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Oregon Society of Certified Public
Accountants*

July 2, 2014

Board of Directors
Tanglewood Hills Condominium Association
c/o The Management Trust - Northwest
PO Box 23099
Tigard, Oregon 97281-3099

Dear Candra,

We have been engaged by the Board of Directors of Tanglewood Hills Condominium Association to create a reserve study for the Association. The Association has requested two funding scenarios, one with a recommended contribution that does not allow a negative balance and one with gradual contribution increase, but allows a negative balance. The 2015 contribution for each scenario is below:

Recommend Contribution	\$240,000
Gradual Increase	\$ 90,888

If you have any questions concerning this reserve study, please do not hesitate to call.

Sincerely,

Dave Schwindt CPA RS PRA

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TANGLEWOOD HILLS CONDOMINIUM ASSOCIATION
MAINTENANCE PLAN UPDATE
RESERVE STUDY
LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION
2015



TANGLEWOOD HILLS CONDOMINIUM ASSOCIATION

Executive Summary

Year of Report:

January 1, 2015 to December 31, 2015

Number of Units:

159 Units

Parameters:

Beginning Balance: \$210,936

Year 2015 Suggested Contribution: \$240,000

Year 2015 Projected Interest Earned: \$259

Inflation: 2.50%

Annual Increase to Suggested Contribution: 15.00%

Lowest Cash Balance Over 30 Years (Threshold): \$143,235

Average Reserve Assessment per Unit: \$125.79

Prior Year's Actual Contribution: \$56,908

TABLE OF CONTENTS
Tanglewood Hills Condominium Association

Disclosure Information	4 of 88
MAINTENANCE PLAN	
Executive Summary of Maintenance Plan	7 of 88
Maintenance Plan	8 of 88
RESERVE STUDY	
Property Description	25 of 88
Cash Flow Method - Threshold Funding Model Summary I	26 of 88
Cash Flow Method - Threshold Funding Model Projection I	27 of 88
Cash Flow Method - Threshold Funding Model Summary II	28 of 88
Cash Flow Method - Threshold Funding Model Projection II	29 of 88
Component Summary By Category	30 of 88
Component Summary By Group	33 of 88
Annual Expenditure Detail	35 of 88
Detail Report by Category	43 of 88
Additional Disclosures	85 of 88

**Tanglewood Hills Condominium Association
Maintenance Plan Update
Reserve Study Update – Offsite
Disclosure Information
2015**

We have conducted an offsite reserve study update and maintenance plan update for the Tanglewood Hills Condominium Association for the year beginning January 1, 2015, in accordance with guidelines established by Community Associations Institute and the American Institute of Certified Public Accountants.

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

In addition to providing the reserve study and maintenance plan, we also provide tax and review/audit services to the Association.

Ongoing inspections of the property should be performed by a licensed inspector, with the exception of a roof inspection which may be performed by a licensed roofing contractor.

Assumptions used for inflation, interest and other factors are detailed in page 26. Income tax factors were not considered due to variables affecting net taxable income and the election of the tax form to be filed.

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

All information regarding the useful lives and costs of reserve components were derived by vendors, the Association's 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., and various construction pricing and scheduling manuals.

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

“Article 3, Section 3.2.1 of the Association’s Declaration states, “Each unit shall include windows, window frames, exterior doors, door frames, skylights and skylight frames if any.”

“Article 4, Section 4.2 of the Association’s Declaration states, “The cost of maintenance, repair, and replacement of the general common elements shall be a common expense, and the performance of such work shall be the responsibility of the Association. Although repair, maintenance and replacement of exterior doors and door frames (including patio and garage doors), windows and window frames shall be the responsibility of individual owners, exterior painting shall be the responsibility of the Association.”

“Article 5, Section 5.2 of the Association’s Declaration states, “The cost of maintenance, repair and replacement of the limited common elements shall be a common expense, and the performance of such work shall be the responsibility of the Association.”

“Article 17, Section 17.4 of the Association’s Declaration states, “The Association shall maintain all common elements in a clean and attractive condition. If the Association fails to do so, the Declarant may perform such maintenance at the expense of the Association.”

The Association has requested 2 funding scenarios. The first funding scenario does not allow a negative balance. The second scenario assumes the contribution slightly increases but allows a negative balance. The reserve study should be updated when a funding scenario is decided upon.

This reserve study funding scenario uses a contribution increase higher than the estimated inflation rate. This puts the Association at a higher risk of special assessment.



“Pete Fowler Construction Services, Inc. performed a Property Condition Assessment on the property in 2012. The report provided that the overall property appears to have a satisfactory level of preventative maintenance, although, there are some areas, systems, and components that need to be addressed due to deferred maintenance or non-conforming performance qualities. These areas include the following: isolated grading condition behind Building N; isolated exposed waterproofing; moss at roofs; curb damage; isolated gutter damage; dryer vent maintenance; isolated fire extinguisher enclosure repairs; isolated siding damage; isolated paint; isolated trip hazard at concrete sidewalks, pavement; isolated diverter flashing; isolated roof-to-wall flashing; and a railroad tie replacement at the pool retaining wall.”

“Pete Fowler Construction Services, Inc. recommended immediate repairs on the concrete sidewalks (trip hazard), site drainage/grading behind Building N, and removal of moss at isolated roofs. Within a one-year period, the HOA hire a subcontractor to perform a pavement seal coat at streets and parking areas. The rest of the items occur mainly at various isolated locations, where the issues can be addressed through the HOA’s maintenance staff.”

“In 2012, the Association indicated that the recommended repairs will be paid with reserve fund; therefore, all of the recommended repairs are included in the reserve study.”

Earthquake insurance deductible is not funded for in the reserve study.

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

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

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

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

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

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

Physical Analysis:

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

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

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

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

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require homeowners to pay on demand (as a special assessment) their share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

TANGLEWOOD HILLS CONDOMINIUM ASSOCIATION
MAINTENANCE PLAN UPDATE
2015

Tanglewood Hills Condominium Association
Executive Summary of Maintenance Plan

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

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

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

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

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

**Tanglewood Hills Condominium Association
Maintenance Plan
2015**

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

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

Property Inspection

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

This inspection process should include a careful visual review of the unit decks.

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

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

Frequency: Annually

Roof Inspection

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended that damaged or rusted flashings, roof penetration flashings, and shingles be replaced annually. Inspect presence and functioning of diverters and step flashings at the roof to wall intersections. Inspect all roof penetrations and spot inspect underlayment roof edges. This maintenance and inspection procedure should also occur on the carport roofs.

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

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

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

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

Frequency: Annually

Lighting: Exterior & Common Area – Inspection/Maintenance

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

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

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended that all exterior light fixtures at all elevations be inspected annually for proper functioning, including automatic light sensors. The exterior electrical conduit should be inspected to ensure that it is securely affixed. Inspect for any exposed wires. Inspect electrical service panels at each building, verify means of disconnecting service main, and report on unused circuit breaker panels not in use. Inspect exterior lights for presence of water. Inspect and test the ground-fault circuit-interrupter outlets for proper functioning. Respond quickly to reports from residents on any exterior lighting or electrical issues. Replace lamps with bulbs wherever possible. If water is found in any fixture, investigate source and repair.

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

Repairs and inspections should be completed by a qualified professional.

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

Frequency: Annually

Pool Building

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

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

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

Frequency: Monthly

Exterior Stairs, Decks, & Patios

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended the following maintenance and inspection procedures for the stairs, decks, and patios.

All wood stair components, guardrails, and wood relating to the front entry decking and walkways should be inspected annually for deterioration, protruding screws or bolts, peeling paint, sharp edges, buckling, and loose boards or decking. Inspect connections of guardrails to other guardrails or any other building component. Inspect metal stair tread clips to ensure they are fastened securely and for rust. All stairs, entry decks, and wood walkways should be pressure washed annually or as necessary using the lowest pressure possible with the highest volume in order to clean the surface while not damaging or debonding the paint and non-skid coating. Any new wood used for repairs or replacement must be pressure treated, primed on all 6 sides, and installed with non-corrosive fasteners.

All beam supports and any metal flashing at decking edges transitioning to treads or support posts should be inspected.

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

Frequency: Annually

Hot Water Heater – (Common Area Only) – Inspection/Maintenance

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

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

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

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

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

Frequency: Monthly to Annually

Property Entrance - Review

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

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended the mailboxes be inspected annually. The structural wood of the mailboxes should be inspected for signs of decay.

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

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

Frequency: Monthly

Swimming Pool & Spa

Swimming pool maintenance should be performed in conjunction with a service contractor. Preventive maintenance in this area consists of validating all equipment is present and functional on a monthly basis. Only certified professionals should complete repairs or maintenance procedures more advanced than manufacturer's prescribed chemical treatments and cleaning. Maintenance staff should accompany the certified professional during statutory inspections and maintenance to ensure that the physical work complies with contract and manufacturer's specifications.

Preventive maintenance includes, but is not limited to, the review of the following: automatic fill device function; electrical component condition; pump/filter/chlorination function; thermostat; and heater function.

Deck surface condition should be reviewed for deficiencies such as rough areas and tripping and slippage hazards. Fence and gates should be reviewed for the function of the anchors, latches and the overall condition. Handrails and ladders should be reviewed for stability, hardware and overall condition. Steps and treads should be reviewed for security and tread condition.

Safety equipment should be reviewed for its condition and function including, but not limited to, the following: the location and condition of the life ring; emergency telephone equipment; compliance of signage with codes and standards; visibility and overall condition of the signage; and fire extinguishers tag currency, placement, housing, hose, and overall condition.

Note: Any and all electrical outlets near water should be serviced by a ground-fault circuit-interrupter (GFI) to protect users from electrical shock.

Water condition and cleanliness should be reviewed and must comply with local health standards. The County Health Department or local water management authority determines health standards in most communities. Standards must be posted within the pool area.

Pool tile/plaster should be reviewed for its overall condition.

During the off-season when the pool is covered, check the security of the fastening system monthly to make sure it hasn't been tampered with.

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

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

Frequency: Monthly

Windows & Doors

The performance of and payment for the maintenance and repairs of windows and doors is solely the responsibility of the owners. Owners should be made aware of the consequence of not maintaining their property. A method should be adopted for owners to report problems.

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

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended the following maintenance and inspection procedures for the windows and doors.

The windows should be inspected annually for water or condensation between the panes, and from the interior, check perimeter trim and adjacent flooring or walls for staining from water. Clean debris out of all tracks and channels.

The common area doors should be inspected annually. Inspect the exterior door weather stripping to ensure a tight seal. Inspect that thresholds are securely attached. Doors should swing and close easily.

Inspect locks to ensure that they are working properly. If any touch-up paint is needed, adhere to Pitt-Tech/Miller Paint's recommendations for surface preparation and paint application.

The sliding glass door for the common areas should be inspected annually. Inspect for smooth operation of the door and screen door on the tracks, inspect for water or condensation between the panes, and that the exterior weep holes at the bottom are clear of obstructions. Inspect for debris/organic material in the lower tracks or channels. From the interior, check perimeter trim and adjacent flooring and/or walls for water staining. Inspect the exterior perimeter sealant joints for voids. Inspect the vinyl piece that runs vertically along the left and right edges of the fixed window to ensure there are no gaps in the vinyl, as they should snap into place. Inspect the locking mechanism for proper function.

Clean out weep holes at the bottom of all windows to ensure they are open. Adjust door or screen door rollers if needed. Optional recommendations include cleaning exterior window glass. Avoid using a high pressure spray and instead use a water-based household cleaner and wipe down exterior frames if dirty.

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

Frequency: Annually

Gutters & Downspouts

Schwindt & Company recommends that all gutters and downspouts be cleaned, visually inspected, and repaired as required every 6 months in the spring and fall.

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommends that gutters be inspected for secure attachment to fascia, rust holes, and organic material growth. Inspect downspouts for secure attachments. Inspect gutter to downspout connections for tight connection. Inspect presence of screen at the gutter to downspout connection. Inspect downspouts terminate either to a tie-in drain or a splash block, preferably with a French drain nearby. Inspect the connection of the downspout to the tie-in drain and ensure the drain is free of debris. Look for a clean-out on tie-drains and clean.

Due to heavy tree canopy, frequent leaf removal in the fall is imperative. In conjunction with leaf removal, annual tree trimming to help keep branches as far away as possible from the building will reduce the volume of leaves. Flush gutters and downspouts often during the fall. If clean-outs are accessible, clean as needed. Consider installation of gutter guard system.

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

Frequency: Semiannually, more often if necessary

HVAC–Clubhouse Air Conditioning Unit (Common Area Only)

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

Management may opt to contract outside professionals to handle this task, although the following preventive maintenance procedures can be conducted by in-house maintenance personnel. If an outside service contractor is used, be sure to validate their performance by an audit of service performed.

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

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

Frequency: Semiannually

Exterior Walls

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommends the following inspections and maintenance procedures pertaining to the other walls.

Voids and hairline cracks should be inspected in the joint sealant. Reseal any voids and cracks with sealant that states on its label that it meets the ASTM C920 standard and is elastomeric latex. When applying, allow it to cure 24 hours (with no rain) before painting. Painting acts as a protective coat to the sealant.

Siding, including trim and fascia boards, should be inspected for the following: deterioration; holes; staining; and water seepage; and warping or bulging siding. Inspect for small vertical lines that appear to be paint flaking, which occurs in some locations due to the siding itself delaminating because of age. Inspect for sealant voids on battens and trim at splice cuts. Inspect siding where it meets dissimilar materials, such as roofs, decking, and concrete stem walls. Inspect siding and trim of the bump-out windows at the side elevations with care. Inspect dryer vents for excessive lint build-up. Inspect all penetrations are properly flashed.

Pressure wash the exterior walls annually or as necessary using the lowest pressure possible with the highest volume in order to clean the surface while not damaging or de-bonding the paint. Continue for

spot replacement of the pre-2009 siding repairs as needed and allow for replacing this siding entirely in the near future. Any new trim must be installed using 2 x 4 cedars, non-corrosive fasteners, and be primed on all 6 sides before 2-top coats of paint. Any new battens must be installed with 1 x 2 cedar, primed on all 6 sides, have non-corrosive fasteners, and be angle spliced directing water away from the wall. Battens replaced over siding horizontal seams require sealant along the entire length of the batten.

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

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

Any penetrations of the building envelope, such as utility lines and light fixtures, should be checked annually for signs of water intrusion. Hose bibs should be checked for leaks and other failures. Each hose bib should be shut off and drained during the winter to prevent damage from freezing. Inspect storm drains inlet and discharge locations for obstructions to ensure proper flow. Inspect water meters for visible leaks. Insulate hose bibs during the winter months. If any visual inspections suggest possible issues with a particular system, an in-line camera survey is recommended.

Annual inspections, to check for signs of water intrusion, should be made of the building envelope interfaces such as where the windows intersect with the walls and where the walls intersect with the roof. Inspect the concrete stem walls for cracking or crumbling. Inspect settlement of backfill soil next to wall for erosion. Inspect retaining walls for stability and drainage. Cracks in concrete should be patched and sealed. Any cracks larger than ¼ inches need immediate evaluation by a qualified professional.

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

Inspections should be made by a qualified professional.

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

Frequency: Annually

Wrought Iron Fence – Swimming Pool - Inspection

Metal fences require regular inspection of paint condition, rust and other corrosion, and vegetation and trash buildup. The overall condition of the fence should be reviewed for deficiencies such as vegetation encroachment, debris buildup, holes, sagging areas, missing segments, rust, and/or vandalism.

The wrought iron fence should be inspected for scratches, dents, and chips in the coating. Clean the fence with soapy water and oil springs and latches at the door. Scratches and dents should be coated with rust-resistant finish.

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

This expense should be included in the Association's operating budget and may be considered part of

the annual property inspection.

Frequency: Annually

Fire Extinguishers – Common Areas Only

The following annual preventive maintenance checklist is for the fire extinguishers located in the common areas. This inspection and certification must be conducted by a licensed specialty contractor and should be scheduled in advance to ensure that the date on extinguishers will not expire. Monthly inspections of fire extinguishers' general condition, housing, and locations per code should be conducted as part of preventive maintenance procedures. In addition to the annual preventive maintenance tasks outlined below, check the pressure and weight of each extinguisher in the facility every 6 months, according to its manufacturer's label. If the pressure is below the recommended minimum or if the extinguisher has been used, it should be recharged. Consult the National Fire Protect Association's (NFPA) Standard 10 for the specific requirements regarding the proper locations of fire extinguishers and signage.

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

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

Frequency: Annual

Lawn Irrigation System

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

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

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended that during the watering season, sprinkler heads are periodically checked for proper functioning.

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

Frequency: Annually

Fence – Chain Link

The chain link fence surrounding the garbage enclosure should undergo periodic maintenance in order to achieve a maximum useful life. Maintenance includes cleaning and locally repairing the fence. Inspect the fence for dirt. Clean the fence with a hose, a scrub brush, and soapy water.

This expense should be included in the Association's annual operating budget for the year in which it is scheduled.

Frequency: Annually

Exterior Siding Maintenance – Painting

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

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

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended that any touch-up painting should use the same paint and adhere to Miller Paint's application recommendations for surface preparation and paint application.

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

Frequency: Every 7 years, beginning in 2016

Asphalt – Seal Coating

Maintenance of asphalt paving includes the periodic application of an asphalt emulsion sealer or "seal coat". This procedure is typically performed every 4 to 7 years, depending on a variety of factors that can affect the useful life of the sealer.

Vehicle traffic is one such factor, and associations that have asphalt paving that carries considerable vehicle traffic should consider a maintenance program that calls for seal coating of asphalt driving surfaces as frequently as every 4 years.

This maintenance procedure involves thoroughly cleaning all pavements, filling of any surface cracks and patching of any locally damaged pavement surfaces. The emulsion sealer is then applied.

Parking area demarcation lines will need to be renewed each time a seal coat is applied. The component expense includes the cost of this work as well as the seal coating cost.

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended that the parking surfaces are power swept and vacuumed annually. Repaint parking spaces, handicap zones, fire lanes curbs, and lane lines as needed. Patch holes as needed; based on the size of cracks or holes, different materials and methods are used. Inspect curbs for cracking, crumbling, and paint erosion. Inspect drain components for clogging. Inspect surface for cracks, holes, and loose pieces of asphalt.

This inspection should occur annually.

This work should be performed by a licensed paving contractor.

The expense for asphalt seal coat is included in the reserve study for the Association.

Frequency: Every 5 years, beginning in 2019

Interior Paint – Common Areas

The interior painted surfaces of the laundry room and poll building should be cleaned, repaired as required, primed and painted with premium quality interior house paint in accordance with the manufacturer's specifications. The work should be performed by a qualified, licensed painting contractor.

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

Frequency: Every 10 years, beginning in 2015

Handrails - Painting

The metal handrails should be cleaned and painted on a periodic basis to prevent deterioration of the metal material due to rust and oxidation.

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

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

Frequency: Every 7 years, beginning in 2016

Exterior Wooden Decks – Inspection and Maintenance

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended that the wooden decks be inspected and maintained annually. The deck boards should be inspected for signs of wear, fastening to joists below, and protruding screws. Inspect guardrails to ensure they are tightly fastened to the wing walls and inspect the upright posts to ensure they are tightly fastened to the deck edge board. Inspect the guardrails for deterioration. Where the deck meets the structure, proper integration is critical to maintain weather resistance and good performance. If drip panels are installed, inspect for adequate slope for water drainage and secure attachment to joists. Inspect drip line on the ground below drip panel for adequate drainage. Clean debris off deck boards, especially during the fall due to the heavy tree canopy. Drip panels should be cleaned of debris twice per year.

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

Frequency: Annually

Concrete Pavement

Maintenance of the concrete pavement should include cleaning the surface areas with pressure washing

equipment. The pavement should also be visually reviewed for signs of undue stress and cracking. Noticeable cracks should be filled with a suitable concrete crack filler to prevent penetration of moisture below the concrete surface which will undermine the integrity of the base material over time.

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended that the concrete sidewalks be inspected annually. The sidewalks should be inspected for cracks, fissures, lifts, settling, depressions, or any tripping hazards. Inspect concrete wheel stops in the parking lot for cracking and splitting, and to insure they are secure and in the proper position. Inspect for vegetative overgrowth encroaching onto the sidewalk area. Clean and sweep the concrete often. Paint concrete step edges with high visibility outdoor paint. If any cracks are found to be larger than ¼ inch, replacement of the section is needed.

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

Frequency: Annually

Concrete Piers

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommended that the concrete piers located at the front elevations of all building at the first level entry decks and at the base of stairwell privacy walls be inspected annually. Inspect the metal bracket at the wood to concrete interface and this connection area in general. Inspect the ground cover at the base of pier to ensure the soil is well compacted. If new piers are needed, a City of Lake Oswego permit will need to be obtained, including an inspection of the reinforcement steel before the concrete is poured into the form.

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

Frequency: Annually

Landscaping

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommends that a walk-through of the property be done seasonally and routinely. During the walk-through, the Association should note vegetation touching or overhanging any building for trimming. Inspect vegetation for disease and poor health. Inspect sod for uniform thickness and presence of weeds or bare spots. Inspect the ground cover clearance around the 4x4 structural post holes at the front elevation stair assemblies to ensure the concrete is not covered. Seasonal clean-up by the landscaping vendors, routine mowing and edging the lawn, patching the lawn, seasonal fertilizing and shrub trimming should be done. Re-grade locations where wood comes into contact with organic ground cover to ensure a 1-2 inch clearance. Tree trimming should be performed by a certified arborist, especially to keep tree branches from touching or hanging over the buildings.

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

Frequency: Annually

Wood Fence – Inspection

The 2010 Maintenance Plan completed by Pete Fowler Construction Services, Inc. recommend that the

wood fence should be inspected annually for dirt and for signs of deterioration. Clean the fence by either pressure washing or applying a cleaning solution and allow it to dry completely, and then stain.

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

Frequency: Annually

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

Tanglewood Hills Condominium Association
Category Detail Index

Asset ID	Description	Replacement	Page
Roofing			
1064	Roof Maintenance: Moss Treatment (I)	2015	43 of 88
1078	Roof Maintenance: Moss Treatment (II)	2028	43 of 88
1004	Roof, Composition	2026	44 of 88
Painting			
1003	Painting, Exterior (I)	2016	45 of 88
1080	Painting, Exterior (II)	2029	45 of 88
1081	Painting, Exterior (III)	2031	46 of 88
1013	Painting, Interior	2015	47 of 88
1008	Painting: Fence, Wrought Iron: Pool Building	2015	47 of 88
1020	Painting: Handrails Metal (I)	2016	48 of 88
1051	Painting: Handrails Metal (II)	2029	48 of 88
Building Components			
1040	Concrete - Waterproofing Subgrade - Repair	2019	50 of 88
1011	Decks & Guardrails, Wood - Replacement (I)	2020	50 of 88
1039	Decks & Guardrails, Wood - Replacement (II)	2021	51 of 88
1068	Decks - Moss Treatment/Maintenance (I)	2015	51 of 88
1079	Decks - Moss Treatment/Maintenance (II)	2021	52 of 88
1066	Exterior Maintenance	2015	52 of 88
1055	Front Elevation Concrete Piers - Repairs (I)	2025	53 of 88
1054	Front Elevation Concrete Piers - Repairs (II)	2039	54 of 88
1010	Patios, Concrete - Partial Replacement	2030	54 of 88
1002	Siding, Wood - Replacement (I)	2022	55 of 88
1069	Siding, Wood - Replacement (II)	2024	56 of 88
1070	Siding, Wood - Replacement (III)	2025	57 of 88
1001	Stairs & Handrails, Wood - Replacement	2021	57 of 88
1041	Stairs: Non-Skid Coating - (I)	2017	58 of 88
1044	Stairs: Non-Skid Coating - (II)	2025	59 of 88
1046	Stairs: Non-Skid Coating - (III)	2035	59 of 88
1049	Stairs: Non-Skid Coating - (IV)	2045	60 of 88
1014	Tile Wall - Pool Building	2020	60 of 88
1067	Wood Entry Deck - Repairs	2015	61 of 88
Gutters and Downspouts			
1005	Gutters & Downspouts - Partial Replacement	2026	62 of 88

Tanglewood Hills Condominium Association
Category Detail Index

Asset ID	Description	Replacement	Page
Streets/Asphalt			
1021	Asphalt Overlay	2039	63 of 88
1023	Asphalt Seal Coat	2019	63 of 88
Fencing/Security			
1006	Fence, Chain Link: Garbage Enclosures	2030	65 of 88
1012	Fence, Wood - Partial Replacement	2034	65 of 88
1007	Fence, Wrought Iron: Pool Building	2030	66 of 88
Equipment			
1017	Fire Extinguishers	2015	67 of 88
1065	Fire Extinguishers - Enclosure Replacement	2015	67 of 88
1035	Shower - Replacement: Pool Building	2025	68 of 88
1016	Washer & Dryers	2015	68 of 88
1060	Water Heater - Replacement	2021	69 of 88
Interior Furnishings			
1036	Stone Flooring - Replacement: Pool Building	2025	70 of 88
Lighting			
1038	Lights, Exterior	2020	71 of 88
1026	Lights, Exterior: Pole	2020	71 of 88
1015	Lights, Interior	2015	72 of 88
Recreation/Pool			
1031	Pool Deck	2025	73 of 88
1043	Pool Deck Epoxy Recoat (I)	2015	73 of 88
1048	Pool Deck Epoxy Recoat (II)	2027	74 of 88
1052	Pool Deck Epoxy Recoat (III)	2042	74 of 88
1029	Pool Filter	2015	75 of 88
1037	Pool Furniture	2018	75 of 88
1027	Pool Heater	2016	76 of 88
1028	Pool Pump	2015	76 of 88
1030	Pool Replaster	2015	77 of 88
Grounds Components			
1018	Concrete Walkways - Partial Replacement	2015	78 of 88

Tanglewood Hills Condominium Association
Category Detail Index

Asset ID	Description	Replacement	Page
<i>Grounds Components Continued...</i>			
1025	Curbs - Partial Replacement	2015	78 of 88
1019	Handrails, Metal - Partial Replacement	2030	79 of 88
1042	Irrigation Repairs/Upgrades	2020	79 of 88
1024	Pathway: Asphalt Seal Coat	2015	80 of 88
1056	Plumbing	2017	80 of 88
1062	Sewer Line Repairs	2017	81 of 88
1063	Site Drainage - Installation	2015	81 of 88
 Doors and Windows			
1034	Doors, Sliding Glass - Replacement: Common Areas	2023	82 of 88
1032	Doors, Wood - Replacement: Common Areas	2018	82 of 88
1033	Windows - Replacement: Common Areas	2023	83 of 88
 Insurance Deductible			
1061	Insurance Deductible	2015	84 of 88
	Total Funded Assets	65	
	Total Unfunded Assets	<u>0</u>	
	Total Assets	65	

TANGLEWOOD HILLS CONDOMINIUM ASSOCIATION
RESERVE STUDY
LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION
2015

Tanglewood Hills Condominium Association
Property Description

Tanglewood Hills Condominium Association consists of 23 buildings with 159 units located in Lake Oswego, Oregon. The property was constructed in the year 1970, and was converted to a condominium in the year 2000. The Association shall provide exterior improvements upon each unit, such as paint, maintenance, repair and replacement of roofs, gutters, downspouts, rain drains, and exterior building surfaces. The individual homeowners are responsible for all maintenance and repair of the interior of their home.

All information regarding the useful lives and costs of reserve components were derived by vendors, the Association's 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., and various construction pricing and scheduling manuals.

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

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

Tanglewood Hills Condominium Association
 Lake Oswego, Oregon
Cash Flow Method - Threshold Funding Model Summary I

Report Date	June 23, 2014
Budget Year Beginning	January 01, 2015
Budget Year Ending	December 31, 2015
Total Units	159

<i>Report Parameters</i>	
Inflation	2.50%
Interest Rate on Reserve Deposit	0.10%
2015 Beginning Balance	\$210,936.00

**Threshold Funding
 Fully Reserved Model Summary**

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. The threshold method assumes that the threshold method is funded with a positive threshold balance, therefore, "fully reserved".
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage; foundation/footings; storm drains; telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **\$240,000** in **2015** and increases **15.00%** until **2023**. In **2023** the contribution is **\$734,165** and remains constant. A minimum balance of **\$143,235** is maintained.
- **This reserve study funding scenario uses a contribution increase higher than the estimated inflation rate. This puts the Association at a higher risk of special assessment.**
- The purpose of this study is to insure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

<i>ICash Flow Method - Threshold Funding Model Summary of Calculations</i>	
Required Month Contribution	\$20,000.00
<i>\$125.79 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$21.61</u>
Total Month Allocation to Reserves	\$20,021.61
<i>\$125.92 per unit monthly</i>	

Tanglewood Hills Condominium Association
 Lake Oswego, Oregon
Cash Flow Method - Threshold Funding Model Projection I

Beginning Balance: \$210,936

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2015	240,000	259	81,740	369,455
2016	276,000	224	295,450	350,229
2017	317,400	427	95,728	572,328
2018	365,010	764	6,317	931,785
2019	419,761	1,110	49,186	1,303,471
2020	482,726	1,222	343,871	1,443,547
2021	555,135	1,021	723,257	1,276,446
2022	638,405		1,771,616	143,235
2023	734,165	506	35,111	842,795
2024	734,165	297	943,280	633,977
2025	734,165		1,049,240	318,903
2026	734,165	340	376,283	677,126
2027	734,165	1,038	37,519	1,374,810
2028	734,165	1,766	7,524	2,103,217
2029	734,165	2,231	270,562	2,569,051
2030	734,165	2,454	514,066	2,791,604
2031	734,165	2,075	1,114,844	2,413,001
2032	734,165	2,762	50,357	3,099,571
2033	734,165	3,487	11,604	3,825,620
2034	734,165	4,170	54,727	4,509,228
2035	734,165	4,784	124,892	5,123,286
2036	734,165	5,280	243,771	5,618,960
2037	734,165	5,979	40,545	6,318,560
2038	734,165	6,452	267,254	6,791,923
2039	734,165	6,893	300,008	7,232,973
2040	734,165	7,059	575,009	7,399,188
2041	734,165	6,621	1,178,445	6,961,530
2042	734,165	4,462	2,899,588	4,800,569
2043	734,165	4,901	299,908	5,239,727
2044	734,165	4,069	1,570,399	4,407,562

Tanglewood Hills Condominium Association
 Lake Oswego, Oregon
Cash Flow Method - Threshold Funding Model Summary II

Report Date	June 23, 2014
Budget Year Beginning	January 01, 2015
Budget Year Ending	December 31, 2015
Total Units	159

<i>Report Parameters</i>	
Inflation	2.50%
Annual Assessment Increase	15.00%
Interest Rate on Reserve Deposit	0.10%
2015 Beginning Balance	\$210,936.00

**Threshold Funding
 Fully Reserved Model Summary**

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. The threshold method assumes that the threshold method is funded with a positive threshold balance, therefore, "fully reserved".
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage; foundation/footings; storm drains; telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **\$90,888** in **2015** and increases **15.00%**. A minimum balance of **-\$2,970,228** is maintained.
- **This reserve study funding scenario uses a contribution increase higher than the estimated inflation rate. This puts the Association at a higher risk of special assessment.**
- The purpose of this study is to insure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

<i>Cash Flow Method - Threshold Funding Model Summary of Calculations</i>	
Required Month Contribution	\$7,574.00
<i>\$47.64 per unit monthly</i>	
Average Net Month Interest Earned	\$14.87
Total Month Allocation to Reserves	\$7,588.87
<i>\$47.73 per unit monthly</i>	

Tanglewood Hills Condominium Association
Cash Flow Method - Threshold Funding Model Projection II

Beginning Balance: \$210,936

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2015	90,888	179	81,740	220,262
2016	104,521		295,450	29,334
2017	120,199		95,728	53,805
2018	138,229	122	6,317	185,840
2019	158,964	223	49,186	295,840
2020	182,808	51	343,871	134,829
2021	210,229		723,257	-378,198
2022	241,764		1,771,616	-1,908,051
2023	278,028		35,111	-1,665,134
2024	319,733		943,280	-2,288,681
2025	367,693		1,049,240	-2,970,228
2026	422,847		376,283	-2,923,665
2027	486,274		37,519	-2,474,911
2028	559,215		7,524	-1,923,220
2029	643,097		270,562	-1,550,686
2030	739,561		514,066	-1,325,191
2031	850,495		1,114,844	-1,589,539
2032	978,070		50,357	-661,827
2033	1,124,780		11,604	451,350
2034	1,293,497	1,098	54,727	1,691,217
2035	1,487,522	2,373	124,892	3,056,220
2036	1,710,650	3,741	243,771	4,526,840
2037	1,967,248	5,554	40,545	6,459,097
2038	2,262,335	7,420	267,254	8,461,598
2039	2,601,685	9,575	300,008	10,772,850
2040	2,991,938	11,824	575,009	13,201,602
2041	3,440,728	13,893	1,178,445	15,477,779
2042	3,956,838	14,728	2,899,588	16,549,757
2043	4,550,363	18,723	299,908	20,818,935
2044	5,232,918	22,093	1,570,399	24,503,546

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Roofing								
Roof Maintenance: Moss Treatment (I)	2013	2015	2	0	0	1 Total	1,575.94	1,576
Roof Maintenance: Moss Treatment (II)	2026	2028	2	2	13	1 Total	1,575.94	1,576
Roof, Composition	2000	2026	25	1	11	77,513 SF	3.33	258,118
Roofing - Total								<u>\$261,270</u>
Painting								
Painting, Exterior (I)	2009	2016	7	0	1	23 Buildings	12,070.91	277,631
Painting, Exterior (II)	2022	2029	7	7	14	11 Buildings	12,070.91	138,815
Painting, Exterior (III)	2024	2031	7	7	16	11 Buildings	12,070.91	138,815
Painting, Interior	2000	2015	10	5	0	1 Total	1,109.19	1,109
Painting: Fence, Wrought Iron: Pool Buil..	2000	2015	6	9	0	209 LF	11.09	2,318
Painting: Handrails Metal (I)	2009	2016	7	0	1	428 LF	11.09	4,747
Painting: Handrails Metal (II)	2023	2029	7	6	14	428 LF	11.09	4,747
Painting - Total								<u>\$568,182</u>
Building Components								
Concrete - Waterproofing Subgrade - Repair	2009	2019	10	0	4	1 Total	13,864.96	13,865
Decks & Guardrails, Wood - Replacement ..	2009	2020	10	1	5	69 Each	3,327.59	229,604
Decks & Guardrails, Wood - Replacement ..	2009	2021	10	2	6	69 Each	3,327.59	229,604
Decks - Moss Treatment/Maintenance (I)	2013	2015	2	0	0	1 Total	5,568.31	5,568
Decks - Moss Treatment/Maintenance (II)	2021	2021	2	0	6	1 Total	5,568.31	5,568
Exterior Maintenance	2013	2015	1	1	0	1 Total	3,677.19	3,677
Front Elevation Concrete Piers - Repairs (I)	1973	2025	15	37	10	1 Total	7,320.70	7,321
Front Elevation Concrete Piers - Repairs (II)	2009	2039	30	0	24	12 Each	610.06	7,321
Patios, Concrete - Partial Replacement	2000	2030	30	0	15	1,695 SF	11.09	18,804
Siding, Wood - Replacement (I)	2009	2022	20	-7	7	85,586 SF	17.10	1,463,521
Siding, Wood - Replacement (II)	2009	2024	20	-5	9	42,793 SF	17.10	731,760
Siding, Wood - Replacement (III)	2009	2025	20	-4	10	42,793 SF	17.10	731,760
Stairs & Handrails, Wood - Replacement	2009	2021	10	2	6	36 Each	10,532.31	379,163
Stairs: Non-Skid Coating - (I)	2013	2017	4	0	2	36 Stairs	1,386.50	49,914
Stairs: Non-Skid Coating - (II)	2021	2025	4	4	10	36 Stairs	1,386.50	49,914
Stairs: Non-Skid Coating - (III)	2031	2035	4	4	20	36 Stairs	1,386.50	49,914
Stairs: Non-Skid Coating - (IV)	2041	2045	4	4	30	18 Stairs	1,386.50	24,957
Tile Wall - Pool Building	2000	2020	15	5	5	1 Total	2,218.40	2,218
Wood Entry Deck - Repairs	2013	2015	1	1	0	1 Total	1,260.75	1,261
Building Components - Total								<u>\$4,005,714</u>
Gutters and Downspouts								
Gutters & Downspouts - Partial Replaceme..	2009	2026	25	-8	11	2,730 LF	6.65	18,158
Gutters and Downspouts - Total								<u>\$18,158</u>

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Streets/Asphalt								
Asphalt Overlay	2014	2039	25	0	24	83,442 SF	1.43	119,322
Asphalt Seal Coat	2019	2019	5	0	4	1 Total	21,012.50	<u>21,012</u>
Streets/Asphalt - Total								\$140,335
Fencing/Security								
Fence, Chain Link: Garbage Enclosures	2000	2030	30	0	15	240 LF	19.68	4,723
Fence, Wood - Partial Replacement	2009	2034	25	0	19	250 SF	33.27	8,317
Fence, Wrought Iron: Pool Building	2000	2030	30	0	15	209 LF	45.92	<u>9,597</u>
Fencing/Security - Total								\$22,638
Equipment								
Fire Extinguishers	2000	2015	15	0	0	38 Each	279.64	10,626
Fire Extinguishers - Enclosure Replacement	2000	2015	15	0	0	1 Total	1,050.62	1,051
Shower - Replacement: Pool Building	2000	2025	25	0	10	1 Total	1,663.79	1,664
Washer & Dryers	2000	2015	15	0	0	4 Each	1,109.19	4,437
Water Heater - Replacement	2011	2021	10	0	6	1 Total	865.71	<u>866</u>
Equipment - Total								\$18,643
Interior Furnishings								
Stone Flooring - Replacement: Pool Building	2000	2025	25	0	10	218 SF	7.15	<u>1,559</u>
Interior Furnishings - Total								\$1,559
Lighting								
Lights, Exterior	2000	2020	10	10	5	302 Each	110.92	33,498
Lights, Exterior: Pole	2000	2020	10	10	5	56 Each	221.84	12,423
Lights, Interior	2000	2015	15	0	0	10 Each	55.46	<u>555</u>
Lighting - Total								\$46,475
Recreation/Pool								
Pool Deck	2010	2025	15	0	10	1 Total	9,261.80	9,262
Pool Deck Epoxy Recoat (I)	2014	2015	1	0	0	1,520 SF	1.67	2,538
Pool Deck Epoxy Recoat (II)	2025	2027	2	2	12	1,520 SF	1.67	2,538
Pool Deck Epoxy Recoat (III)	2040	2042	2	2	27	1,520 SF	1.67	2,538
Pool Filter	2008	2015	6	1	0	1 Total	2,029.02	2,029
Pool Furniture	2013	2018	5	0	3	1 Total	554.60	555
Pool Heater	2010	2016	6	0	1	1 Total	3,327.59	3,328
Pool Pump	2009	2015	5	1	0	1 Total	942.82	943
Pool Replaster	2000	2015	15	0	0	1 Total	22,183.94	<u>22,184</u>
Recreation/Pool - Total								\$45,915

Tanglewood Hills Condominium Association
 Lake Oswego, Oregon
Component Summary By Category

Description	<i>Date in Service</i>	<i>Replacement Year</i>	<i>Useful</i>	<i>Adjustment</i>	<i>Remaining</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Current Cost</i>
Grounds Components								
Concrete Walkways - Partial Replacement	2000	2015	10	5	0	1 Total	7,879.69	7,880
Curbs - Partial Replacement	2000	2015	30	-15	0	1 Total	3,677.19	3,677
Handrails, Metal - Partial Replacement	2000	2030	30	0	15	107 LF	45.48	4,866
Irrigation Repairs/Upgrades	2000	2020	20	0	5	1 Total	11,091.98	11,092
Pathway: Asphalt Seal Coat	2000	2015	5	10	0	1 Total	1,109.19	1,109
Plumbing	2014	2017	3	0	2	1 Total	10,506.25	10,506
Sewer Line Repairs	2012	2017	5	0	2	1 Total	21,012.50	21,012
Site Drainage - Installation	2013	2015	1	1	0	1 Total	4,202.50	<u>4,202</u>
Grounds Components - Total								<u>\$64,346</u>
Doors and Windows								
Doors, Sliding Glass - Replacement: Com..	2003	2023	20	0	8	1 Total	1,109.19	1,109
Doors, Wood - Replacement: Common Ar..	2003	2018	25	-10	3	5 Each	554.60	2,773
Windows - Replacement: Common Areas	2003	2023	20	0	8	4 Each	554.60	<u>2,218</u>
Doors and Windows - Total								<u>\$6,101</u>
Insurance Deductible								
Insurance Deductible	2012	2015	1	0	0	1 Total	5,000.00	<u>5,000</u>
Insurance Deductible - Total								<u>\$5,000</u>
Total Asset Summary								<u>\$5,204,335</u>

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Component Summary By Group

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Capital								
Asphalt Overlay	2014	2039	25	0	24	83,442 SF	1.43	119,322
Decks & Guardrails, Wood - Replacement ..	2009	2020	10	1	5	69 Each	3,327.59	229,604
Decks & Guardrails, Wood - Replacement ..	2009	2021	10	2	6	69 Each	3,327.59	229,604
Doors, Sliding Glass - Replacement: Com..	2003	2023	20	0	8	1 Total	1,109.19	1,109
Doors, Wood - Replacement: Common Ar..	2003	2018	25	-10	3	5 Each	554.60	2,773
Fence, Chain Link: Garbage Enclosures	2000	2030	30	0	15	240 LF	19.68	4,723
Fence, Wrought Iron: Pool Building	2000	2030	30	0	15	209 LF	45.92	9,597
Fire Extinguishers	2000	2015	15	0	0	38 Each	279.64	10,626
Fire Extinguishers - Enclosure Replacement	2000	2015	15	0	0	1 Total	1,050.62	1,051
Lights, Exterior	2000	2020	10	10	5	302 Each	110.92	33,498
Lights, Exterior: Pole	2000	2020	10	10	5	56 Each	221.84	12,423
Lights, Interior	2000	2015	15	0	0	10 Each	55.46	555
Pool Deck	2010	2025	15	0	10	1 Total	9,261.80	9,262
Pool Filter	2008	2015	6	1	0	1 Total	2,029.02	2,029
Pool Furniture	2013	2018	5	0	3	1 Total	554.60	555
Pool Heater	2010	2016	6	0	1	1 Total	3,327.59	3,328
Pool Pump	2009	2015	5	1	0	1 Total	942.82	943
Pool Replaster	2000	2015	15	0	0	1 Total	22,183.94	22,184
Roof, Composition	2000	2026	25	1	11	77,513 SF	3.33	258,118
Shower - Replacement: Pool Building	2000	2025	25	0	10	1 Total	1,663.79	1,664
Siding, Wood - Replacement (I)	2009	2022	20	-7	7	85,586 SF	17.10	1,463,521
Siding, Wood - Replacement (II)	2009	2024	20	-5	9	42,793 SF	17.10	731,760
Siding, Wood - Replacement (III)	2009	2025	20	-4	10	42,793 SF	17.10	731,760
Site Drainage - Installation	2013	2015	1	1	0	1 Total	4,202.50	4,202
Stairs & Handrails, Wood - Replacement	2009	2021	10	2	6	36 Each	10,532.31	379,163
Stone Flooring - Replacement: Pool Buildi..	2000	2025	25	0	10	218 SF	7.15	1,559
Tile Wall - Pool Building	2000	2020	15	5	5	1 Total	2,218.40	2,218
Washer & Dryers	2000	2015	15	0	0	4 Each	1,109.19	4,437
Water Heater - Replacement	2011	2021	10	0	6	1 Total	865.71	866
Windows - Replacement: Common Areas	2003	2023	20	0	8	4 Each	554.60	2,218
Capital - Total								<u>\$4,274,671</u>
Non-Capital								
Asphalt Seal Coat	2019	2019	5	0	4	1 Total	21,012.50	21,012
Concrete - Waterproofing Subgrade - Repair	2009	2019	10	0	4	1 Total	13,864.96	13,865
Concrete Walkways - Partial Replacement	2000	2015	10	5	0	1 Total	7,879.69	7,880
Curbs - Partial Replacement	2000	2015	30	-15	0	1 Total	3,677.19	3,677
Decks - Moss Treatment/Maintenance (I)	2013	2015	2	0	0	1 Total	5,568.31	5,568
Decks - Moss Treatment/Maintenance (II)	2021	2021	2	0	6	1 Total	5,568.31	5,568
Exterior Maintenance	2013	2015	1	1	0	1 Total	3,677.19	3,677
Fence, Wood - Partial Replacement	2009	2034	25	0	19	250 SF	33.27	8,317
Front Elevation Concrete Piers - Repairs (I)	1973	2025	15	37	10	1 Total	7,320.70	7,321

Tanglewood Hills Condominium Association
 Lake Oswego, Oregon
Component Summary By Group

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<i>Non-Capital continued...</i>								
Front Elevation Concrete Piers - Repairs (II)	2009	2039	30	0	24	12 Each	610.06	7,321
Gutters & Downspouts - Partial Replaceme..	2009	2026	25	-8	11	2,730 LF	6.65	18,158
Handrails, Metal - Partial Replacement	2000	2030	30	0	15	107 LF	45.48	4,866
Insurance Deductible	2012	2015	1	0	0	1 Total	5,000.00	5,000
Irrigation Repairs/Upgrades	2000	2020	20	0	5	1 Total	11,091.98	11,092
Painting, Exterior (I)	2009	2016	7	0	1	23 Buildings	12,070.91	277,631
Painting, Exterior (II)	2022	2029	7	7	14	11 Buildings	12,070.91	138,815
Painting, Exterior (III)	2024	2031	7	7	16	11 Buildings	12,070.91	138,815
Painting, Interior	2000	2015	10	5	0	1 Total	1,109.19	1,109
Painting: Fence, Wrought Iron: Pool Buil..	2000	2015	6	9	0	209 LF	11.09	2,318
Painting: Handrails Metal (I)	2009	2016	7	0	1	428 LF	11.09	4,747
Painting: Handrails Metal (II)	2023	2029	7	6	14	428 LF	11.09	4,747
Pathway: Asphalt Seal Coat	2000	2015	5	10	0	1 Total	1,109.19	1,109
Patios, Concrete - Partial Replacement	2000	2030	30	0	15	1,695 SF	11.09	18,804
Plumbing	2014	2017	3	0	2	1 Total	10,506.25	10,506
Pool Deck Epoxy Recoat (I)	2014	2015	1	0	0	1,520 SF	1.67	2,538
Pool Deck Epoxy Recoat (II)	2025	2027	2	2	12	1,520 SF	1.67	2,538
Pool Deck Epoxy Recoat (III)	2040	2042	2	2	27	1,520 SF	1.67	2,538
Roof Maintenance: Moss Treatment (I)	2013	2015	2	0	0	1 Total	1,575.94	1,576
Roof Maintenance: Moss Treatment (II)	2026	2028	2	2	13	1 Total	1,575.94	1,576
Sewer Line Repairs	2012	2017	5	0	2	1 Total	21,012.50	21,012
Stairs: Non-Skid Coating - (I)	2013	2017	4	0	2	36 Stairs	1,386.50	49,914
Stairs: Non-Skid Coating - (II)	2021	2025	4	4	10	36 Stairs	1,386.50	49,914
Stairs: Non-Skid Coating - (III)	2031	2035	4	4	20	36 Stairs	1,386.50	49,914
Stairs: Non-Skid Coating - (IV)	2041	2045	4	4	30	18 Stairs	1,386.50	24,957
Wood Entry Deck - Repairs	2013	2015	1	1	0	1 Total	1,260.75	1,261
Non-Capital - Total								<u>\$929,664</u>
Total Asset Summary								<u>\$5,204,335</u>

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Annual Expenditure Detail

Description	Expenditures
Replacement Year 2015	
Concrete Walkways - Partial Replacement	7,880
Curbs - Partial Replacement	3,677
Decks - Moss Treatment/Maintenance (I)	5,568
Exterior Maintenance	3,677
Fire Extinguishers	10,626
Fire Extinguishers - Enclosure Replacement	1,051
Insurance Deductible	5,000
Lights, Interior	555
Painting, Interior	1,109
Painting: Fence, Wrought Iron: Pool Building	2,318
Pathway: Asphalt Seal Coat	1,109
Pool Deck Epoxy Recoat (I)	2,538
Pool Filter	2,029
Pool Pump	943
Pool Replaster	22,184
Roof Maintenance: Moss Treatment (I)	1,576
Site Drainage - Installation	4,202
Washer & Dryers	4,437
Wood Entry Deck - Repairs	1,261
Total for 2015	\$81,740
Replacement Year 2016	
Painting, Exterior (I)	284,572
Painting: Handrails Metal (I)	4,865
Pool Deck Epoxy Recoat (I)	2,602
Pool Heater	3,411
Total for 2016	\$295,450
Replacement Year 2017	
Decks - Moss Treatment/Maintenance (I)	5,850
Plumbing	11,038
Pool Deck Epoxy Recoat (I)	2,667
Roof Maintenance: Moss Treatment (I)	1,656
Sewer Line Repairs	22,076
Stairs: Non-Skid Coating - (I)	52,441
Total for 2017	\$95,728

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Annual Expenditure Detail

Description	Expenditures
Replacement Year 2018	
Doors, Wood - Replacement: Common Areas	2,986
Pool Deck Epoxy Recoat (I)	2,734
Pool Furniture	597
Total for 2018	\$6,317
Replacement Year 2019	
Asphalt Seal Coat	23,194
Concrete - Waterproofing Subgrade - Repair	15,304
Decks - Moss Treatment/Maintenance (I)	6,146
Pool Deck Epoxy Recoat (I)	2,802
Roof Maintenance: Moss Treatment (I)	1,740
Total for 2019	\$49,186
Replacement Year 2020	
Decks & Guardrails, Wood - Replacement (I)	259,776
Irrigation Repairs/Upgrades	12,550
Lights, Exterior	37,900
Lights, Exterior: Pole	14,056
Pathway: Asphalt Seal Coat	1,255
Plumbing	11,887
Pool Deck Epoxy Recoat (I)	2,872
Pool Pump	1,067
Tile Wall - Pool Building	2,510
Total for 2020	\$343,871
Replacement Year 2021	
Decks & Guardrails, Wood - Replacement (II)	266,270
Decks - Moss Treatment/Maintenance (II)	6,458
Painting: Fence, Wrought Iron: Pool Building	2,688
Pool Deck Epoxy Recoat (I)	2,944
Pool Filter	2,353
Roof Maintenance: Moss Treatment (I)	1,828
Stairs & Handrails, Wood - Replacement	439,713
Water Heater - Replacement	1,004
Total for 2021	\$723,257

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Annual Expenditure Detail

Description	Expenditures
Replacement Year 2022	
Pool Deck Epoxy Recoat (I)	3,017
Pool Heater	3,955
Sewer Line Repairs	24,977
Siding, Wood - Replacement (I)	1,739,666
Total for 2022	\$1,771,616
Replacement Year 2023	
Decks - Moss Treatment/Maintenance (II)	6,784
Doors, Sliding Glass - Replacement: Common Areas	1,351
Painting: Handrails Metal (I)	5,783
Plumbing	12,801
Pool Deck Epoxy Recoat (I)	3,093
Pool Furniture	676
Roof Maintenance: Moss Treatment (I)	1,920
Windows - Replacement: Common Areas	2,703
Total for 2023	\$35,111
Replacement Year 2024	
Asphalt Seal Coat	26,242
Pool Deck Epoxy Recoat (I)	3,170
Siding, Wood - Replacement (II)	913,868
Total for 2024	\$943,280
Replacement Year 2025	
Concrete Walkways - Partial Replacement	10,087
Decks - Moss Treatment/Maintenance (II)	7,128
Front Elevation Concrete Piers - Repairs (I)	9,371
Painting, Interior	1,420
Pathway: Asphalt Seal Coat	1,420
Pool Deck	11,856
Pool Pump	1,207
Roof Maintenance: Moss Treatment (I)	2,017
Shower - Replacement: Pool Building	2,130
Siding, Wood - Replacement (III)	936,715
Stairs: Non-Skid Coating - (II)	63,894

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025 continued...	
Stone Flooring - Replacement: Pool Building	1,995
Total for 2025	\$1,049,240
Replacement Year 2026	
Gutters & Downspouts - Partial Replacement	23,825
Plumbing	13,785
Roof, Composition	338,674
Total for 2026	\$376,283
Replacement Year 2027	
Painting: Fence, Wrought Iron: Pool Building	3,117
Pool Deck Epoxy Recoat (II)	3,414
Pool Filter	2,729
Sewer Line Repairs	28,259
Total for 2027	\$37,519
Replacement Year 2028	
Pool Furniture	765
Pool Heater	4,587
Roof Maintenance: Moss Treatment (II)	2,172
Total for 2028	\$7,524
Replacement Year 2029	
Asphalt Seal Coat	29,690
Concrete - Waterproofing Subgrade - Repair	19,591
Painting, Exterior (II)	196,143
Painting: Handrails Metal (II)	6,707
Plumbing	14,845
Pool Deck Epoxy Recoat (II)	3,587
Total for 2029	\$270,562
Replacement Year 2030	
Decks & Guardrails, Wood - Replacement (I)	332,535
Fence, Chain Link: Garbage Enclosures	6,841

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2030 continued...</i>	
Fence, Wrought Iron: Pool Building	13,900
Fire Extinguishers	15,390
Handrails, Metal - Partial Replacement	7,048
Lights, Exterior	48,515
Lights, Exterior: Pole	17,992
Lights, Interior	803
Pathway: Asphalt Seal Coat	1,606
Patios, Concrete - Partial Replacement	27,234
Pool Pump	1,365
Pool Replaster	32,129
Roof Maintenance: Moss Treatment (II)	2,282
Washer & Dryers	6,426
Total for 2030	<u>\$514,066</u>
Replacement Year 2031	
Decks & Guardrails, Wood - Replacement (II)	340,848
Painting, Exterior (III)	206,072
Pool Deck Epoxy Recoat (II)	3,768
Stairs & Handrails, Wood - Replacement	562,870
Water Heater - Replacement	1,285
Total for 2031	<u>\$1,114,844</u>
Replacement Year 2032	
Plumbing	15,987
Roof Maintenance: Moss Treatment (II)	2,398
Sewer Line Repairs	31,973
Total for 2032	<u>\$50,357</u>
Replacement Year 2033	
Painting: Fence, Wrought Iron: Pool Building	3,615
Pool Deck Epoxy Recoat (II)	3,959
Pool Filter	3,165
Pool Furniture	865
Total for 2033	<u>\$11,604</u>

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Annual Expenditure Detail

Description	Expenditures
Replacement Year 2034	
Asphalt Seal Coat	33,592
Fence, Wood - Partial Replacement	13,297
Pool Heater	5,320
Roof Maintenance: Moss Treatment (II)	2,519
Total for 2034	<u>\$54,727</u>
Replacement Year 2035	
Concrete Walkways - Partial Replacement	12,912
Painting, Interior	1,818
Pathway: Asphalt Seal Coat	1,818
Plumbing	17,216
Pool Deck Epoxy Recoat (II)	4,159
Pool Pump	1,545
Stairs: Non-Skid Coating - (III)	81,790
Tile Wall - Pool Building	3,635
Total for 2035	<u>\$124,892</u>
Replacement Year 2036	
Painting, Exterior (II)	233,152
Painting: Handrails Metal (II)	7,972
Roof Maintenance: Moss Treatment (II)	2,647
Total for 2036	<u>\$243,771</u>
Replacement Year 2037	
Pool Deck Epoxy Recoat (II)	4,370
Sewer Line Repairs	36,175
Total for 2037	<u>\$40,545</u>
Replacement Year 2038	
Painting, Exterior (III)	244,955
Plumbing	18,539
Pool Furniture	979
Roof Maintenance: Moss Treatment (II)	2,781
Total for 2038	<u>\$267,254</u>

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Annual Expenditure Detail

Description	Expenditures
Replacement Year 2039	
Asphalt Overlay	215,821
Asphalt Seal Coat	38,006
Concrete - Waterproofing Subgrade - Repair	25,078
Front Elevation Concrete Piers - Repairs (II)	13,241
Painting: Fence, Wrought Iron: Pool Building	4,192
Pool Filter	3,670
Total for 2039	\$300,008
Replacement Year 2040	
Decks & Guardrails, Wood - Replacement (I)	425,672
Front Elevation Concrete Piers - Repairs (I)	13,572
Irrigation Repairs/Upgrades	20,564
Lights, Exterior	62,103
Lights, Exterior: Pole	23,032
Pathway: Asphalt Seal Coat	2,056
Pool Deck	17,171
Pool Heater	6,169
Pool Pump	1,748
Roof Maintenance: Moss Treatment (II)	2,922
Total for 2040	\$575,009
Replacement Year 2041	
Decks & Guardrails, Wood - Replacement (II)	436,314
Plumbing	19,965
Stairs & Handrails, Wood - Replacement	720,521
Water Heater - Replacement	1,645
Total for 2041	\$1,178,445
Replacement Year 2042	
Pool Deck Epoxy Recoat (III)	4,944
Roof Maintenance: Moss Treatment (II)	3,070
Sewer Line Repairs	40,928
Siding, Wood - Replacement (I)	2,850,645
Total for 2042	\$2,899,588

Tanglewood Hills Condominium Association
 Lake Oswego, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2043	
Doors, Sliding Glass - Replacement: Common Areas	2,214
Doors, Wood - Replacement: Common Areas	5,536
Painting, Exterior (II)	277,144
Painting: Handrails Metal (II)	9,476
Pool Furniture	1,107
Windows - Replacement: Common Areas	4,429
Total for 2043	<u>\$299,908</u>
 Replacement Year 2044	
Asphalt Seal Coat	43,000
Plumbing	21,500
Pool Deck Epoxy Recoat (III)	5,195
Roof Maintenance: Moss Treatment (II)	3,225
Siding, Wood - Replacement (II)	1,497,480
Total for 2044	<u>\$1,570,399</u>

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Roof Maintenance: Moss Treatment (I)		1 Total	@ \$1,575.94
Asset ID	1064	Asset Cost	\$1,575.94
	Non-Capital	Percent Replacement	100%
	Roofing	Future Cost	\$1,575.94
Placed in Service	January 2013		
Useful Life	2		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for moss treatment on Buildings A, B, E, F, G, H, K, O, Q, R, and S per Pete Fowler.

Pete Fowler Construction Services, Inc. performed a Property Condition Assessment Report on March 12, 2012, and recommended that moss on roofs of Buildings A, B, E, F, G, H, K, O, Q, R, and S should be remove to get the full life-cycle out of the roofing products. Pete Fowler provided a cost of \$1,500 for this expense. A useful life of every 2 years was provided. The Association will need to obtain bids for this work.

Roof Maintenance: Moss Treatment (II)		1 Total	@ \$1,575.94
Asset ID	1078	Asset Cost	\$1,575.94
	Non-Capital	Percent Replacement	100%
	Roofing	Future Cost	\$2,172.45
Placed in Service	January 2026		
Useful Life	2		
Adjustment	2		
Replacement Year	2028		
Remaining Life	13		

This provision provides funding for moss treatment on Buildings A, B, E, F, G, H, K, O, Q, R, and S per Pete Fowler. This component is scheduled to occur after the roof replacements scheduled for 2026.

Pete Fowler Construction Services, Inc. performed a Property Condition Assessment Report on March 12, 2012, and recommended that moss on roofs of Buildings A, B, E, F, G, H, K, O, Q, R, and S should be remove to get the full life-cycle out of the roofing products. Pete Fowler provided a cost of \$1,500 for this expense. A useful life of every 2 years was provided. The Association will need to obtain bids for this work.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Painting, Exterior (I)		23 Buildings	@ \$12,070.91
Asset ID	1003	Asset Cost	\$277,630.93
	Non-Capital	Percent Replacement	100%
	Painting	Future Cost	\$284,571.70
Placed in Service	January 2009		
Useful Life	7		
Replacement Year	2016		
Remaining Life	1		

This provision provides funding for painting of the residential buildings. This should include caulking and sealing.

According to the Association, painting occurred in 2009. According to the scope of work estimates provided by the Association, an estimated cost of \$8,166.50 per building was provided. There are a total of 23 buildings. The cost includes painting the wood fence at some of the buildings.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc., joint sealant is the front line of the "face seal" system that keeps water from entering the building walls. It is found around the perimeter of windows and doors, the back elevation deck assemblies, on siding, and most locations where two dissimilar materials meet.

According to the Association, sliding glass doors is the responsibility of the homeowners. The joint sealant maintenance around the perimeter of the sliding glass door assemblies is a critical maintenance location. All other sealant locations are the responsibility of the Association. The maintenance plan provided a useful life of 7 years to paint.

The maintenance plan also states that all exterior building surfaces, decking, and stairwells were pressure washed, primed, and had two top coats of Miller paint applied in 2009.

Painting, Exterior (II)		23 Buildings	@ \$12,070.91
Asset ID	1080	Asset Cost	\$138,815.46
	Non-Capital	Percent Replacement	50%
	Painting	Future Cost	\$196,142.62
Placed in Service	January 2022		
Useful Life	7		
Adjustment	7		
Replacement Year	2029		
Remaining Life	14		

This provision provides funding for painting of the residential buildings. This should include caulking and sealing.

According to the Association, painting occurred in 2009. According to the scope of work

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Painting, Exterior (II) continued...

estimates provided by the Association, an estimated cost of \$8,166.50 per building was provided. There are a total of 23 buildings. The cost includes painting the wood fence at some of the buildings.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc., joint sealant is the front line of the "face seal" system that keeps water from entering the building walls. It is found around the perimeter of windows and doors, the back elevation deck assemblies, on siding, and most locations where two dissimilar materials meet.

According to the Association, sliding glass doors is the responsibility of the homeowners. The joint sealant maintenance around the perimeter of the sliding glass door assemblies is a critical maintenance location. All other sealant locations are the responsibility of the Association. The maintenance plan provided a useful life of 7 years to paint.

The maintenance plan also states that all exterior building surfaces, decking, and stairwells were pressure washed, primed, and had two top coats of Miller paint applied in 2009.

Painting, Exterior (III)		23 Buildings	@ \$12,070.91
Asset ID	1081	Asset Cost	\$138,815.46
	Non-Capital	Percent Replacement	50%
	Painting	Future Cost	\$206,072.34
Placed in Service	January 2024		
Useful Life	7		
Adjustment	7		
Replacement Year	2031		
Remaining Life	16		

This provision provides funding for painting of the residential buildings. This should include caulking and sealing.

According to the Association, painting occurred in 2009. According to the scope of work estimates provided by the Association, an estimated cost of \$8,166.50 per building was provided. There are a total of 23 buildings. The cost includes painting the wood fence at some of the buildings.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc., joint sealant is the front line of the "face seal" system that keeps water from entering the building walls. It is found around the perimeter of windows and doors, the back elevation deck assemblies, on siding, and most locations where two dissimilar materials meet.

According to the Association, sliding glass doors is the responsibility of the homeowners. The joint sealant maintenance around the perimeter of the sliding glass door assemblies is a critical maintenance location. All other sealant locations are the responsibility of the Association.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Painting, Exterior (III) continued...

The maintenance plan provided a useful life of 7 years to paint.

The maintenance plan also states that all exterior building surfaces, decking, and stairwells were pressure washed, primed, and had two top coats of Miller paint applied in 2009.

Painting, Interior

Asset ID	1013	1 Total	@ \$1,109.19
	Non-Capital	Asset Cost	\$1,109.19
	Painting	Percent Replacement	100%
Placed in Service	January 2000	Future Cost	\$1,109.19
Useful Life	10		
Adjustment	5		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for interior painting of the laundry room and the pool building.

Schwindt & Company estimated 932 square feet of interior walls.

The cost is based on a per square foot estimate provided by Get-A-Quote.net. The Association will need to obtain bids for this work.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Painting: Fence, Wrought Iron: Pool Building

Asset ID	1008	209 LF	@ \$11.09
	Non-Capital	Asset Cost	\$2,317.81
	Painting	Percent Replacement	100%
Placed in Service	January 2000	Future Cost	\$2,317.81
Useful Life	6		
Adjustment	9		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for painting of the wrought iron fence at the pool building.

Schwindt & Company estimated 209 linear feet of fencing.

The cost is based on a per linear foot estimate provided by Verhaalen Painting, Inc. The

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Painting: Fence, Wrought Iron: Pool Building continued...

Association will need to obtain bids for this work.

The useful life assumptions are based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Painting: Handrails Metal (I)

		428 LF	@ \$11.09
Asset ID	1020	Asset Cost	\$4,746.52
	Non-Capital	Percent Replacement	100%
	Painting	Future Cost	\$4,865.18
Placed in Service	January 2009		
Useful Life	7		
Replacement Year	2016		
Remaining Life	1		

This provision provides funding for painting of the metal handrails located at stairways.

Schwindt & Company estimated 428 linear feet of metal handrails.

The cost is based on a per square foot estimate provided by Verhaalen Painting, Inc. The Association will need to obtain bids for this work.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Painting: Handrails Metal (II)

		428 LF	@ \$11.09
Asset ID	1051	Asset Cost	\$4,746.52
	Non-Capital	Percent Replacement	100%
	Painting	Future Cost	\$6,706.71
Placed in Service	January 2023		
Useful Life	7		
Adjustment	6		
Replacement Year	2029		
Remaining Life	14		

This provision provides funding for painting of the metal handrails located at stairways to occur at the same time the exterior of the buildings are being painted.

Schwindt & Company estimated 428 linear feet of metal handrails.

The cost is based on a per square foot estimate provided by Verhaalen Painting, Inc. The Association will need to obtain bids for this work.

Tanglewood Hills Condominium Association
Lake Oswego, Oregon
Detail Report by Category

Painting: Handrails Metal (II) continued...

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Painting - Total Current Cost **\$568,182**

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Concrete - Waterproofing Subgrade - Repair

Asset ID	1040	1 Total	@ \$13,864.96
	Non-Capital	Asset Cost	\$13,864.96
	Building Components	Percent Replacement	100%
Placed in Service	January 2009	Future Cost	\$15,304.32
Useful Life	10		
Replacement Year	2019		
Remaining Life	4		

This provision provides funding for repairs to the waterproofing material used on some concrete areas.

According to the Association, this work was completed in 2009 for \$12,500 by Advanced Plumbing.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., several buildings had waterproofing completed in 2009. Other buildings had previous waterproofing in recent years, however the specifics are unknown. Most buildings have a stem wall at the front and side elevations. There is a reverse grade at the front elevation of many buildings. Some of the garden level units have retaining walls in front of the window well. A useful life of 10 years was provided for repairs to the concrete waterproofing for the buildings that have not been completed. The buildings that were completed in 2009 should have a useful life of 40 years.

Decks & Guardrails, Wood - Replacement (I)

Asset ID	1011	138 Each	@ \$3,327.59
	Capital	Asset Cost	\$229,603.71
	Building Components	Percent Replacement	50%
Placed in Service	January 2009	Future Cost	\$259,775.52
Useful Life	10		
Adjustment	1		
Replacement Year	2020		
Remaining Life	5		

This provision provides funding for the replacement of the wood decks and guardrails at the residential buildings to be completed in 2 phases at 50% each time.

Schwindt & Company estimated 16,104 square feet or 138 decks.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc., the decks and guardrails have a useful life of 10 years due to a significant amount of big trees

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Decks & Guardrails, Wood - Replacement (I) continued...

surrounding the property. In 2009, the decks were fully replaced. Steven of Pete Fowler Construction Services, Inc. provided a cost of \$3,000 per deck for replacement.

Decks & Guardrails, Wood - Replacement (II)

		138 Each	@ \$3,327.59
Asset ID	1039	Asset Cost	\$229,603.71
	Capital	Percent Replacement	50%
	Building Components	Future Cost	\$266,269.91
Placed in Service	January 2009		
Useful Life	10		
Adjustment	2		
Replacement Year	2021		
Remaining Life	6		

This provision provides funding for the replacement of the wood decks and guardrails at the residential buildings to be completed in 2 phases at 50% each time.

Schwindt & Company estimated 16,104 square feet or 138 decks.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc., the decks and guardrails have a useful life of 10 years due to a significant amount of big trees surrounding the property. In 2009, the decks were fully replaced. Steven of Pete Fowler Construction Services, Inc. provided a cost of \$3,000 per deck for replacement.

Decks - Moss Treatment/Maintenance (I)

		1 Total	@ \$5,568.31
Asset ID	1068	Asset Cost	\$5,568.31
	Non-Capital	Percent Replacement	100%
	Building Components	Future Cost	\$5,568.31
Placed in Service	January 2013		
Useful Life	2		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for moss treatment and maintenance on the decks.

The Property Condition Assessment report completed by Pete Fowler Construction Services, Inc. dated March 12, 2012 provided that moss treatment should be performed on the balcony surfaces. Pete Fowler Construction Services, Inc. provided a cost of \$5,500 for this maintenance. Due to the amount of trees on the property, this component is scheduled to

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Decks - Moss Treatment/Maintenance (I) continued...

occur every 2 years to continue this maintenance procedure.

Decks - Moss Treatment/Maintenance (II)

Asset ID	1079	1 Total	@ \$5,568.31
	Non-Capital	Asset Cost	\$5,568.31
	Building Components	Percent Replacement	100%
Placed in Service	January 2021	Future Cost	\$6,457.53
Useful Life	2		
Replacement Year	2021		
Remaining Life	6		

This provision provides funding for moss treatment and maintenance on the decks. This component is scheduled to occur after the deck replacement scheduled for 2021.

The Property Condition Assessment report completed by Pete Fowler Construction Services, Inc. dated March 12, 2012 provided that moss treatment should be performed on the balcony surfaces. Pete Fowler Construction Services, Inc. provided a cost of \$5,500 for this maintenance. Due to the amount of trees on the property, this component is scheduled to occur every 2 years to continue this maintenance procedure.

Exterior Maintenance

Asset ID	1066	1 Total	@ \$3,677.19
	Non-Capital	Asset Cost	\$3,677.19
	Building Components	Percent Replacement	100%
Placed in Service	January 2013	Future Cost	\$3,677.19
Useful Life	1		
Adjustment	1		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding to perform maintenance on the following components per Pete Fowler Construction Services, Inc.'s Property Condition Assessment report completed on March 12, 2012.

- Foundation waterproofing, maintenance
- Wood siding and trim, maintenance

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Exterior Maintenance continued...

- Exterior paint, maintenance
- Exterior wall flashing and sheet metal, maintenance
- Roof flashing and trim, maintenance
- Gutters and downspouts, maintenance
- Dryer vents, maintenance
- Retaining walls - wood, maintenance

This expense will occur in 2013 as a one-time expense.

Front Elevation Concrete Piers - Repairs (I)

Asset ID	1055	1 Total	@ \$7,320.70
	Non-Capital	Asset Cost	\$7,320.70
Building Components		Percent Replacement	100%
Placed in Service	January 1973	Future Cost	\$9,371.11
Useful Life	15		
Adjustment	37		
Replacement Year	2025		
Remaining Life	10		

This provision provides funding for repairs to the concrete piers at the front elevation of the residential buildings. This component funds for replacement of the concrete piers that was not replaced in 2009.

According to the 2010 maintenance plan completed by Pete Fowler Construction, Inc., there are concrete piers at the front elevations of all buildings, at the first level entry decks, and at the base of each stairwell privacy walls.

According to Steven of Pete Fowler Construction, Inc., the 2009 cost to replace the concrete piers was \$6,600. The piers that did not get replaced were in good condition, and Pete Fowler Construction recommends replacing the concrete piers in 15 to 20 years of 12 each time.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Front Elevation Concrete Piers - Repairs (II)

Asset ID	1054	12 Each	@ \$610.06
	Non-Capital	Asset Cost	\$7,320.72
Building Components		Percent Replacement	100%
Placed in Service	January 2009	Future Cost	\$13,241.17
Useful Life	30		
Replacement Year	2039		
Remaining Life	24		

This provision provides funding for repairs to the concrete piers at the front elevation of the residential buildings.

According to the 2010 maintenance plan completed by Pete Fowler Construction, Inc., there are concrete piers at the front elevations of all buildings, at the first level entry decks, and at the base of each stairwell privacy walls. Twelve piers were replaced in 2009 at buildings B, K, L, and U. A useful life of 30 years was provided for these piers.

According to Steven of Pete Fowler Construction, Inc., the cost for these replacements was \$550 per pier.

Patios, Concrete - Partial Replacement

Asset ID	1010	8,478 SF	@ \$11.09
	Non-Capital	Asset Cost	\$18,804.20
Building Components		Percent Replacement	20%
Placed in Service	January 2000	Future Cost	\$27,234.09
Useful Life	30		
Replacement Year	2030		
Remaining Life	15		

This provision provides funding for partial replacement of the concrete patios at the residential buildings. Partial replacement is based on the expectation that most patios will be in good enough condition that a full replacement is not needed.

Schwindt & Company estimated 102 square feet of patios at the laundry area. There is 8,376 square feet of concrete patios at the residential units. The total area is 8,478 square feet of patios.

The cost is based on a per square foot estimate provided by Coast Pavement. The Association will need to obtain bids for this work.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Siding, Wood - Replacement (I)		171,172 SF	@ \$17.10
Asset ID	1002	Asset Cost	\$1,463,520.60
	Capital	Percent Replacement	50%
	Building Components	Future Cost	\$1,739,666.09
Placed in Service	January 2009		
Useful Life	20		
Adjustment	-7		
Replacement Year	2022		
Remaining Life	7		

This provision provides funding for replacement to the wood siding.

A Property Condition Assessment report was completed on March 12, 2012. The report provided that the siding and trim components were in good condition. Alex Prokop of Pete Fowler Construction Services, Inc. provided that the siding have a remaining useful life of 10 years from the date of this report. Therefore, the Association should consider budgeting for a full replacement of the siding beginning in 2022.

Due to funding, 50% of the siding will be replaced in 2022. The rest of the siding will be replaced in 2024 and 2025. If the Association would like this component to occur differently, the component will need to be revised.

According to the Association, repairs and replacements to the siding occurred in 2009. Work was performed by Pete Fowler Construction Services, Inc. According to the scope of work estimates provided by the Association, an estimated cost of \$14.11 per square foot was provided for siding repairs and/or partial replacement. The work in 2009 was approximately \$56,878.50 for a total repair area of 4,032 square feet. This allocates to approximately 2% of repairs. A useful life of 20 years was provided.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., in 2009, new siding was installed at the back elevations including the wing walls.

Schwindt & Company estimated 171,172 square feet of siding.

In 2013, the Association spent approximately \$22,000 to reside the end of one building.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Siding, Wood - Replacement (II)		171,172 SF	@ \$17.10
Asset ID	1069	Asset Cost	\$731,760.30
	Capital	Percent Replacement	25%
	Building Components	Future Cost	\$913,868.34
Placed in Service	January 2009		
Useful Life	20		
Adjustment	-5		
Replacement Year	2024		
Remaining Life	9		

This provision provides funding for replacement to the wood siding in 2024.

A Property Condition Assessment report was completed on March 12, 2012. The report provided that the siding and trim components were in good condition. Alex Prokop of Pete Fowler Construction Services, Inc. provided that the siding have a remaining useful life of 10 years from the date of this report. Therefore, the Association should consider budgeting for a full replacement of the siding beginning in 2022.

Due to funding, 50% of the siding will be replaced in 2022. The rest of the siding will be replaced in 2024 and 2025. If the Association would like this component to occur differently, the component will need to be revised.

According to the Association, repairs and replacements to the siding occurred in 2009. Work was performed by Pete Fowler Construction Services, Inc. According to the scope of work estimates provided by the Association, an estimated cost of \$14.11 per square foot was provided for siding repairs and/or partial replacement. The work in 2009 was approximately \$56,878.50 for a total repair area of 4,032 square feet. This allocates to approximately 2% of repairs. A useful life of 20 years was provided.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., in 2009, new siding was installed at the back elevations including the wing walls.

Schwindt & Company estimated 171,172 square feet of siding.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Siding, Wood - Replacement (III)

		171,172 SF	@ \$17.10
Asset ID	1070	Asset Cost	\$731,760.30
	Capital	Percent Replacement	25%
	Building Components	Future Cost	\$936,715.05
Placed in Service	January 2009		
Useful Life	20		
Adjustment	-4		
Replacement Year	2025		
Remaining Life	10		

This provision provides funding for replacement to the wood siding in 2025.

A Property Condition Assessment report was completed on March 12, 2012. The report provided that the siding and trim components were in good condition. Alex Prokop of Pete Fowler Construction Services, Inc. provided that the siding have a remaining useful life of 10 years from the date of this report. Therefore, the Association should consider budgeting for a full replacement of the siding beginning in 2022.

Due to funding, 50% of the siding will be replaced in 2022. The rest of the siding will be replaced in 2024 and 2025. If the Association would like this component to occur differently, the component will need to be revised.

According to the Association, repairs and replacements to the siding occurred in 2009. Work was performed by Pete Fowler Construction Services, Inc. According to the scope of work estimates provided by the Association, an estimated cost of \$14.11 per square foot was provided for siding repairs and/or partial replacement. The work in 2009 was approximately \$56,878.50 for a total repair area of 4,032 square feet. This allocates to approximately 2% of repairs. A useful life of 20 years was provided.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., in 2009, new siding was installed at the back elevations including the wing walls.

Schwindt & Company estimated 171,172 square feet of siding.

Stairs & Handrails, Wood - Replacement

		36 Each	@ \$10,532.31
Asset ID	1001	Asset Cost	\$379,163.16
	Capital	Percent Replacement	100%
	Building Components	Future Cost	\$439,713.02
Placed in Service	January 2009		
Useful Life	10		
Adjustment	2		
Replacement Year	2021		
Remaining Life	6		

This provision provides funding for replacement to the wood stair components and handrails at

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Stairs & Handrails, Wood - Replacement continued...

the front of the buildings for 2020 and 2030. This includes the stringers, landing support beams, treads, privacy walls, intermediate landings, and all handrails including those at the front entry decking and walkways.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., the stairs have a useful life of 10 years. In 2009, major maintenance and repair work was executed on these assemblies. There is a mix of new and old material.

According to the scope of work estimates provided by the Association, an estimated cost of \$8,689.66 per stair was provided for a full replacement.

During Schwindt & Company's 2010 site visit, there were 36 entry stairways.

Stairs: Non-Skid Coating - (I)		36 Stairs	@ \$1,386.50
Asset ID	1041	Asset Cost	\$49,914.00
	Non-Capital	Percent Replacement	100%
	Building Components	Future Cost	\$52,440.90
Placed in Service	January 2013		
Useful Life	4		
Replacement Year	2017		
Remaining Life	2		

This provision provides funding for renewal of the non-skid coating at the front elevation foot surfaces in 2013. This includes wood walkways, stair treads, and entry decking at the front of the buildings.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., the non-skid coating on the stairs was applied in 2009, and has a useful life of 4 years. It is stated in the maintenance plan that the non-skid coating is a high maintenance application.

According to the scope of work repair estimates provided by the Association, the cost to apply the non-skid surface at the stairs was approximately \$26,250 or \$1,250 per stair.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Stairs: Non-Skid Coating - (II)

Asset ID	1044	36 Stairs	@ \$1,386.50
	Non-Capital	Asset Cost	\$49,914.00
Building Components		Percent Replacement	100%
Placed in Service	January 2021	Future Cost	\$63,894.14
Useful Life	4		
Adjustment	4		
Replacement Year	2025		
Remaining Life	10		

This provision provides funding for renewal of the non-skid coating at the front elevation foot surfaces in 2016 and 2020. This work is to coincide with the exterior painting. This component includes wood walkways, stair treads, and entry decking at the front of the buildings.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., the non-skid coating on the stairs was applied in 2009, and has a useful life of 4 years. It is stated in the maintenance plan that the non-skid coating is a high maintenance application.

According to the scope of work repair estimates provided by the Association, the cost to apply the non-skid surface at the stairs was approximately \$26,250 or \$1,250 per stair.

Stairs: Non-Skid Coating - (III)

Asset ID	1046	36 Stairs	@ \$1,386.50
	Non-Capital	Asset Cost	\$49,914.00
Building Components		Percent Replacement	100%
Placed in Service	January 2031	Future Cost	\$81,789.90
Useful Life	4		
Adjustment	4		
Replacement Year	2035		
Remaining Life	20		

This provision provides funding for renewal of the non-skid coating at the front elevation foot surfaces in 2023. This component is to coincide with the exterior painting. This work includes wood walkways, stair treads, and entry decking at the front of the buildings.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., the non-skid coating on the stairs was applied in 2009, and has a useful life of 4 years. It is stated in the maintenance plan that the non-skid coating is a high maintenance application.

According to the scope of work repair estimates provided by the Association, the cost to apply the non-skid surface at the stairs was approximately \$26,250 or \$1,250 per stair.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Stairs: Non-Skid Coating - (IV)

Asset ID	1049	36 Stairs	@ \$1,386.50
	Non-Capital	Asset Cost	\$24,957.00
Building Components		Percent Replacement	50%
Placed in Service	January 2041	Future Cost	\$52,348.99
Useful Life	4		
Adjustment	4		
Replacement Year	2045		
Remaining Life	30		

This provision provides funding for renewal of the non-skid coating at the front elevation foot surfaces in 2029 at the same time the stairs are replaced. Because 50% of the buildings are scheduled for replacement in 2029, this component only fund for 50%. This component includes wood walkways, stair treads, and entry decking at the front of the buildings.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., the non-skid coating on the stairs was applied in 2009, and has a useful life of 4 years. It is stated in the maintenance plan that the non-skid coating is a high maintenance application.

According to the scope of work repair estimates provided by the Association, the cost to apply the non-skid surface at the stairs was approximately \$26,250 or \$1,250 per stair.

Tile Wall - Pool Building

Asset ID	1014	1 Total	@ \$2,218.40
	Capital	Asset Cost	\$2,218.40
Building Components		Percent Replacement	100%
Placed in Service	January 2000	Future Cost	\$2,509.92
Useful Life	15		
Adjustment	5		
Replacement Year	2020		
Remaining Life	5		

This provision provides funding for replacement of the tile walls in the pool building.

Schwindt & Company estimated 56 square feet of tile.

The useful life and cost assumptions are based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Asphalt Overlay		83,442 SF	@ \$1.43
Asset ID	1021	Asset Cost	\$119,322.06
	Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$215,820.90
Placed in Service	January 2014		
Useful Life	25		
Replacement Year	2039		
Remaining Life	24		

This provision provides fund to overlay upper and lower asphalt area.

Schwindt & Company estimated 83,442 square feet of asphalt.

The cost is based on a per square foot estimate provided by Coast Pavement. The Association will need to obtain bids for this work.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Asphalt Seal Coat		1 Total	@ \$21,012.50
Asset ID	1023	Asset Cost	\$21,012.50
	Non-Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$23,193.87
Placed in Service	January 2019		
Useful Life	5		
Replacement Year	2019		
Remaining Life	4		

This provision provides funding for seal coating of the upper and lower asphalt areas in 2019, after the overlay procedure in 2014.

Schwindt & Company estimated 83,442 square feet of asphalt.

The cost is based on a per square foot estimate provided by Coast Pavement. The Association will need to obtain bids for this work.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., asphalt seal coat should occur every 3 to 5 years.

A Property Condition Assessment Report was completed by Pete Fowler Construction Services, Inc. on March 12, 2012. The report recommended seal coating and repairing the asphalt for \$20,000. The Association will need to obtain bids for this work.

Tanglewood Hills Condominium Association
Lake Oswego, Oregon
Detail Report by Category

Streets/Asphalt - Total Current Cost	\$140,335
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Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Fence, Chain Link: Garbage Enclosures		240 LF	@ \$19.68
Asset ID	1006	Asset Cost	\$4,723.20
	Capital	Percent Replacement	100%
	Fencing/Security	Future Cost	\$6,840.60
Placed in Service	January 2000		
Useful Life	30		
Replacement Year	2030		
Remaining Life	15		

This provision provides funding for replacement of the chain link fence at the garbage enclosures.

Schwindt & Company estimated 240 linear feet of fencing.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Fence, Wood - Partial Replacement		1,000 SF	@ \$33.27
Asset ID	1012	Asset Cost	\$8,317.50
	Non-Capital	Percent Replacement	25%
	Fencing/Security	Future Cost	\$13,296.77
Placed in Service	January 2009		
Useful Life	25		
Replacement Year	2034		
Remaining Life	19		

This provision provides funding for partial replacement of the wood fence at the residential buildings. The fences are painted. The painting cost is included in exterior painting. Partial replacement is based on the expectation that the Association will continue to paint the fences, and most fences will be in good enough condition that a full replacement is not needed.

Schwindt & Company estimated 1,000 square feet of fencing.

The cost is based on a per square foot estimate provided by Rick's Custom Fencing & Decking. The Association will need to obtain bids for this work.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Fire Extinguishers			
		38 Each	@ \$279.64
Asset ID	1017	Asset Cost	\$10,626.32
	Capital	Percent Replacement	100%
	Equipment	Future Cost	\$10,626.32
Placed in Service	January 2000		
Useful Life	15		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for the replacement of the fire extinguishers.

During Schwindt & Company's site visit, there are 38 fire extinguishers.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc., fire extinguishers are located in the covered entry areas of all buildings and in some locations on the exterior wall of the laundry room. These fire extinguishers appear to no longer be in service and may not be required by code.

According to the Association, this component did not occur in 2012. They would like to reschedule for 2014.

The useful life and cost assumptions are based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Fire Extinguishers - Enclosure Replacement			
		1 Total	@ \$1,050.62
Asset ID	1065	Asset Cost	\$1,050.62
	Capital	Percent Replacement	100%
	Equipment	Future Cost	\$1,050.62
Placed in Service	January 2000		
Useful Life	15		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for the replacement of the fire extinguisher enclosures.

During Schwindt & Company' site visit, there are 38 fire extinguishers.

In 2012, a Property Condition Assessment report was completed by Pete Fowler Construction Services, Inc. The report provided that some fire extinguisher enclosures were damaged. Pete Fowler Construction Services, Inc. recommends repairing the enclosures by installing a new glass at the front enclosure. They identified missing enclosures at Buildings B and E. The cost for this expense is \$1,000. The Association will need to obtain bids for this work.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc.,

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Fire Extinguishers - Enclosure Replacement continued...

fire extinguishers are located in the covered entry areas of all buildings and in some locations on the exterior wall of the laundry room. These fire extinguishers appear to no longer be in service and may not be required by code.

This component will be a one-time expense in 2013. Future repairs and/or replacement will be included in the fire extinguisher component.

Shower - Replacement: Pool Building

		1 Total	@ \$1,663.79
Asset ID	1035	Asset Cost	\$1,663.79
	Capital	Percent Replacement	100%
	Equipment	Future Cost	\$2,129.79
Placed in Service	January 2000		
Useful Life	25		
Replacement Year	2025		
Remaining Life	10		

This provision provides funding for replacement of the shower stall in the pool building.

Schwindt & Company estimated 1 shower stalls.

The cost and useful life assumptions are based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Washer & Dryers

		4 Each	@ \$1,109.19
Asset ID	1016	Asset Cost	\$4,436.76
	Capital	Percent Replacement	100%
	Equipment	Future Cost	\$4,436.76
Placed in Service	January 2000		
Useful Life	15		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for replacement of the washers and dryers at the laundry room.

According to the on-site maintenance person, the washers and dryers do not get use very much because each unit has their own washer and dryer.

During Schwindt & Company' 2010 site visit, there are 2 washers and 2 dryers.

The useful life and cost assumptions are based on estimates established on RS Means and/or

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Lights, Exterior		302 Each	@ \$110.92
Asset ID	1038	Asset Cost	\$33,497.84
	Capital	Percent Replacement	100%
	Lighting	Future Cost	\$37,899.73
Placed in Service	January 2000		
Useful Life	10		
Adjustment	10		
Replacement Year	2020		
Remaining Life	5		

This provision provides funding for replacement of exterior lighting fixtures.

Schwindt & Company estimated 302 exterior lights.

The useful life and cost assumptions are based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Lights, Exterior: Pole		56 Each	@ \$221.84
Asset ID	1026	Asset Cost	\$12,423.04
	Capital	Percent Replacement	100%
	Lighting	Future Cost	\$14,055.53
Placed in Service	January 2000		
Useful Life	10		
Adjustment	10		
Replacement Year	2020		
Remaining Life	5		

This provision provides funding for replacement of the exterior pole light fixtures.

Schwindt & Company estimated 56 pole lights throughout the property.

The useful life and cost assumptions are based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Pool Deck		1 Total	@ \$9,261.80
Asset ID	1031	Asset Cost	\$9,261.80
	Capital	Percent Replacement	100%
	Recreation/Pool	Future Cost	\$11,855.89
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	10		

This provision provides funding for replacement of the pool deck.

According to the Association, the pool deck was replaced in 2010 for \$8,350. This replacement was performed by Evan Mitchell of Alternative Surfaces (503-830-0207).

Evan provided a useful life of 15 years. Evan recommends one pressure wash annually to ensure minimal accumulation of sediment and moss. As ultra violet rays dull the surface epoxy, a re-coat is required approximately every 18-24 months. Alternative Surfaces charges \$1.50 per square foot for this maintenance.

Pool Deck Epoxy Recoat (I)		1,520 SF	@ \$1.67
Asset ID	1043	Asset Cost	\$2,538.40
	Non-Capital	Percent Replacement	100%
	Recreation/Pool	Future Cost	\$2,538.40
Placed in Service	January 2014		
Useful Life	1		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for recoating of the epoxy of the pool deck.

According to the Association, the pool deck was replaced in 2010 for \$8,350. This replacement was performed by Evan Mitchell of Alternative Surfaces (503-830-0207).

In 2012, the Association provided that recoating of the epoxy on the pool deck was completed with funds from the operating budget. The Association would like to continue to fund this component in the reserve study.

Evan recommends one pressure wash annually to ensure minimal accumulation of sediment and moss. As ultra violet rays dull the surface epoxy, a re-coat is required approximately every 18-24 months. Alternative Surfaces charges \$1.50 per square feet.

Schwindt & Company estimated 1,520 square feet of the pool deck.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Pool Deck Epoxy Recoat (II)		1,520 SF	@ \$1.67
Asset ID	1048	Asset Cost	\$2,538.40
	Non-Capital	Percent Replacement	100%
	Recreation/Pool	Future Cost	\$3,413.87
Placed in Service	January 2025		
Useful Life	2		
Adjustment	2		
Replacement Year	2027		
Remaining Life	12		

This provision provides funding for recoating of the epoxy of the pool deck after it gets replaced in 2025.

According to the Association, the pool deck was replaced in 2010 for \$8,350. This replacement was performed by Evan Mitchell of Alternative Surfaces (503-830-0207).

In 2012, the Association provided that recoating of the epoxy on the pool deck was completed with funds from the operating budget. The Association would like to continue to fund this component in the reserve study.

Evan recommends one pressure wash annually to ensure minimal accumulation of sediment and moss. As ultra violet rays dull the surface epoxy, a re-coat is required approximately every 18-24 months. Alternative Surfaces charges \$1.50 per square feet.

Schwindt & Company estimated 1,520 square feet of the pool deck.

Pool Deck Epoxy Recoat (III)		1,520 SF	@ \$1.67
Asset ID	1052	Asset Cost	\$2,538.40
	Non-Capital	Percent Replacement	100%
	Recreation/Pool	Future Cost	\$4,944.29
Placed in Service	January 2040		
Useful Life	2		
Adjustment	2		
Replacement Year	2042		
Remaining Life	27		

This provision provides funding for recoating of the epoxy of the pool deck in 2042, after the replacement scheduled for 2040.

According to the Association, the pool deck was replaced in 2010 for \$8,350. This replacement was performed by Evan Mitchell of Alternative Surfaces (503-830-0207).

In 2012, the Association provided that recoating of the epoxy on the pool deck was completed with funds from the operating budget. The Association would like to continue to fund this

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Pool Deck Epoxy Recoat (III) continued...

component in the reserve study.

Evan recommends one pressure wash annually to ensure minimal accumulation of sediment and moss. As ultra violet rays dull the surface epoxy, a re-coat is required approximately every 18-24 months. Alternative Surfaces charges \$1.50 per square feet.

Schwindt & Company estimated 1,520 square feet of the pool deck.

Pool Filter			1 Total	@ \$2,029.02
Asset ID	1029		Asset Cost	\$2,029.02
	Capital		Percent Replacement	100%
	Recreation/Pool		Future Cost	\$2,029.02
Placed in Service	January 2008			
Useful Life	6			
Adjustment	1			
Replacement Year	2015			
Remaining Life	0			

This provision provides funding for replacement of the pool filter.

According to the Association, the swimming pool is maintained by Wet Kat Pools (503-449-8881).

According to Nichelle of Wet Kat Pools, the pool filter should have a useful life of 5 to 8 years. She provided a cost of \$1,200 to \$1,500 to replace the pool filter.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Pool Furniture			1 Total	@ \$554.60
Asset ID	1037		Asset Cost	\$554.60
	Capital		Percent Replacement	100%
	Recreation/Pool		Future Cost	\$597.24
Placed in Service	January 2013			
Useful Life	5			
Replacement Year	2018			
Remaining Life	3			

This provision provides funding for the replacement of the pool furniture.

During Schwindt & Company's 2010 site visit, there were plastic chairs in the pool building.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Pool Furniture continued...

The useful life and cost assumptions are based on estimates established on RS Means and/or the National Estimator.

Pool Heater		1 Total	@ \$3,327.59
Asset ID	1027	Asset Cost	\$3,327.59
	Capital	Percent Replacement	100%
	Recreation/Pool	Future Cost	\$3,410.78
Placed in Service	January 2010		
Useful Life	6		
Replacement Year	2016		
Remaining Life	1		

This provision provides funding for replacement of the pool heater.

According to the Association, the swimming pool is maintained by Wet Kat Pools (503-449-8881).

According to Nichelle of Wet Kat Pools, the pool heater was replaced in 2010, and should have a useful life of 5 to 7 years. She provided a cost of \$3,000 to replace the pool heater.

Pool Pump		1 Total	@ \$942.82
Asset ID	1028	Asset Cost	\$942.82
	Capital	Percent Replacement	100%
	Recreation/Pool	Future Cost	\$942.82
Placed in Service	January 2009		
Useful Life	5		
Adjustment	1		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for replacement of the pool pump.

According to the Association, the swimming pool is maintained by Wet Kat Pools (503-449-8881).

According to Nichelle of Wet Kat Pools, a motor of the pool pump was replaced in 2009. The pump system will need replacement in 3 to 4 years. She provided a cost of \$850 to replace the pool pump.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Concrete Walkways - Partial Replacement

Asset ID	1018	1 Total	@ \$7,879.69
	Non-Capital	Asset Cost	\$7,879.69
	Grounds Components	Percent Replacement	100%
Placed in Service	January 2000	Future Cost	\$7,879.69
Useful Life	10		
Adjustment	5		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for the partial replacement of the concrete walkways. Partial replacement is based on the expectation that most walkways will be in good enough condition that a full replacement is not needed.

Schwindt & Company estimated 9,503 square feet of concrete walkways. During the 2010 site visit, there were many areas of trip hazards and cracks.

According to the Association, this component did not occur in 2012. It is rescheduled for 2013.

A Property Condition Assessment report was completed by Pete Fowler Construction Services, Inc. on March 9, 2012. The report provided that the concrete walkways were in good condition. However, repairs are required at isolated concrete walkways. Pete Fowler Construction Services, Inc. provided a cost of \$7,500. These repairs should be completed within 3 to 6 months from the date of this report. The Association will need to obtain bids for this work.

Because of the age of the property, Pete Fowler Construction Services, Inc. provided that a 10 years useful life is reasonable for continuous repairs on the walkways.

Curbs - Partial Replacement

Asset ID	1025	1 Total	@ \$3,677.19
	Non-Capital	Asset Cost	\$3,677.19
	Grounds Components	Percent Replacement	100%
Placed in Service	January 2000	Future Cost	\$3,677.19
Useful Life	30		
Adjustment	-15		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for partial replacement of the concrete curbs. Partial replacement is based on the expectation that most curbs will be in good enough condition that

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Curbs - Partial Replacement continued...

a full replacement is not needed.

Schwindt & Company estimated 2,225 lineal feet of curbing.

In 2012, a Property Condition Assessment Report was completed by Pete Fowler Construction Services, Inc. The report recommends replacing damaged curbs for \$3,500. Alex Prokop also recommended that repairs to the curbs occur with asphalt work. Therefore, a useful life of 5 years is use. The Association will need to obtain bids for this work.

Handrails, Metal - Partial Replacement

		428 LF	@ \$45.48
Asset ID	1019	Asset Cost	\$4,866.36
	Non-Capital	Percent Replacement	25%
	Grounds Components	Future Cost	\$7,047.94
Placed in Service	January 2000		
Useful Life	30		
Replacement Year	2030		
Remaining Life	15		

This provision provides funding for the partial replacement of the metal handrails located on stairways. Partial replacement is based on the expectation that most handrails will be in good enough condition that a full replacement is not needed.

Schwindt & Company estimated 428 linear feet of metal handrails.

The cost is based on a per square foot estimate provided by Portland Fence Company. The Association will need to obtain bids for this work.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

Irrigation Repairs/Upgrades

		1 Total	@ \$11,091.98
Asset ID	1042	Asset Cost	\$11,091.98
	Non-Capital	Percent Replacement	100%
	Grounds Components	Future Cost	\$12,549.56
Placed in Service	January 2000		
Useful Life	20		
Replacement Year	2020		
Remaining Life	5		

This provision provides funding for repairs and/or upgrades to the irrigation system.

According to the Association's on-site maintenance person, \$5,000 per year is spent on

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Irrigation Repairs/Upgrades continued...

average, to perform repairs and replacement of the irrigation system. The Association does not currently have a maintenance company. There has not been any major replacement to the irrigation system.

The cost and useful life is an estimate. The Association will need to firm up cost with a bid once a vendor is obtained.

Pathway: Asphalt Seal Coat

Asset ID	1024	1 Total	@ \$1,109.19
		Asset Cost	\$1,109.19
	Non-Capital	Percent Replacement	100%
	Grounds Components	Future Cost	\$1,109.19
Placed in Service	January 2000		
Useful Life	5		
Adjustment	10		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for seal coating of the asphalt pathway at the same time the parking lot is being seal coat.

Schwindt & Company estimated 1,890 square feet of asphalt pathway.

The cost is based on a per square foot estimate provided by Coast Pavement. The Association will need to obtain bids for this work.

The useful life assumption is based on estimates established on RS Means and/or the National Estimator.

In 2012, the Association provided that this component will occur in 2013.

Plumbing

Asset ID	1056	1 Total	@ \$10,506.25
		Asset Cost	\$10,506.25
	Non-Capital	Percent Replacement	100%
	Grounds Components	Future Cost	\$11,038.13
Placed in Service	January 2014		
Useful Life	3		
Replacement Year	2017		
Remaining Life	2		

This provision provides funding for work to be performed on the plumbing of the buildings.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Plumbing continued...

The useful life was provided in the Association's prior reserve study.

The cost is based on estimates provided by the Association.

Sewer Line Repairs			
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	1062		1 Total @ \$21,012.50
Asset ID			Asset Cost \$21,012.50
	Non-Capital		Percent Replacement 100%
	Grounds Components		Future Cost \$22,076.26
Placed in Service	January 2012		
Useful Life	5		
Replacement Year	2017		
Remaining Life	2		

This provision provides funding to repair sewer lines.

The cost and useful life were provided by the Association. In 2012, sewer line repairs cost \$27,430.

Site Drainage - Installation			
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	1063		1 Total @ \$4,202.50
Asset ID			Asset Cost \$4,202.50
	Capital		Percent Replacement 100%
	Grounds Components		Future Cost \$4,202.50
Placed in Service	January 2013		
Useful Life	1		
Adjustment	1		
Replacement Year	2015		
Remaining Life	0		

This provision provides funding for installation of drainage at Building N.

Pete Fowler Construction Services, Inc. performed a Property Condition Assessment Report on March 12, 2012, and recommended that a catch basin with underground drain pipe that reaches Touchstone Drive be installed for adequate drainage. This installation will cost approximately \$4,000. This will be a one-time installation. The Association will need to obtain bids for this work.

Grounds Components - Total Current Cost	\$64,346
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Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Doors, Sliding Glass - Replacement: Common Areas

Asset ID	1034	1 Total	@ \$1,109.19
	Capital	Asset Cost	\$1,109.19
	Doors and Windows	Percent Replacement	100%
Placed in Service	January 2003	Future Cost	\$1,351.44
Useful Life	20		
Replacement Year	2023		
Remaining Life	8		

This provision provides fund for the replacement of the sliding glass door at the laundry room. Schwindt & Company counted 1 sliding glass door.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc., the sliding glass door has a useful life of 20 years, with 13 years remaining.

The cost assumption is based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Doors, Wood - Replacement: Common Areas

Asset ID	1032	5 Each	@ \$554.60
	Capital	Asset Cost	\$2,773.00
	Doors and Windows	Percent Replacement	100%
Placed in Service	January 2003	Future Cost	\$2,986.22
Useful Life	25		
Adjustment	-10		
Replacement Year	2018		
Remaining Life	3		

This provision provides funding for the replacement of the wood doors at the laundry room, pool building, and storage rooms.

Schwindt & Company estimated 5 wood doors.

According to the 2010 maintenance plan prepared by Pete Fowler Construction Services, Inc., doors have a useful life of 25 years, with 18 years remaining from 2010.

The cost assumption is based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Windows - Replacement: Common Areas

Asset ID	1033	4 Each	@ \$554.60
	Capital	Asset Cost	\$2,218.40
	Doors and Windows	Percent Replacement	100%
Placed in Service	January 2003	Future Cost	\$2,702.90
Useful Life	20		
Replacement Year	2023		
Remaining Life	8		

This provision provides funding for replacement of the windows at the laundry room and pool building.

Schwindt & Company counted 4 windows.

According to the 2010 maintenance plan completed by Pete Fowler Construction Services, Inc., the windows have a useful life of 20 years, with 13 years remaining.

The cost assumption is based on estimates established on RS Means and/or the National Estimator. The Association will need to obtain bids for this work.

Doors and Windows - Total Current Cost \$6,101

Tanglewood Hills Condominium Association

Lake Oswego, Oregon

Detail Report by Category

Insurance Deductible		1 Total	@ \$5,000.00
Asset ID	1061	Asset Cost	\$5,000.00
Non-Capital		Percent Replacement	100%
Insurance Deductible		Future Cost	\$5,000.00
Placed in Service	January 2012		
Useful Life	1		
Replacement Year	2015		
Remaining Life	0		

This provision is to pay for the insurance deductible in the event of a claim.

Insurance Deductible - Total Current Cost	\$5,000
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Additional Disclosures

Levels of Service

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

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

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

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

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

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

- Life and Valuation Estimates
- Fund Status
- Funding Plan

Terms and Definitions

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

COMPONENT: The individual line items in the *Reserve Study* developed or updated in the *Physical Analysis*. These elements form the building blocks for the *Reserve Study*. *Components* typically are: 1) association responsibility; 2) with limited *Useful Life* expectancies; 3) predictable *Remaining Useful Life* expectancies; 4) above a minimum threshold cost; and 5) as required by local codes.

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

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

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

CURRENT REPLACEMENT COST: See *Replacement Cost*.

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

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

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

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

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

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

or

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate})^{\text{Remaining Life}}] - [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate})^{\text{Remaining Life}}]$$

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding. The Association appears to be adequately funded as the threshold method.

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

- Baseline Funding: Establishing a reserve funding goal of keeping the reserve cash balance above zero.
- Full Funding: Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.
- Statutory Funding: Establishing a reserve funding goal of setting aside the specific minimum amount of reserves required by local statutes.

- **Threshold Funding:** Establishing a reserve funding goal of keeping the *Reserve Balance* above a specified dollar or *Percent Funded* amount. Depending on the threshold, this may be more or less conservative than fully funding.

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

FUNDING PRINCIPLES:

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

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

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

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

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

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

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

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

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

RESPONSIBLE CHARGE: A reserve specialist in *Responsible Charge* of a *Reserve Study* shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are

reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a *Reserve Study* of which he was in *Responsible Charge*. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

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

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

SURPLUS: An actual or projected *Reserve Balance* greater than the *Fully Funded Balance*. The opposite would be a *Deficit*.

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