SCHWINDT &CO.
RESERVE STUDY SERVICES

Members of the Association of Professional Reserve Analysts / Reserve Specialist designation from CAI

October 28, 2024

Irving Street Towers Condominiums Owners Association
c/o Community Management Inc.
2105 SE 9th Avenue
Portland, OR 97214

Dear Directors,

We have been engaged to perform a Level III: reserve study update with no visual site inspection for the Irving Street Towers Condominiums. Based on the Declaration and Bylaws for the Association, the reserve study has been divided into two parts, General Common Elements and Limited Common Elements – Residential. The assessment for 2025 is as follows:

General Common Elements	$ 200,000
Limited Common Elements: Residential	32,994
Total	$ 232,994

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

Sincerely,

David T. Schwindt, CPA RS PRA

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CLACKAMAS, OR 97015

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IRVING STREET TOWERS CONDOMINIUMS

MAINTENANCE PLAN UPDATE

RESERVE STUDY

LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION

BUDGET YEAR

January 1, 2025 to December 31, 2025

SCHWINDT & CO.
RESERVE STUDY SERVICES

https://www.schwindtco.com/
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IRVING STREET TOWERS CONDOMINIUMS - GENERAL COMMON ELEMENTS

Executive Summary

Year of Report:

January 1, 2025 to December 31, 2025

Number of Units:

54 Units

Parameters:

Beginning Balance: -$88,618

Year 2025 Suggested Contribution: $200,000

Year 2025 Projected Interest Earned: $0

Inflation: 4.00%

Annual Increase to Suggested Contribution: 4.00%

Lowest Cash Balance Over 30 Years (Threshold): -$88,618

Average Reserve Assessment per Unit: $308.64

Prior Year's Actual Contribution: $75,000

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2025

We have conducted an offsite reserve study update and maintenance plan update for Irving Street Towers Condominiums for the year beginning January 1, 2025, 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.

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

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

Assumptions used for inflation, interest, and other factors are detailed on page 1-18 and 2-1. Income tax factors were not considered due to the uncertainty of factors affecting net taxable income and the election of tax forms to be filed.

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

All information regarding the useful life and cost of reserve components was derived from RDH's Property Condition Assessment Report in 2008, vendors, and/or from various construction pricing and scheduling manuals.

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

Increases in Roofing and Painting Costs

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

The main reason for increased prices aside from normal cost increases appears to be the availability of labor. Many workers

left the industry during the downturn and have not reentered the job market thus driving up wage costs to attract qualified workers. Roofers and painters are also seeing increased demand for their services due to aging association property. These factors have created the perfect storm for increased prices.

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

In 2023, the average annual inflation rate was 4.12%. Experts are not sure if this increase is temporary due to supply chain issues or if this will be a long-term increase. At this time, Schwindt and Company is recommending an inflation rate of 4% in reserve studies. We will continue to monitor the inflation rate throughout this period. More information can be found at https://inflationdata.com/Inflation/Inflation_Rate/HistoricalInflation.aspx.

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

Article 5, Section 5.3 of the Association's Declaration states that exterior doors and door frames and window frames are general common elements.

Article 11.1 of the Association's Declarations states, "The necessary work to maintain, repair or replace the common elements shall be the responsibility of the board of directors of the Association and shall be carried out as provided in the Bylaws."

Article 5.2 of the Association's Bylaws states, "Common expenses shall include: Expenses of maintenance, repair or replacement of common elements, any other portions of the Condominium required to be maintained by the Association pursuant to the Declaration or these Bylaws, and any Association property."

Article 7.1(b) of the Association's Bylaws states, "All maintenance, repairs and replacements to the general and limited common elements and to Association property shall be made by the Association."

It is our understanding that the performance of maintenance on certain limited common elements is the responsibility of each unit owner. Unit owners should be made aware of the consequences of not maintaining their property.

The term "Building Enclosure Condition Assessment Report" that is used throughout this reserve study refers to the architectural assessment report prepared by RDH Building Sciences, Inc. in 2008.

In 2012, the Association provided that they don't anticipate upgrading the elevator. They have a maintenance contract with Otis Elevator who maintains the elevator. According to Sean McKinney of Otis Elevator, the elevator is old, and is due for an upgrade. However, the elevator is in good condition. Sean advises that they continue to maintain and repair the elevator on an as needed basis. Because Otis installed the elevator, they have parts on hand to perform repairs if needed. If the Association changes their maintenance company, other vendors may not have parts available to repair the elevator. At that time, major modernization to the elevator and a special assessment may be required.

An earthquake insurance deductible is not included in the reserve study.

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

costs. This inspection should be conducted by experts and should include a written report. This information will allow the reserve study provider and the Association to include appropriate costs, lives, and projected expenditures in the study. Schwindt and Company believes that the cost of these inspections should be included in the reserve study as a funded component.

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

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

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

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

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

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

Physical Analysis:

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

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

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

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

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

IRVING STREET TOWERS CONDOMINIUMS

MAINTENANCE PLAN

BUDGET YEAR

January 1, 2025 to December 31, 2025

Irving Street Towers Condominiums - General Common Elements
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.

Irving Street Towers Condominiums
Maintenance Plan
2025

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

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

Property Inspection

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

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

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

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

Frequency: Annually

Roof Inspection

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

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

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

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

It is our understanding that the roof is being maintained by Snyder Roofing.

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

Frequency: Refer to roof warranty for frequency

Lighting: Exterior & Common Area Interior – Inspection/Maintenance

Note: Replacement of flickering or burned-out bulbs 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.

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: Bi-Weekly

Hot Water Heater – 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 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.

Communication Devices/Buzzers/Intercom: Review overall function, appropriateness of audible signals, tone and volume; security and cleanliness of housing; visibility and legibility of clear instructions; security of mounting.

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

Windows & Doors

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

Frequency: Monthly

Scuppers and Downspouts

Schwindt and Company recommends that all scuppers 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.

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

Frequency: Semiannually, more often if necessary

Exterior Walls

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

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

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

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

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

Deficiencies, required maintenance, and required repairs after completion of 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

Common Area Interior Walls – Paint

The interior painted surfaces 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 25 years

Elevator Maintenance

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

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

This expense is included in the annual operating budget for the Association.

Frequency: Some services should be performed monthly

Brick Repointing

Repointing brick improves water penetration resistance and will increase the life of the component.

Defective mortar should be removed, the joints cleaned and repointed with the appropriate type mortar, and a suitable sealer applied. It is recommended that the same type of sealer be used on subsequent renewals as this will minimize the chance that incompatible materials will be used.

This work should be performed by a licensed brick mason.

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

Frequency: Every 25 years

Fire Alarm System Maintenance

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

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

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

Frequency: Annually

Fire Hose and Nozzle Maintenance

Maintenance on fire hoses and nozzles includes, but is not limited to, a physical inspection of the components to check for damage, deterioration, and debris. Couplings and nozzles should be checked for damage, corrosion, obstructions, and proper operation. Assembly should be inspected for proper position and cabinet signs should be clearly visible.

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

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

Frequency: Monthly

Fire Escapes – Maintenance

The Association will be responsible for repairs, cleaning, and painting of the fire escapes throughout the property. All fire escapes shall be kept free of snow and ice. Fire escapes constructed of material requiring the application of weather protecting products shall have these products applied in an approved manner and shall be applied as often as necessary to maintain the fire escapes in safe condition where corrodible structures parts of such fire escapes tie directly into the building structural system. All joints shall be sealed as necessary to prevent weather from damaging or corroding structural elements.

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

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

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.

IRVING STREET TOWERS CONDOMINIUMS

GENERAL COMMON ELEMENTS

RESERVE STUDY

LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION

BUDGET YEAR

January 1, 2025 to December 31, 2025

Irving Street Towers Condominiums - General Common Elements
Category Detail Index

Irving Street Towers Condominiums - General Common Elements
Category Detail Index

Total Funded Assets	24
Total Unfunded Assets	1
Total Assets	25

Irving Street Towers Condominiums - General Common Elements
Property Description

Irving Street Towers Condominiums - General Common Elements is a conversion project originally built in 1910. The Association consists of one, 4-story building, with a basement, with 52 residential units and 2 commercial units for a total of 54 units located in Portland, Oregon. The building was converted from apartments to condominiums in 2006. The Association shall provide exterior maintenance upon each unit, such as paint, maintenance, repair and replacement of roofs, downspouts, and exterior building surfaces. The individual homeowners are responsible for all maintenance and repair to the interior of their home.

A site visit was completed in 2012, 2018, and 2022 by Schwindt and Company. Schwindt and Company did not investigate components for defects, materials, design or workmanship. This would ordinarily be considered in a complete building envelope inspection. Our condition assessment considers if the component is wearing as intended. All components are considered to be in fair condition and appear to be wearing as intended unless noted otherwise in the component detail.

Funds are being accumulated in the replacement fund based on estimates of future need for repairs and replacement of common property components. Actual expenditures, investment income and provisions for income taxes however, may vary from estimated amounts and 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, levy special assessments, otherwise the Association may delay repairs or replacements until funds are available.

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Cash Flow Method - Threshold Funding Model Summary

Report Date	October 20, 2024
Account Number	2irvit
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025
Total Units	54

Report Parameters

Inflation	4.00%
Interest Rate on Reserve Deposit	2.00%
2025 Beginning Balance	-$88,618

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. It is assumed that the threshold method is funded with a positive threshold balance, therefore, “fully funded”.
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage, foundation/footings, sanitary sewage and storm drains, telephone, cable, and internet lines.
- It is estimated that the General Common Elements borrowed $88,618, from the limited common element residential units.
- This funding scenario begins with a contribution of **$200,000** in **2025, $80,000 in 2026, and increases 4.00% each year** for the remaining years of the study. A minimum balance of **-$88,618** is maintained.
- The purpose of this study is to ensure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

Cash Flow Method - Threshold Funding Model Summary of Calculations

Required Monthly Contribution	$16,666.67
$308.64 per unit monthly	
Average Net Monthly Interest Earned	$0.00
Total Monthly Allocation to Reserves	$16,666.67
$308.64 per unit monthly	

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Cash Flow Method - Threshold Funding Model Projection

Beginning Balance: -$88,618

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2025	200,000		93,972	17,410	275,910	6%
2026	80,000	1,206	884	97,732	329,358	30%
2027	83,200	2,861	919	182,873	409,139	45%
2028	86,528	4,344	14,391	259,354	480,802	54%
2029	89,989	5,885	16,376	338,852	556,078	61%
2030	93,589	7,712	7,333	432,820	646,693	67%
2031	97,332	8,878	45,557	493,473	704,220	70%
2032	101,226	11,041	1,119	604,621	813,425	74%
2033	105,275	12,998	17,509	705,385	913,241	77%
2034	109,486	15,407	1,210	829,068	1,037,419	80%
2035	113,865	17,795	8,922	951,806	1,162,101	82%
2036	118,420	14,095	317,461	766,860	974,588	79%
2037	123,156	16,793	1,361	905,448	1,112,164	81%
2038	128,083	18,061	79,836	971,756	1,177,630	83%
2039	133,206	20,697	18,293	1,107,365	1,313,879	84%
2040	138,534	23,164	34,534	1,234,529	1,443,015	86%
2041	144,075	26,456	1,592	1,403,469	1,616,075	87%
2042	149,838	27,266	133,515	1,447,059	1,663,538	87%
2043	155,832	29,394	74,948	1,557,337	1,778,676	88%
2044	162,065	30,318	142,796	1,606,924	1,832,919	88%
2045	168,548	30,582	182,818	1,623,236	1,852,974	88%
2046	175,290	34,635	1,937	1,831,224	2,067,421	89%
2047	182,301	38,908	2,014	2,050,420	2,296,060	89%
2048	189,594	42,816	31,532	2,251,298	2,509,067	90%
2049	197,177	10,093	1,857,752	600,816	837,485	72%
2050	205,064	13,363	49,501	769,742	986,025	78%
2051	213,267	16,998	42,778	957,229	1,154,159	83%
2052	221,798	19,643	103,813	1,094,857	1,272,469	86%
2053	230,669	23,839	38,364	1,311,002	1,470,784	89%
2054	239,896	27,595	73,382	1,505,112	1,648,104	91%

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Roofing								
Portico Roof & Skylights - Replace	2016	2036	20	0	11	1 Total	7,811.85	7,812
Roof - TPO Replace	2016	2036	20	0	11	7,041 SF	25.78	181,517
Roofing - Total								$189,329
Painting								
Exterior Painting: Trim and Brick Siding	2024	2031	7	0	6	6,200 SF	5.67	35,154
Painting - Total								$35,154
Interior Furnishings								
Exterior Lighting - Repaired and Maintenance	2014	2039	25	0	14	1 Total	9,713.98	9,714
Interior Furnishings - Total								$9,714
Equipment								
Water Heaters & Enclosures - Renewal (I)	2014	2029	15	0	4	1 Total	13,148.57	13,149
Water Heaters & Enclosures - Renewal (II)	2007	2025	15	0	0	1 Unit	13,148.57	13,149
Equipment - Total								$26,297
Building Components								
Bike Storage Room - Maintenance	2019	2025	5	0	0	1 Total	693.85	694
Brick Siding: Repoint and Seal	2024	2049	25	0	24	1 Total	570,402.00	570,402
Elevator and Stair Access Walls Reclad - 20..	2009	2025	20	-7	0	1 Total	42,254.51	42,255
Exterior - Wood Trim Partial Replacement	2024	2054	30	0	29	2,000 SF	22.68@ 50%	22,680
Fire Alarm System - Upgrade I	2018	2043	25	0	18	1 Total	18,201.68	18,202
Fire Alarm System - Upgrade II	2017	2042	25	0	17	1 Total	67,693.23	67,693
Plumbing System - Inspection & Repairs	2019	2044	25	0	19	54 Unit	812.45	43,872
Building Components - Total								$765,798
Grounds Components								
Brick Planter - Maintenance	*Unfunded*							
Brick Planter - Waterproofing Replacement	2021	2036	15	0	11	1 Total	14,579.64	14,580
Concrete Sidewalks - Partial Replacement	2013	2043	30	0	18	384 SF	39.07@ 40%	6,001
Grounds Components - Total								$20,581
Contingency								
Contingency	2018	2025	1	0	0	1 Total	10,000.00	10,000
Contingency - Total								$10,000
Gutters and Downspouts								
Downspouts - Replacement	2016	2036	20	0	11	1 Total	1,457.98	1,458
Gutters and Downspouts - Total								$1,458

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Doors and Windows								
Exterior Doors - Repair and Maintenance	1985	2025	25	10	0	12 Each	1,045.13	12,542
Windows - Repairs and/or Replacement	2024	2049	25	0	24	118 Each	1,300.82	153,497
Doors and Windows - Total								$166,038
Inspection								
Condition Assessments Review	2023	2028	5	0	3	1 Total	11,943.38	11,943
Electrical Study	2019	2044	25	0	19	1 Total	9,906.33	9,906
Inspection - Total								$21,850
Fire								
Fire Sprinkler System: 5-Year Testing and R..	2016	2025	5	0	0	1 Total	4,483.26	4,483
Fire - Total								$4,483
Insurance Deductible								
Insurance Deductible	2000	2025	1	0	0	1 Total	10,000.00	10,000
Insurance Deductible - Total								$10,000
Reserve Study Update								
Reserve Study Update	2019	2025	1	0	0	1 Total	850.00	850
Reserve Study Update - Total								$850
Total Asset Summary								$1,261,552

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Component Summary By Group

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Capital								
Brick Planter - Waterproofing Replacement	2021	2036	15	0	11	1 Total	14,579.64	14,580
Downspouts - Replacement	2016	2036	20	0	11	1 Total	1,457.98	1,458
Elevator and Stair Access Walls Reclad - 20..	2009	2025	20	-7	0	1 Total	42,254.51	42,255
Fire Alarm System - Upgrade I	2018	2043	25	0	18	1 Total	18,201.68	18,202
Fire Alarm System - Upgrade II	2017	2042	25	0	17	1 Total	67,693.23	67,693
Portico Roof & Skylights - Replace	2016	2036	20	0	11	1 Total	7,811.85	7,812
Roof - TPO Replace	2016	2036	20	0	11	7,041 SF	25.78	181,517
Water Heaters & Enclosures - Renewal (I)	2014	2029	15	0	4	1 Total	13,148.57	13,149
Water Heaters & Enclosures - Renewal (II)	2007	2025	15	0	0	1 Unit	13,148.57	13,149
Windows - Repairs and/or Replacement	2024	2049	25	0	24	118 Each	1,300.82	153,497
Capital - Total								$513,310
Non-Capital								
Bike Storage Room - Maintenance	2019	2025	5	0	0	1 Total	693.85	694
Brick Planter - Maintenance		*Unfunded*						
Brick Siding: Repoint and Seal	2024	2049	25	0	24	1 Total	570,402.00	570,402
Concrete Sidewalks - Partial Replacement	2013	2043	30	0	18	384 SF	39.07@ 40%	6,001
Condition Assessments Review	2023	2028	5	0	3	1 Total	11,943.38	11,943
Contingency	2018	2025	1	0	0	1 Total	10,000.00	10,000
Electrical Study	2019	2044	25	0	19	1 Total	9,906.33	9,906
Exterior - Wood Trim Partial Replacement	2024	2054	30	0	29	2,000 SF	22.68@ 50%	22,680
Exterior Doors - Repair and Maintenance	1985	2025	25	10	0	12 Each	1,045.13	12,542
Exterior Lighting - Repaired and Maintenance	2014	2039	25	0	14	1 Total	9,713.98	9,714
Exterior Painting: Trim and Brick Siding	2024	2031	7	0	6	6,200 SF	5.67	35,154
Fire Sprinkler System: 5-Year Testing and R..	2016	2025	5	0	0	1 Total	4,483.26	4,483
Insurance Deductible	2000	2025	1	0	0	1 Total	10,000.00	10,000
Plumbing System - Inspection & Repairs	2019	2044	25	0	19	54 Unit	812.45	43,872
Reserve Study Update	2019	2025	1	0	0	1 Total	850.00	850
Non-Capital - Total								$748,242
Total Asset Summary								$1,261,552

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025	
Bike Storage Room - Maintenance	694
Contingency	10,000
Elevator and Stair Access Walls Reclad - 2022	42,255
Exterior Doors - Repair and Maintenance	12,542
Fire Sprinkler System: 5-Year Testing and Repairs	4,483
Insurance Deductible	10,000
Reserve Study Update	850
Water Heaters & Enclosures - Renewal (II)	13,149
Total for 2025	**$93,972**
Replacement Year 2026	
Reserve Study Update	884
Total for 2026	**$884**
Replacement Year 2027	
Reserve Study Update	919
Total for 2027	**$919**
Replacement Year 2028	
Condition Assessments Review	13,435
Reserve Study Update	956
Total for 2028	**$14,391**
Replacement Year 2029	
Reserve Study Update	994
Water Heaters & Enclosures - Renewal (I)	15,382
Total for 2029	**$16,376**
Replacement Year 2030	
Bike Storage Room - Maintenance	844
Fire Sprinkler System: 5-Year Testing and Repairs	5,455
Reserve Study Update	1,034
Total for 2030	**$7,333**

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2031	
Exterior Painting: Trim and Brick Siding	44,481
Reserve Study Update	1,076
Total for 2031	**$45,557**
Replacement Year 2032	
Reserve Study Update	1,119
Total for 2032	**$1,119**
Replacement Year 2033	
Condition Assessments Review	16,345
Reserve Study Update	1,163
Total for 2033	**$17,509**
Replacement Year 2034	
Reserve Study Update	1,210
Total for 2034	**$1,210**
Replacement Year 2035	
Bike Storage Room - Maintenance	1,027
Fire Sprinkler System: 5-Year Testing and Repairs	6,636
Reserve Study Update	1,258
Total for 2035	**$8,922**
Replacement Year 2036	
Brick Planter - Waterproofing Replacement	22,445
Downspouts - Replacement	2,244
Portico Roof & Skylights - Replace	12,026
Reserve Study Update	1,309
Roof - TPO Replace	279,437
Total for 2036	**$317,461**
Replacement Year 2037	
Reserve Study Update	1,361
Total for 2037	**$1,361**

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2038	
Condition Assessments Review	19,887
Exterior Painting: Trim and Brick Siding	58,534
Reserve Study Update	1,415
Total for 2038	**$79,836**
Replacement Year 2039	
Exterior Lighting - Repaired and Maintenance	16,821
Reserve Study Update	1,472
Total for 2039	**$18,293**
Replacement Year 2040	
Bike Storage Room - Maintenance	1,250
Fire Sprinkler System: 5-Year Testing and Repairs	8,074
Reserve Study Update	1,531
Water Heaters & Enclosures - Renewal (II)	23,680
Total for 2040	**$34,534**
Replacement Year 2041	
Reserve Study Update	1,592
Total for 2041	**$1,592**
Replacement Year 2042	
Fire Alarm System - Upgrade II	131,860
Reserve Study Update	1,656
Total for 2042	**$133,515**
Replacement Year 2043	
Concrete Sidewalks - Partial Replacement	12,157
Condition Assessments Review	24,195
Fire Alarm System - Upgrade I	36,873
Reserve Study Update	1,722
Total for 2043	**$74,948**

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2044	
Electrical Study	20,871
Plumbing System - Inspection & Repairs	92,432
Reserve Study Update	1,791
Water Heaters & Enclosures - Renewal (I)	27,702
Total for 2044	**$142,796**
Replacement Year 2045	
Bike Storage Room - Maintenance	1,520
Elevator and Stair Access Walls Reclad - 2022	92,585
Exterior Painting: Trim and Brick Siding	77,027
Fire Sprinkler System: 5-Year Testing and Repairs	9,823
Reserve Study Update	1,862
Total for 2045	**$182,818**
Replacement Year 2046	
Reserve Study Update	1,937
Total for 2046	**$1,937**
Replacement Year 2047	
Reserve Study Update	2,014
Total for 2047	**$2,014**
Replacement Year 2048	
Condition Assessments Review	29,437
Reserve Study Update	2,095
Total for 2048	**$31,532**
Replacement Year 2049	
Brick Siding: Repoint and Seal	1,462,114
Reserve Study Update	2,179
Windows - Repairs and/or Replacement	393,459
Total for 2049	**$1,857,752**

Irving Street Towers Condominiums - General Common Elements
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2050	
Bike Storage Room - Maintenance	1,850
Exterior Doors - Repair and Maintenance	33,434
Fire Sprinkler System: 5-Year Testing and Repairs	11,952
Reserve Study Update	2,266
Total for 2050	**$49,501**
Replacement Year 2051	
Brick Planter - Waterproofing Replacement	40,422
Reserve Study Update	2,357
Total for 2051	**$42,778**
Replacement Year 2052	
Exterior Painting: Trim and Brick Siding	101,362
Reserve Study Update	2,451
Total for 2052	**$103,813**
Replacement Year 2053	
Condition Assessments Review	35,815
Reserve Study Update	2,549
Total for 2053	**$38,364**
Replacement Year 2054	
Exterior - Wood Trim Partial Replacement	70,731
Reserve Study Update	2,651
Total for 2054	**$73,382**

Bike Storage Room - Maintenance

		1 Total	@ $693.85
Asset ID	1058	Asset Actual Cost	$693.85
	Non-Capital	Percent Replacement	100%
Category	Building Components	Future Cost	$693.85
Placed in Service	January 2019		
Useful Life	5		
Replacement Year	2025		
Remaining Life	0		

This component funds for any necessary maintenance to the Bike Storage Room.

The cost and useful life estimates are per the Association.

Brick Planter - Maintenance

		1 Total	@ $3,905.95
Asset ID	1042	Asset Actual Cost	
	Non-Capital		
Category	Grounds Components	Future Cost	
Placed in Service	January 2013		
Useful Life	15		
Replacement Year	2028		
Remaining Life	3		

This provision funds for the maintenance of the brick planters.

The estimated cost was provided by RDH Building Sciences, Inc. The Association will need to obtain bids for this work.

This work should be performed by a qualified contractor.

The Building Enclosure Condition Assessment Report recommends the following maintenance procedures be completed either on an annual or an ongoing basis:

- Clean and maintain brick planters as required to remove efflorescence stains.

- Review sealant at electrical penetrations.

During Schwindt & Company's 2012 site visit, the brick planters appear to have efflorescence stains. Therefore, this component is scheduled to occur in 2013.

In 2012, the Association provided that they will not perform maintenance on the brick as it is for aesthetic only. Therefore, this component is unfunded. They would like to fund for installation of the waterproofing liner in 5 years. This component is funded separately.

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

Brick Planter - Waterproofing Replacement

		1 Total	@ $14,579.64
Asset ID	1057	Asset Actual Cost	$14,579.64
	Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	$22,444.68
Placed in Service	January 2021		
Useful Life	15		
Replacement Year	2036		
Remaining Life	11		

This provision funds for replacement of the waterproofing material of the brick planters.

In 2012, the Association provided that they would like to fund for installation of the waterproofing liner in 2018. If the Association would like this component to occur differently, the cost will need to be revised.

The cost is an estimate. 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.

Brick Siding: Repoint and Seal

		1 Total	@ $570,402.00
Asset ID	1054	Asset Actual Cost	$570,402.00
	Non-Capital	Percent Replacement	100%
Category	Building Components	Future Cost	$1,462,113.82
Placed in Service	January 2024		
Useful Life	25		
Replacement Year	2049		
Remaining Life	24		

This provision funds for the repair/replacement of the exterior masonry.

This will include repointing, brick replacement, cleaning, sealing and cornice / sill corrections of the brick surface areas, replacing the old windows at the West elevations, re-caulking and repairing vinyl windows at the West and North elevations, adjusting basement window height and grade conditions, and repairing other miscellaneous tasks. Miscellaneous tasks include vent modifications and crack repair.

The estimated total of all elevations area is 25,632 square feet per Schwindt & Company.

The estimated cost is calculated as follows:

$ 80,000 - General Conditions
315,000 - Masonry veneer repairs @ coating
24,000 - Install coping metal flashings @ sealants as required
22,000 - Joint sealants

Brick Siding: Repoint and Seal continued...

28,000 - Finish paint application
16,000 - Site clean-up disposal
18,000 - Allowance for replacement/patch of masonry units
$503,000 – Total cost

The cost is based on the 2022 work done by Technical Waterproofing, Inc. At the same time the window trim was painted and repaired and the metal fire escapes sanded and painted. These are accounted for in separate components.

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

Concrete Sidewalks - Partial Replacement

		384 SF	@ $39.07
Asset ID	1017	Asset Actual Cost	$6,001.23
	Non-Capital	Percent Replacement	40%
Category	Grounds Components	Future Cost	$12,157.39
Placed in Service	January 2013		
Useful Life	30		
Replacement Year	2043		
Remaining Life	18		

This provision funds for the partial replacement of the concrete sidewalks throughout the property. The expected useful life of a typical concrete curbing installation is greater than thirty years, and the replacement of any damaged portions generally amounts to 40%. This provision funds for the replacement of 40% of the concrete sidewalks to repair and/or replace any damaged portions.

The estimated area is 384 square feet per Schwindt & Company.

The estimated useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The cost is based on a per square foot estimate received from Western Paving and Construction, a local service provider. The Association will need to obtain bids for this work.

Condition Assessments Review

		1 Total	@ $11,943.38
Asset ID	1047	Asset Actual Cost	$11,943.38
	Non-Capital	Percent Replacement	100%
Category	Inspection	Future Cost	$13,434.68
Placed in Service	January 2023		
Useful Life	5		
Replacement Year	2028		
Remaining Life	3		

This provision funds for the recurring condition assessments for every 5 years as recommended by the Building Enclosure Condition Assessment Report, dated January 9, 2008.

This provision is for an anticipated expense, the Association should firm up cost with an actual bid.

According to the Building Enclosure Condition Assessment Report, the Association should arrange for seismic and life safety review to identify discrepancies, because the Condominium conversion process in of itself does not include the need to upgrade the building to meet current code requirements. This seismic and life safety review should be an item in the operating budget.

This cost has been updated in 2019.

Contingency

		1 Total	@ $10,000.00
Asset ID	1038	Asset Actual Cost	$10,000.00
	Non-Capital	Percent Replacement	100%
Category	Contingency	Future Cost	$10,000.00
Placed in Service	January 2018		
Useful Life	1		
Replacement Year	2025		
Remaining Life	0		

The cost for this provision was provided by the Association's community manager.

Downspouts - Replacement

		1 Total	@ $1,457.98
Asset ID	1003	Asset Actual Cost	$1,457.98
	Capital	Percent Replacement	100%
Category	Gutters and Downspouts	Future Cost	$2,244.49
Placed in Service	January 2016		
Useful Life	20		
Replacement Year	2036		
Remaining Life	11		

This provision provides funding for the replacement of the downspouts at the same time that the roofing is replaced.

It is recommended that the downspouts be replaced at the time the roofing is replaced to ensure a high quality, water-tight transition between the roof edge and the downspouts.

All ongoing expenses for cleaning, maintenance and minor repairs should be included in the annual operating budget for the association.

The estimated area is 48 linear feet per Schwindt & Company.

The estimated useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The cost for this component is based upon recent cost information received from Great Northwest Gutters, a local service provider. The Association will need to obtain bids for this work.

Electrical Study

		1 Total	@ $9,906.33
Asset ID	1056	Asset Actual Cost	$9,906.33
	Non-Capital	Percent Replacement	100%
Category	Inspection	Future Cost	$20,871.14
Placed in Service	January 2019		
Useful Life	25		
Replacement Year	2044		
Remaining Life	19		

This provision provides funding for an electrical study. The results of the study will need to be incorporated into the reserve study when available. The cost was provided by the Association. The Association will need to obtain bids for this work.

Elevator and Stair Access Walls Reclad - 2022

		1 Total	@ $42,254.51
Asset ID	1039	Asset Actual Cost	$42,254.51
	Capital	Percent Replacement	100%
Category	Building Components	Future Cost	$42,254.51
Placed in Service	January 2009		
Useful Life	20		
Adjustment	-7		
Replacement Year	2025		
Remaining Life	0		

This provision is to reclad the elevator and stair access as recommended by the Building Enclosure Condition Assessment Report that was prepared by RDH Building Sciences, Inc., dated January 9, 2008.

The following are the recommendations from RDH Building Sciences, Inc.:

- Re-clad elevator overrun and roof access enclosure. Provide new doors and canopy / overhang protection
- Add overflow scuppers to roof.
- Review all metal dog house enclosures and ensure joints and penetrations are sealed.

The estimated cost was provided by RDH Building Sciences, Inc. as follows:

$ 5,000 - Roof membrane maintenance and improvements
25,000 - Elevator and stair access walls reclad, and scupper and drain plumbing
$30,000 - Total

The Association will need to obtain bids for this work.

This work should be performed by a qualified contractor.

The estimated area is 7,041 square feet per Schwindt & Company.

According to the Association, this was not done.

In 2012, the Association provided that roof maintenance is funded in the operating budget and is maintained by Snyder Roofing, Inc. Therefore, the cost of this component does not include the $5,000 recommended by RDH for roof maintenance.

During Schwindt & Company's 2012 site visit, the board advised that they don't have plans to reclad the elevator and stair access walls anytime soon. They would like this component occur in 5 to 10 years from 2012. This component is scheduled for 2023.

Exterior - Wood Trim Partial Replacement

		2,000 SF	@ $22.68
Asset ID	1004	Asset Actual Cost	$22,680.00
	Non-Capital	Percent Replacement	50%
Category	Building Components	Future Cost	$70,731.01
Placed in Service	January 2024		
Useful Life	30		
Replacement Year	2054		
Remaining Life	29		

This provision funds for a partial replacement of the exterior wood trim. Partial replacement is based on the expectation that most of the trim will be in good enough condition that a full replacement is not needed.

The estimated area is 2,000 square feet per Schwindt & Company.

The estimated useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

According to the Association this was done in 2022 as part of the exterior wall project. $65,000 was the allocated cost for the window trim abatement, repair and paint.

Exterior Doors - Repair and Maintenance

		12 Each	@ $1,045.13
Asset ID	1014	Asset Actual Cost	$12,541.56
	Non-Capital	Percent Replacement	100%
Category	Doors and Windows	Future Cost	$12,541.56
Placed in Service	January 1985		
Useful Life	25		
Adjustment	10		
Replacement Year	2025		
Remaining Life	0		

This component funds for the repair and/or maintenance of the exterior common area doors and frames.

The estimated quantity is 12 doors per Schwindt & Company.

According to the Association, 1 door was replaced in 2008 at the amount of $613.77. The Association will need to obtain bids for this work.

The estimated useful life assumption is based on the January 2006 Reserve Study as prepared by the Myhre Group Architects.

Exterior Lighting - Repaired and Maintenance

		1 Total	@ $9,713.98
Asset ID	1019	Asset Actual Cost	$9,713.98
	Non-Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$16,821.47
Placed in Service	January 2014		
Useful Life	25		
Replacement Year	2039		
Remaining Life	14		

This component provides funding for the replacement of the exterior common area lighting. The lighting fixtures include ornamental pole-mounted street lamps, stair and walkway lights.

According to the Association, all the lights was retrofitted in 2014 for $7,000.

The estimated quantity is 7 light fixtures per Schwindt & Company.

The estimated cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain firm bids for this service.

Note: This is a provision for an anticipated expense. Should the association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

Exterior Painting: Trim and Brick Siding

		6,200 SF	@ $5.67
Asset ID	1005	Asset Actual Cost	$35,154.00
	Non-Capital	Percent Replacement	100%
Category	Painting	Future Cost	$44,481.02
Placed in Service	January 2024		
Useful Life	7		
Replacement Year	2031		
Remaining Life	6		

This provision provides funding for the periodic painting and sealing of the exterior wood window sills and other related building components.

It is recommended that a qualified painting contractor be retained to perform this work which should include renewal of all exterior caulking and sealants.

The estimated area is 2,000 square feet of trim and 4,200 square feet of painted brick siding per Schwindt & Company.

The estimated useful life assumption is based on accepted industry estimates as established by

Exterior Painting: Trim and Brick Siding continued...

RS Means and/or The National Construction Estimator.

The cost for this component is based upon recent cost information received from a local service provider. The cost has been increased to include lifts or swing stage as the trim is located on the 4th floor. The Association will need to obtain bids for this work.

According to the Association this was done in 2022 as part of the exterior wall project. $65,000 was the allocated cost for the window trim abatement, repair and paint.

Fire Alarm System - Upgrade I

		1 Total	@ $18,201.68
Asset ID	1051	Asset Actual Cost	$18,201.68
	Capital	Percent Replacement	100%
Category	Building Components	Future Cost	$36,873.26
Placed in Service	January 2018		
Useful Life	25		
Replacement Year	2043		
Remaining Life	18		

This provision is for the upgrade of the fire alarm system. This is for the engineering work.

According to the Association, spent $14,124.85 to install fire alarm system.

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

Fire Alarm System - Upgrade II

		1 Total	@ $67,693.23
Asset ID	1060	Asset Actual Cost	$67,693.23
	Capital	Percent Replacement	100%
Category	Building Components	Future Cost	$131,859.67
Placed in Service	January 2017		
Useful Life	25		
Replacement Year	2042		
Remaining Life	17		

This provision is for the upgrade of the fire alarm system. This includes adding horns and strobes.

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

Per the Association, this was done in 2017.

Fire Sprinkler System: 5-Year Testing and Repairs

		1 Total	@ $4,483.26
Asset ID	1030	Asset Actual Cost	$4,483.26
	Non-Capital	Percent Replacement	100%
Category	Fire	Future Cost	$4,483.26
Placed in Service	January 2016		
Useful Life	5		
Replacement Year	2025		
Remaining Life	0		

This provision provides funding to repair the fire sprinkler system and the 5-year testing.

The common areas contain fire sprinklers, the individual units do not. The fire-sprinkler piping is a mix of threaded steel piping with some grooved steel and Victaulic fittings. Some galvanized steel piping is also used in the system.

In 2012, the Association provided that there is a maintenance contract with Simplex Grinnell to annually inspect/test the buildings fire sprinkler systems. The maintenance contract also includes a provision for the annual certification of portable fire extinguishers. Mickey of Simplex Grinnell indicated that the fire sprinkler system should be inspected annually. The cost for an annual inspection is $2,500. The system will also require a 5-year testing which cost $1,500. It is our understanding that the fire sprinkler system is being maintained annually with funds from operating. Any repairs to the system are minimal. Mickey recommends funding $3,000 for the 5-year testing and any repairs if needed. This maintenance was completed in 2012 per the Association. The Association will need to obtain bids for this work.

Insurance Deductible

		1 Total	@ $10,000.00
Asset ID	1031	Asset Actual Cost	$10,000.00
	Non-Capital	Percent Replacement	100%
Category	Insurance Deductible	Future Cost	$10,000.00
Placed in Service	January 2000		
Useful Life	1		
Replacement Year	2025		
Remaining Life	0		

This provision provides funding for the insurance deductible in the event of a claim.

The cost for this provision was provided by the Association's community manager.

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

Insurance Deductible continued...

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

Plumbing System - Inspection & Repairs

		54 Unit	@ $812.45
Asset ID	1048	Asset Actual Cost	$43,872.30
	Non-Capital	Percent Replacement	100%
Category	Building Components	Future Cost	$92,432.32
Placed in Service	January 2019		
Useful Life	25		
Replacement Year	2044		
Remaining Life	19		

This provision is for inspection and an upgrade or major repairs to the plumbing system if needed.

Per the Association, RDH provided an estimated cost of $7,500 to inspect the plumbing system. This cost does not include repairs.

According to Corbin Consulting Engineers, Inc., report dated November 2, 2005; the domestic water piping was primarily visible in the common areas. The 2" main water shut off valve is located in the basement, and well labeled. The piping is a mix of galvanized steel, copper, and PEX tubing. Water pressure/ flow to the fixtures in the units were adequate on the day of the walkthrough.

The existing visible sanitary waste and vent piping that is mostly cast iron. The drain piping appeared to be in good condition given the age of building, and there was no obvious evidence of leakage or failure. Some drain piping, such as in the laundry room was a mix of old bell & spigot cast iron, no-hub cast iron, and ABS.

The common areas are fire-sprinkler, the individual units are not. The fire-sprinkler piping is a mix of threaded steel piping with some grooved steel and Victualic fittings. Some galvanized steel piping is also used in the system.

Plumbing System - Inspection & Repairs continued...

This component was originally scheduled for 2030. During Schwindt & Company's 2012 site visit, the board expressed concerns to the plumbing system. Therefore, this component is scheduled to occur in 2015.

According to Association, this will likely occur in 2019.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

Portico Roof & Skylights - Replace

		1 Total	@ $7,811.85
Asset ID	1041	Asset Actual Cost	$7,811.85
	Capital	Percent Replacement	100%
Category	Roofing	Future Cost	$12,025.98
Placed in Service	January 2016		
Useful Life	20		
Replacement Year	2036		
Remaining Life	11		

This provision funds for the replacement of the portico roof and skylight in conjunction with roof replacement as recommended by the Building Enclosure Condition Assessment Report that was prepared by RDH Building Sciences, Inc., dated January 9, 2008.

The estimated cost was provided by RDH Building Sciences, Inc. The Association will need to obtain bids for this work.

This work should be performed by a qualified contractor.

During Schwindt & Company's 2012 site visit, the roof appears to not draining well. It is our understanding that the Association will have this review by the roof maintenance vendor, and more information will be provided at a later date.

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

Reserve Study Update

		1 Total	@ $850.00
Asset ID	1032	Asset Actual Cost	$850.00
	Non-Capital	Percent Replacement	100%
Category	Reserve Study Update	Future Cost	$850.00
Placed in Service	January 2019		
Useful Life	1		
Replacement Year	2025		
Remaining Life	0		

This is a provision to fund the preparation of a reserve study update for the Association.

Roof - TPO Replace

		7,041 SF	@ $25.78
Asset ID	1002	Asset Actual Cost	$181,516.98
	Capital	Percent Replacement	100%
Category	Roofing	Future Cost	$279,437.05
Placed in Service	January 2016		
Useful Life	20		
Replacement Year	2036		
Remaining Life	11		

According to the Architectural Assessment Report that was prepared by the Myhre Group Architects, Inc., dated January 27, 2006, the roof surfaces are composed of single ply Thermoplastic membrane (TPO), and are in good condition throughout with an estimated useful remaining life of approximately 16 years roofing and the roofing was installed approximately 4 years ago or in 2002.

According to the Building Enclosure Condition Assessment Report that was prepared by the RDH Building Sciences, Inc., dated January 9, 2008, the Association should plan to replace the TPO roof in 5 to 8 years.

This provision provides funding for the replacement of the single ply Thermoplastic membrane roof in 2016.

This work should be performed by a qualified roofing contractor.

The estimated area is 7,041 square feet per Schwindt & Company.

The estimated useful life assumptions are based on accepted industry estimates as established by RS Means, The National Construction Estimator, and/or Fannie Mae Expected Useful Life Tables and Forms. The estimated timing is per RDH Building Sciences, Inc.

The cost is based on a per square foot estimate provided by Clow Roofing and Siding, a local service provider. The Association will need to obtain bids for this work.

Roof - TPO Replace continued...

The Building Enclosure Condition Assessment Report recommends the following maintenance procedures be completed either on an annual or an ongoing basis:

- Periodically review roof attic space for signs of leakage or condensation.

- Monitor skylight performance to identify leakage.

During Schwindt & Company's 2012 site visit, the roof appears to be in clean and in good condition.

Water Heaters & Enclosures - Renewal (I)

		1 Total	@ $13,148.57
Asset ID	1049	Asset Actual Cost	$13,148.57
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$15,381.97
Placed in Service	January 2014		
Useful Life	15		
Replacement Year	2029		
Remaining Life	4		

This component funds the replacement of one of the two 100-gallon natural gas-fired water heaters in the basement that are used by all units.

The estimated time was provided by the Association.

According to the Association, one of the two water heaters were replaced about 1 or 2 years ago (2007) in the amount of $4,500. The Association will need to obtain bids for this work.

There are two 100-gallon natural gas-fired heaters.

The estimated useful life assumption is based on accepted industry estimates as established by RS Means and /or The National Construction Estimator.

Water Heaters & Enclosures - Renewal (II)

		1 Unit	@ $13,148.57
Asset ID	1050	Asset Actual Cost	$13,148.57
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$13,148.57
Placed in Service	January 2007		
Useful Life	15		
Replacement Year	2025		
Remaining Life	0		

This component funds the replacement of one of the two 100-gallon natural gas-fired water heaters in the basement that are used by all units.

The estimated time was provided by the Association.

According to the Association, one of the two water heaters were replaced about 1 or 2 years ago (2007) in the amount of $4,500.

There are two 100-gallon natural gas-fired heaters.

The estimated useful life assumption is based on accepted industry estimates as established by RS Means and /or The National Construction Estimator. The Association will need to obtain bids for this work.

Windows - Repairs and/or Replacement

		118 Each	@ $1,300.82
Asset ID	1012	Asset Actual Cost	$153,496.76
	Capital	Percent Replacement	100%
Category	Doors and Windows	Future Cost	$393,458.88
Placed in Service	January 2024		
Useful Life	25		
Replacement Year	2049		
Remaining Life	24		

The windows are aluminum clad wood, double-pane, single hung with integrated screens and a few of the windows are the original wood windows, but the majority are the aluminum clad windows. The historic style windows should be maintained.

This provision funds for the replacement of the windows in 2023 as recommended by the Building Enclosure Condition Assessment Report. This cost includes set up and secure scaffold, remove old window, install new window, and remove scaffold. Repairs were done in 2024.

The estimated quantity of the windows is 118 windows per Schwindt and Company.

Windows - Repairs and/or Replacement continued...

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association will need to obtain bids for this work.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

The Building Enclosure Condition Assessment Report recommends the following maintenance procedures be completed either on an annual, an ongoing, or on an as-required basis:

- Monitor window performance to identify locations where moisture ingress occurs.

  Frequency: Annually or Ongoing

- Replace sealed units when failure is identified.

  Frequency: Ongoing / As required

- Doors: monitor doors for leakage. If replacement is contemplated, consider providing an assembly with improved thermal performance.

  Frequency: Ongoing / As required

These maintenance procedures should be included in the annual operating budget for the Association. The Association will need to obtain bids for this work.

IRVING STREET TOWERS CONDOMINIUMS - LIMITED COMMON ELEMENTS - RESIDENTIAL

MAINTENANCE PLAN UPDATE

RESERVE STUDY

LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION

BUDGET YEAR

January 1, 2025 to December 31, 2025

SCHWINDT &CO.
RESERVE STUDY SERVICES

Members of the Association of Professional Reserve Analysts / Reserve Specialist designation from CAI

IRVING STREET TOWERS CONDOMINIUMS - LIMITED COMMON ELEMENTS - RESIDENTIAL

Executive Summary

Year of Report:

January 1, 2025 to December 31, 2025

Number of Units:

52 Units

Parameters:

Beginning Balance: $203,164

Year 2025 Suggested Contribution: $32,994

Year 2025 Projected Interest Earned: $1,834

Inflation: 4.00%

Annual Increase to Suggested Contribution: 6.00%

Lowest Cash Balance Over 30 Years (Threshold): $22,531

Average Reserve Assessment per Unit: $52.88

Prior Year's Actual Contribution: $31,200

10121 SE SUNNYSIDE ROAD, SUITE 300
CLACKAMAS, OR 97015

503.227.1165 phone ♦ 503.227.1423 fax
rss@schwindtco.com

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Irving Street Towers Condominiums - Limited Common Elements - Residential

RESERVE STUDY - RESIDENTIAL

Irving Street Towers Condominiums - Limited Common Elements - Residential
Category Detail Index

Total Funded Assets	21
Total Unfunded Assets	1
Total Assets	22

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Cash Flow Method - Threshold Funding Model Summary

Report Date	October 20, 2024
Account Number	2irvit
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025
Total Units	52

Report Parameters

Inflation	4.00%
Interest Rate on Reserve Deposit	2.00%
2025 Beginning Balance	$203,164

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. It is assumed that the threshold method is funded with a positive threshold balance, therefore, “fully funded”.
- The following items were not included in the analysis because they have useful lives greater than 30 years: marble flooring, sanitary sewage and storm drains, telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **$32,994** in **2025** and increases **6.00%** each year until 2030. In 2030 the contribution is $44,153 and increases 4.0% each year for the remaining years of the study. A minimum balance of **$22,531.00** is maintained.
- The purpose of this study is to ensure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

Cash Flow Method - Threshold Funding Model Summary of Calculations

Required Monthly Contribution	$2,749.50
$52.87 per unit monthly	
Average Net Monthly Interest Earned	$152.83
Total Monthly Allocation to Reserves	$2,902.33
$55.81 per unit monthly	

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Cash Flow Method - Threshold Funding Model Projection

Beginning Balance: $203,164

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2025	32,994	1,834	130,120	107,872	284,071	38%
2026	34,974	2,388	8,429	136,804	316,571	43%
2027	37,072	2,988	8,767	168,098	351,217	48%
2028	39,296	3,637	9,117	201,915	388,128	52%
2029	41,654	4,116	20,503	227,182	415,968	55%
2030	44,153	44	248,848	22,531	211,276	11%
2031	45,920	748	10,256	58,943	248,030	24%
2032	47,756	1,495	10,666	97,529	287,387	34%
2033	49,667	2,286	11,092	138,389	329,496	42%
2034	51,653	3,123	11,536	181,629	374,513	48%
2035	53,719	679	176,989	59,039	251,014	24%
2036	55,868	1,549	12,478	103,978	295,490	35%
2037	58,103	2,470	12,977	151,574	343,122	44%
2038	60,427	1,743	97,859	115,885	292,320	40%
2039	62,844	1,656	67,780	112,605	286,853	39%
2040	65,358	1,825	57,483	122,305	294,011	42%
2041	67,972	2,903	15,181	178,000	347,668	51%
2042	70,691	4,045	15,788	236,948	405,146	58%
2043	73,519	5,071	25,415	290,122	457,312	63%
2044	76,459	6,345	17,076	355,850	522,732	68%
2045	79,518	3,497	225,524	213,341	376,578	57%
2046	82,699	4,835	18,470	282,404	442,615	64%
2047	86,006	6,250	19,209	355,452	513,331	69%
2048	89,447	7,746	19,977	432,668	588,997	73%
2049	93,025	8,840	44,924	489,609	644,780	76%
2050	96,746	9,074	92,278	503,151	656,705	77%
2051	100,615	10,799	22,471	592,094	744,990	79%
2052	104,640	12,620	23,370	685,983	839,287	82%
2053	108,826	11,550	172,503	633,856	785,809	81%
2054	113,179	13,517	25,277	735,275	887,002	83%

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Component Summary By Group

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units		Unit Cost	Current Cost
Capital									
Common Area Carpet: Hallways - Renewal	2013	2025	10	2	0	2,670	SF	13.56	36,209
Common Area Carpet: Stairs - Renewal	1990	2025	20	15	0	1,028	SF	14.60	15,010
Common Area Wood Flooring: Hallways - R..	2013	2025	10	0	0	890	SF	5.11	4,545
Common Area Wood Flooring: Hallways - R..	1990	2030	40	0	5	890	SF	12.76	11,357
Elevator - Interior Cab	1910	2025	50	63	0	1	Total	5,616.00	5,616
Elevator - Upgrade	1910	2030	50	70	5	1	Total	168,480.00	168,480
Emergency Egress Lighting - Renewal	2014	2039	25	0	14	12	Lights	236.84	2,842
Fire Escapes - Renewal	2023	2053	30	0	28	4	Each	12,355.20	49,421
Interior Lighting - Renewal	2014	2039	25	0	14	52	Lights	361.03	18,773
Lobby: Wood and Marble Flooring - Replace	2010	2025	15	0	0	1	Total	7,220.40	7,220
Outside Clock - Repair / Replace	*Unfunded*								
Security System	2019	2029	10	0	4	1	Total	9,420.78	9,421
Smoke Detectors - Replacement	1990	2025	25	3	0	20	Each	86.66	1,733
Capital - Total									$330,628
Non-Capital									
Basement: Concrete Flooring - Repair	1995	2025	25	1	0	1,200	SF	6.82	8,184
Common Area Interior Trim - Paint	2013	2038	25	0	13	2,410	LF	1.97	4,737
Common Area Interior Walls - Paint	2013	2038	25	0	13	27,490	SF	1.97	54,034
Common Area Interior Walls - Touch-up Pai..	2018	2025	1	0	0	27,490	SF	1.97@ 15%	8,105
Fire Escapes - Testing	2018	2025	5	0	0	1	Total	16,592.62	16,593
Interior Doors - Repair	1960	2035	75	0	10	66	Each	479.58	31,652
Laundry Room - Floor Replacement and Wal..	1910	2025	18	90	0	1	Total	4,440.56	4,441
Laundry Room: Dryers - Replacement	2010	2025	10	0	0	4	Each	2,807.98	11,232
Laundry Room: Washers - Replacement	2010	2025	10	0	0	4	Each	2,807.98	11,232
Non-Capital - Total									$150,210
Total Asset Summary									$480,838

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Painting								
Common Area Interior Trim - Paint	2013	2038	25	0	13	2,410 LF	1.97	4,737
Common Area Interior Walls - Paint	2013	2038	25	0	13	27,490 SF	1.97	54,034
Common Area Interior Walls - Touch-up Pai..	2018	2025	1	0	0	27,490 SF	1.97@ 15%	8,105
Painting - Total								$66,877
Fencing/Security								
Security System	2019	2029	10	0	4	1 Total	9,420.78	9,421
Fencing/Security - Total								$9,421
Lighting								
Emergency Egress Lighting - Renewal	2014	2039	25	0	14	12 Lights	236.84	2,842
Interior Lighting - Renewal	2014	2039	25	0	14	52 Lights	361.03	18,773
Lighting - Total								$21,615
Interior Furnishings								
Common Area Carpet: Hallways - Renewal	2013	2025	10	2	0	2,670 SF	13.56	36,209
Common Area Carpet: Stairs - Renewal	1990	2025	20	15	0	1,028 SF	14.60	15,010
Common Area Wood Flooring: Hallways - R..	2013	2025	10	0	0	890 SF	5.11	4,545
Common Area Wood Flooring: Hallways - R..	1990	2030	40	0	5	890 SF	12.76	11,357
Laundry Room - Floor Replacement and Wal..	1910	2025	18	90	0	1 Total	4,440.56	4,441
Lobby: Wood and Marble Flooring - Replace	2010	2025	15	0	0	1 Total	7,220.40	7,220
Interior Furnishings - Total								$78,783
Equipment								
Elevator - Interior Cab	1910	2025	50	63	0	1 Total	5,616.00	5,616
Elevator - Upgrade	1910	2030	50	70	5	1 Total	168,480.00	168,480
Laundry Room: Dryers - Replacement	2010	2025	10	0	0	4 Each	2,807.98	11,232
Laundry Room: Washers - Replacement	2010	2025	10	0	0	4 Each	2,807.98	11,232
Outside Clock - Repair / Replace		*Unfunded*						
Smoke Detectors - Replacement	1990	2025	25	3	0	20 Each	86.66	1,733
Equipment - Total								$198,293
Building Components								
Fire Escapes - Renewal	2023	2053	30	0	28	4 Each	12,355.20	49,421
Fire Escapes - Testing	2018	2025	5	0	0	1 Total	16,592.62	16,593
Building Components - Total								$66,013
Doors								
Interior Doors - Repair	1960	2035	75	0	10	66 Each	479.58	31,652
Doors - Total								$31,652

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Component Summary By Category

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Concrete								
Basement: Concrete Flooring - Repair	1995	2025	25	1	0	1,200 SF	6.82	8,184
Concrete - Total								$8,184
Total Asset Summary								$480,838

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025	
Basement: Concrete Flooring - Repair	8,184
Common Area Carpet: Hallways - Renewal	36,209
Common Area Carpet: Stairs - Renewal	15,010
Common Area Interior Walls - Touch-up Painting	8,105
Common Area Wood Flooring: Hallways - Refinish	4,545
Elevator - Interior Cab	5,616
Fire Escapes - Testing	16,593
Laundry Room - Floor Replacement and Wall Painting	4,441
Laundry Room: Dryers - Replacement	11,232
Laundry Room: Washers - Replacement	11,232
Lobby: Wood and Marble Flooring - Replace	7,220
Smoke Detectors - Replacement	1,733
Total for 2025	**$130,120**
Replacement Year 2026	
Common Area Interior Walls - Touch-up Painting	8,429
Total for 2026	**$8,429**
Replacement Year 2027	
Common Area Interior Walls - Touch-up Painting	8,767
Total for 2027	**$8,767**
Replacement Year 2028	
Common Area Interior Walls - Touch-up Painting	9,117
Total for 2028	**$9,117**
Replacement Year 2029	
Common Area Interior Walls - Touch-up Painting	9,482
Security System	11,021
Total for 2029	**$20,503**
Replacement Year 2030	
Common Area Interior Walls - Touch-up Painting	9,861

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2030 continued...	
Common Area Wood Flooring: Hallways - Replacement	13,818
Elevator - Upgrade	204,982
Fire Escapes - Testing	20,187
Total for 2030	**$248,848**
Replacement Year 2031	
Common Area Interior Walls - Touch-up Painting	10,256
Total for 2031	**$10,256**
Replacement Year 2032	
Common Area Interior Walls - Touch-up Painting	10,666
Total for 2032	**$10,666**
Replacement Year 2033	
Common Area Interior Walls - Touch-up Painting	11,092
Total for 2033	**$11,092**
Replacement Year 2034	
Common Area Interior Walls - Touch-up Painting	11,536
Total for 2034	**$11,536**
Replacement Year 2035	
Common Area Carpet: Hallways - Renewal	53,599
Common Area Interior Walls - Touch-up Painting	11,998
Common Area Wood Flooring: Hallways - Refinish	6,727
Fire Escapes - Testing	24,561
Interior Doors - Repair	46,853
Laundry Room: Dryers - Replacement	16,626
Laundry Room: Washers - Replacement	16,626
Total for 2035	**$176,989**
Replacement Year 2036	
Common Area Interior Walls - Touch-up Painting	12,478
Total for 2036	**$12,478**

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2037	
Common Area Interior Walls - Touch-up Painting	12,977
Total for 2037	**$12,977**
Replacement Year 2038	
Common Area Interior Trim - Paint	7,888
Common Area Interior Walls - Paint	89,971
Total for 2038	**$97,859**
Replacement Year 2039	
Common Area Interior Walls - Touch-up Painting	14,035
Emergency Egress Lighting - Renewal	4,922
Interior Lighting - Renewal	32,509
Security System	16,314
Total for 2039	**$67,780**
Replacement Year 2040	
Common Area Interior Walls - Touch-up Painting	14,597
Fire Escapes - Testing	29,882
Lobby: Wood and Marble Flooring - Replace	13,004
Total for 2040	**$57,483**
Replacement Year 2041	
Common Area Interior Walls - Touch-up Painting	15,181
Total for 2041	**$15,181**
Replacement Year 2042	
Common Area Interior Walls - Touch-up Painting	15,788
Total for 2042	**$15,788**
Replacement Year 2043	
Common Area Interior Walls - Touch-up Painting	16,420
Laundry Room - Floor Replacement and Wall Painting	8,996
Total for 2043	**$25,415**

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2044	
Common Area Interior Walls - Touch-up Painting	17,076
Total for 2044	**$17,076**
Replacement Year 2045	
Common Area Carpet: Hallways - Renewal	79,339
Common Area Carpet: Stairs - Renewal	32,890
Common Area Interior Walls - Touch-up Painting	17,759
Common Area Wood Flooring: Hallways - Refinish	9,958
Fire Escapes - Testing	36,356
Laundry Room: Dryers - Replacement	24,611
Laundry Room: Washers - Replacement	24,611
Total for 2045	**$225,524**
Replacement Year 2046	
Common Area Interior Walls - Touch-up Painting	18,470
Total for 2046	**$18,470**
Replacement Year 2047	
Common Area Interior Walls - Touch-up Painting	19,209
Total for 2047	**$19,209**
Replacement Year 2048	
Common Area Interior Walls - Touch-up Painting	19,977
Total for 2048	**$19,977**
Replacement Year 2049	
Common Area Interior Walls - Touch-up Painting	20,776
Security System	24,148
Total for 2049	**$44,924**
Replacement Year 2050	
Basement: Concrete Flooring - Repair	21,817
Common Area Interior Walls - Touch-up Painting	21,607

Irving Street Towers Condominiums - Limited Common Elements - Residential
Portland, Oregon
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2050 continued...	
Fire Escapes - Testing	44,233
Smoke Detectors - Replacement	4,621
Total for 2050	**$92,278**
Replacement Year 2051	
Common Area Interior Walls - Touch-up Painting	22,471
Total for 2051	**$22,471**
Replacement Year 2052	
Common Area Interior Walls - Touch-up Painting	23,370
Total for 2052	**$23,370**
Replacement Year 2053	
Common Area Interior Walls - Touch-up Painting	24,305
Fire Escapes - Renewal	148,198
Total for 2053	**$172,503**
Replacement Year 2054	
Common Area Interior Walls - Touch-up Painting	25,277
Total for 2054	**$25,277**

Basement: Concrete Flooring - Repair

		1,200 SF	@ $6.82
Asset ID	1010	Asset Actual Cost	$8,184.00
	Non-Capital	Percent Replacement	100%
Category	Concrete	Future Cost	$8,184.00
Placed in Service	January 1995		
Useful Life	25		
Adjustment	1		
Replacement Year	2025		
Remaining Life	0		

This component funds for the repairing of the common area concrete flooring in the basement. This includes buff and seal of the concrete. This component funds for the refinishing of the concrete flooring in 2020.

The estimated area is 1,200 square feet per Schwindt & Company.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain firm bids for this service.

Common Area Carpet: Hallways - Renewal

		2,670 SF	@ $13.56
Asset ID	1008	Asset Actual Cost	$36,209.47
	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$36,209.47
Placed in Service	January 2013		
Useful Life	10		
Adjustment	2		
Replacement Year	2025		
Remaining Life	0		

This component funds the replacement of the interior common area carpeting in hallways. This procedure includes removal and disposal of the old carpeting.

Schwindt and Company estimated 2,670 square feet of carpet.

The cost listed is average prices for complete residential jobs and include consultation, measurement, pad, carpet, and professional installation of pad and carpet using tack strips and hot melt tape on seams, and removal of old carpet. Prices can be expected to vary, up or down, by 50% depending on quality and quantity of actual materials required.

The estimated useful life assumption is based on accepted industry estimates as established by

Common Area Carpet: Hallways - Renewal continued...

RS Means and/or The National Construction Estimator.

According to the Association, all the carpet was replaced in 2013 for a total of $27,000. The Association will need to obtain bids for this work.

Common Area Carpet: Stairs - Renewal

		1,028 SF	@ $14.60
Asset ID	1038	Asset Actual Cost	$15,010.44
	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$15,010.44
Placed in Service	January 1990		
Useful Life	20		
Adjustment	15		
Replacement Year	2025		
Remaining Life	0		

This component funds the replacement of the interior common area stairs carpeting. This procedure includes removal and disposal of the old carpeting.

This is the original carpet that was installed in 1990.

Schwindt and Company estimated 1,028 square feet of carpet.

The cost listed is average prices for complete residential jobs and include consultation, measurement, pad, carpet, and professional installation of pad and carpet using tack strips and hot melt tape on seams, and removal of old carpet. Prices can be expected to vary, up or down, by 50% depending on quality and quantity of actual materials required.

The estimated useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The cost for this component is based on a per square yard estimate received from Mountain View Carpets, a local service provider.

The Association will need to obtain bids for this work.

Common Area Interior Trim - Paint

		2,410 LF	@ $1.97
Asset ID	1025	Asset Actual Cost	$4,737.10
	Non-Capital	Percent Replacement	100%
Category	Painting	Future Cost	$7,887.61
Placed in Service	January 2013		
Useful Life	25		
Replacement Year	2038		
Remaining Life	13		

This component funds the painting of the interior common area trim.

Schwindt and Company recommends that a qualified painting contractor be retained to perform this work.

The estimated area is 2,410 linear feet per Schwindt & Company.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain firm bids for this service.

Common Area Interior Walls - Paint

		27,490 SF	@ $1.97
Asset ID	1035	Asset Actual Cost	$54,034.34
	Non-Capital	Percent Replacement	100%
Category	Painting	Future Cost	$89,971.15
Placed in Service	January 2013		
Useful Life	25		
Replacement Year	2038		
Remaining Life	13		

This component funds the painting of the interior common area walls. This will include painting all doors and exposed wood sections.

Schwindt and Company recommends that a qualified painting contractor be retained to perform this work.

The estimated area is 27,490 square feet per Schwindt & Company.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain firm bids for this service.

In 2012, the Association provided that they will perform touch-up painting annually and perform a full paint job when it is needed.

Common Area Interior Walls - Touch-up Painting

		27,490 SF	@ $1.97
Asset ID	1011	Asset Actual Cost	$8,105.15
	Non-Capital	Percent Replacement	15%
Category	Painting	Future Cost	$8,105.15
Placed in Service	January 2018		
Useful Life	1		
Replacement Year	2025		
Remaining Life	0		

This component funds for touch-up painting of the interior common area walls as requested by the Association. This will include painting all doors and exposed wood sections.

Schwindt & Company recommends that a qualified painting contractor be retained to perform this work.

The estimated area is 27,490 square feet per Schwindt & Company.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain firm bids for this service.

In 2012, the Association provided that they will perform touch-up painting annually and perform a full paint job when it is needed.

Common Area Wood Flooring: Hallways - Refinish

		890 SF	@ $5.11
Asset ID	1039	Asset Actual Cost	$4,544.70
	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$4,544.70
Placed in Service	January 2013		
Useful Life	10		
Replacement Year	2025		
Remaining Life	0		

This component is to refinish the interior common area wood flooring in first floor hallway.

Schwindt and Company estimated 890 square feet of flooring.

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

Common Area Wood Flooring: Hallways - Replacement

		890 SF	@ $12.76
Asset ID	1040	Asset Actual Cost	$11,357.11
	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$13,817.66
Placed in Service	January 1990		
Useful Life	40		
Replacement Year	2030		
Remaining Life	5		

This component funds the replacement of the interior common area wood flooring in first floor hallway.

Schwindt and Company estimated 890 square feet of flooring.

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

Elevator - Interior Cab

		1 Total	@ $5,616.00
Asset ID	1043	Asset Actual Cost	$5,616.00
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$5,616.00
Placed in Service	January 1910		
Useful Life	50		
Adjustment	63		
Replacement Year	2025		
Remaining Life	0		

This provision is for the interior of the elevator cab.

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

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

Elevator - Upgrade

		1 Total	@ $168,480.00
Asset ID	1029	Asset Actual Cost	$168,480.00
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$204,981.68
Placed in Service	January 1910		
Useful Life	50		
Adjustment	70		
Replacement Year	2030		
Remaining Life	5		

In 2012, the Association provided that they don't anticipate on upgrading the elevator. They have a maintenance contract with Otis Elevator who maintains the elevator. According to Sean McKinney of Otis Elevator, the elevator is old, and is due for an upgrade. However, the elevator is in good condition. Sean advise that they will continue to maintain and repair the elevator on an as needed basis. Because Otis installed the elevator, they have parts on hand to perform repairs if needed. If the Association changes maintenance company, other vendors may not have parts available to repair the elevator. At that time, major modernization to the elevator will be required. In 2018 the Association requested to include funding of the elevator in the reserve study.

The elevator is located adjacent to the entry lobby. The elevator mechanical room appears to have newer components installed and are in good condition overall. The elevator car is original and a complete inspection is recommended by a professional elevator maintenance company.

The Association has a maintenance contract with Otis Elevator Company. The maintenance to be performed by the Otis Elevator Company will include inspection, lubrication, adjustment, and if conditions or usage warrant, repair or replacement of the elevator and its related parts.

The estimated quantity is one elevator per Schwindt & Company.

The estimated useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

During Schwindt & Company’s 2012 site visit, the elevator appears to be 100 years old.

Emergency Egress Lighting - Renewal

Asset ID	1009	12 Lights	@ $236.84
	Capital	Asset Actual Cost	$2,842.07
Category	Lighting	Percent Replacement	100%
Placed in Service	January 2014	Future Cost	$4,921.55
Useful Life	25		
Replacement Year	2039		
Remaining Life	14		

This component provides funding for the replacement of the emergency egress lighting. The lighting is provided by battery pack halogens located in the stairways.

This work should be performed by a licensed electrician. An average estimate of $172.30 per light fixture will be used, individual costs will vary. Individual lights should be replaced as necessary.

The estimated quantity is 12 light fixtures per Schwindt & Company.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain firm bids for this service.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

Fire Escapes - Renewal

		4 Each	@ $12,355.20
Asset ID	1028	Asset Actual Cost	$49,420.80
	Capital	Percent Replacement	100%
Category	Building Components	Future Cost	$148,198.31
Placed in Service	January 2023		
Useful Life	30		
Replacement Year	2053		
Remaining Life	28		

There are 4 iron fire escapes on the top 3 floors of the building with a sliding ladder that leads to the sidewalk.

The estimated quantity OF 4 fire escapes IS per Schwindt & Company.

According to the Building Enclosure Condition Assessment Report, the guard portion of the fire escape is less than 42" and does not comply with current building code standards. It is our understanding that this was completed in 2009.

Fire Escapes - Renewal continued...

This provision is to modify / reinforce fire escape connections, seismic conditions, as recommended by the Building Enclosure Condition Assessment Report.

In 2023, the fire escapes were sanded and painted as part of the exterior wall project for $42,000.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association will need to obtain bids for this work.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

Fire Escapes - Testing

		1 Total	@ $16,592.62
Asset ID	1028	Asset Actual Cost	$16,592.62
	Non-Capital	Percent Replacement	100%
Category	Building Components	Future Cost	$16,592.62
Placed in Service	January 2018		
Useful Life	5		
Replacement Year	2025		
Remaining Life	0		

There are 4 iron fire escapes on the top 3 floors of the building with a sliding ladder that leads to the sidewalk. According to the Association, the escapes were testing in 2018 for $13,000.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association will need to obtain bids for this work.

Interior Doors - Repair

		66 Each	@ $479.58
Asset ID	1015	Asset Actual Cost	$31,651.96
	Non-Capital	Percent Replacement	100%
Category	Doors	Future Cost	$46,852.64
Placed in Service	January 1960		
Useful Life	75		
Replacement Year	2035		
Remaining Life	10		

This provision funds for the repair of the interior common area wood doors and frames. This

Interior Doors - Repair continued...

includes refinishing the doors.

The estimated quantity is 14 common area doors and 52 unit doors per Schwindt & Company. There are a total of 66 doors.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain firm bids for this service.

Interior Lighting - Renewal

		52 Lights	@ $361.03
Asset ID	1020	Asset Actual Cost	$18,773.33
	Capital	Percent Replacement	100%
Category	Lighting	Future Cost	$32,509.33
Placed in Service	January 2014		
Useful Life	25		
Replacement Year	2039		
Remaining Life	14		

This component provides funding for the replacement of the interior common area lighting fixtures. Some of the interior common area lighting fixtures appear to be original; however the majority of the fixtures are newer from the 1980's. According to the Association, replacement of light fixtures must match the original historic character of the building.

This work should be performed by a licensed electrician. An average estimate of $262.66 per light fixture will be used; individual costs will vary. Individual lights should be replaced as necessary.

The estimated quantity is 52 lights per Schwindt & Company.

The estimated useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

In 2012, the Association provided a cost of $250 per light fixture.

The Association will need to obtain bids for this work.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

Laundry Room - Floor Replacement and Wall Painting

		1 Total	@ $4,440.56
Asset ID	1022	Asset Actual Cost	$4,440.56
	Non-Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$4,440.56
Placed in Service	January 1910		
Useful Life	18		
Adjustment	90		
Replacement Year	2025		
Remaining Life	0		

This is a provision to fund the repairs of the laundry room. This provision includes replacement of the linoleum flooring and removal of tile and repair, buff, and seal concrete. This procedure will include the removal of the old flooring and the installation of the new linoleum.

The estimated area is 176 square feet of linoleum flooring per Schwindt and Company.

This provision also includes the painting of the laundry room walls. The estimated area is 330 square feet of wall surfaces per Schwindt and Company

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association will need to obtain bids for this work.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

Laundry Room: Dryers - Replacement

		4 Each	@ $2,807.98
Asset ID	1042	Asset Actual Cost	$11,231.92
	Non-Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$11,231.92
Placed in Service	January 2010		
Useful Life	10		
Replacement Year	2025		
Remaining Life	0		

This is a provision to fund the replacement of the laundry room dryers.

Laundry Room: Washers - Replacement

		4 Each	@ $2,807.98
Asset ID	1041	Asset Actual Cost	$11,231.92
	Non-Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$11,231.92
Placed in Service	January 2010		
Useful Life	10		
Replacement Year	2025		
Remaining Life	0		

This is a provision to fund the replacement of the laundry room washers.

Lobby: Wood and Marble Flooring - Replace

		1 Total	@ $7,220.40
Asset ID	1024	Asset Actual Cost	$7,220.40
	Capital	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$7,220.40
Placed in Service	January 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	0		

This is a provision to fund for the maintenance and/or repair of the wood and marble flooring in the main entry way.

The estimated area is 123 square feet of ceramic tiles per Schwindt & Company.

This provision also includes the regrouting of the ceramic tile floors.

The estimated useful life and cost assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association will need to obtain bids for this work.

Note: This is a provision for an anticipated expense. Should the Association find that the cost of this item is greater than or less than the amount provided for herein, this study should be updated to reflect the actual component cost.

Outside Clock - Repair / Replace

		1 Total	@ $4,332.24
Asset ID	1034	Asset Actual Cost	$4,332.24
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$4,332.24
Placed in Service	January 1910		
Useful Life	20		
Adjustment	87		
Replacement Year	2025		
Remaining Life	0		

This provision provides funding to repair or replace the clock located on the exterior of the residential front entrance.

During Schwindt & Company's 2012 site visit, the board advised that the clock does not work, and they would like it to be repaired. The Association provided that this will occur in 2014.

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

The Association will need to obtain bids for this work.

This is unfunded per the Association in 2017.

Security System

		1 Total	@ $9,420.78
Asset ID	1036	Asset Actual Cost	$9,420.78
	Capital	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$11,020.98
Placed in Service	January 2019		
Useful Life	10		
Replacement Year	2029		
Remaining Life	4		

This component funds for the replacement of the entry security system call box.

In 2019, $5,954 was spent.

The cost is per the Association.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

Smoke Detectors - Replacement

		20 Each	@ $86.66
Asset ID	1033	Asset Actual Cost	$1,733.26
	Capital	Percent Replacement	100%
Category	Equipment	Future Cost	$1,733.26
Placed in Service	January 1990		
Useful Life	25		
Adjustment	3		
Replacement Year	2025		
Remaining Life	0		

This provision provides funding to replace the smoke detectors.

The Association's previous vendor, Fire Systems West, Inc. provided a total of 20 smoke detectors.

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.

Additional Disclosures

Levels of Service

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

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

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

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

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

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

- Life and Valuation Estimates
- Fund Status
- Funding Plan

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

- Component inventory
- Life and valuation estimates
- Funding Plan

Terms and Definitions

Adequate Reserves: A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

Capital Improvements: Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.

Cash Flow Method (also known as pooling): A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund.

To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Common Area: The areas identified in the community association's master deed or declarations of covenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.

Community Association: A nonprofit entity that exists to preserve the nature of the community and protect the value of the property owned by members. Membership in the community association is mandatory and automatic for all owners. All owners pay mandatory lien-based assessments that fund the operation of the association and maintain the common area or elements, as defined in the governing documents. The community association is served and lead by an elected board of trustees or directors.

Components: The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. **Components are selected to be included in the reserve study based on the following three-part test:**

1. The association has the obligation to maintain or replace the existing element.
2. The need and schedule for this project can be reasonably anticipated.
3. The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

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, review of association precedents, and discussion with appropriate representative(s) of the association.

The Reserve Specialist, in coordination with the client, will determine the methodology for including these components in the study. Typical evaluation techniques for consideration include:

- Inclusion of long-life components with funding in the study.
- Addition of long-life components with funding at the time when they fall within the 30-year period from the date of study preparation.
- Identification of long-life components in the component inventory even when they are not yet being funded in the 30-year funding plan.

Component Method (also known as Straight Line): A method of developing a reserve funding plan where the total funding is based on the sum of funding for the individual components.

Condition Assessment: The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Effective Age: The difference between useful life and estimated 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 in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30

years of income and expense are to be considered.

Fully Funded: 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

Fully Funded Balance (FFB): An indicator against which the 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, and then summed for an association total.

FFB = Current Cost X Effective Age/Useful Life

Example: For a component with a $10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be $4,000.

Fund Status: The status of the reserve fund reported in terms of cash or percent funded. The Association appears to be adequately funded as the threshold method, reducing the potential risk of special assessment.

Funding Goals:

The three funding goals listed below range from the most aggressive to most conservative:

Baseline Funding

Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, **and it is not recommended** as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

Threshold Funding

Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "fully funded" with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as

investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

Full Funding

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance.

It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.

Funding Plan: An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

Funding Principles: A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.

- Fiscally responsible.

Initial Year: The first fiscal year in the financial analysis or funding plan.

Life Estimates: The task of estimating useful life and remaining useful life of the reserve components.

Life Cycle Cost: The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

Maintenance: Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of "replacement" but may pass the defining test of a reserve component and be appropriate for reserve funding.
Maintenance types are categorized below:

Preventive Maintenance: Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

Deferred Maintenance: Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.

This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Corrective Maintenance: Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.

Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded: The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.

While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of "adequacy."

Periodic Structural Inspection: Structural system inspections aimed at identifying issues when they become evident.

Additional information and recommendations are included within the Condominium Safety Public Policy Report. www.condosafety.com

Physical Evaluation: 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.

Preventive Maintenance Schedule: A summary of the preventive maintenance tasks included within a maintenance

manual which should be performed such that the useful lives of the components are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL): Also referred to as "remaining life" (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life.

Replacement Cost: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

Reserve Balance: Actual or projected funds, clearly identified as existing either at the beginning or end of the association's fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.

Reserve Study: A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

Reserve Study Provider: An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist® (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. In some instances, qualifications in excess of the RS designation will be required if supplemental subject matter expertise is required.

Reserve Study Provider Firm: A company that prepares reserve studies as one of its primary business activities.

Responsible Charge: A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals' performing services that directly and materially affect the quality and competence of services 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 or she 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:

1. 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;

2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;

3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and

4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

Site Visit: A visual assessment of the accessible areas of the components included within the reserve study.

The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.

Special Assessment: A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.

Structural System: The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.

Useful Life (UL): The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

Valuation Estimates: The task of estimating the current repair or replacement costs for the reserve components.