	4	\$5,000
503	Metal Fence - Replace	25	14	\$7,000
510	Metal Fence - Repaint	5	3	\$1,000
550	Trellis - Replace	20	11	\$7,600
560	Trellis - Repaint	5	3	\$1,200
901	Carpet Floor - Replace	12	9	\$2,100
915	Exercise Equipment - Replace	10	6	\$12,500
930	Restrooms - Remodel	25	4	\$12,500
1200	Pool Deck - Resurface	16	15	\$14,000
1201	Pool Deck - Seal/Repair	4	3	\$3,000
1202	Pools - Resurface	20	9	\$25,000
1203	Spa - Resurface	15	2	\$4,000
1204	Pool Furniture - Replace	8	0	\$3,500
1207	Pool Filter - Replace (A)	15	8	\$1,100
1207	Pool Filter - Replace (B)	15	0	\$1,100
1207	Spa Filter - Replace	15	0	\$1,100
1208	Spa Heater - Replace	10	2	\$2,750

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1210	Pool/Spa Pumps - Replace	12	0	\$5,500
43 Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.