Browning
RESERVE GROUP

RESERVE STUDY

Update w/o Site Visit Review

Banbury Meadows Homeowners' Association

Update-2
Published - December 01, 2015
Prepared for the 2016 Fiscal Year

Browning Reserve Group

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Update-2

Table of Contents

Banbury Meadows
Homeowners' Association
Update-2

Homeowner Distribution Materials

The following Reserve Study sections should be provided to each Homeowner.

Section	*Report*	
Idaho:	Member Summary	
Section III:	30 Year Reserve Funding Plan	*Cash Flow Method {c}*

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Update-2
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Reserve Study Summary

A Reserve Study was conducted of Banbury Meadows Homeowners' Association (the "**Association**"). An **Update Without Site-Visit Review** is an update with no on-site visual observation upon where the following tasks are performed:

- life and valuation estimates;
- fund status;
- and a funding plan.

Banbury Meadows Homeowners' Association is a Planned Development with a total of 320 Lots.

Summary of Reserves

For the first year of the Reserve Study, the reserve contribution is based upon the existing budget unless otherwise noted in *"Section III, Reserve Funding Plan."* In addition BRG relied on the Association to provide an accurate Beginning Reserve Balance.

The status of the Association's reserves, as reflected in the following Reserve Study, is as follows:

1. **The Expenditure Forecast of the following Reserve Study identifies the major components which the Association is obligated to repair, replace, restore or maintain, as determined in accordance with the criteria specified above, and specifies for each such component:**
   a. **Its current estimated replacement cost;**
   b. **Its estimated useful life; and**
   c. **Its estimated remaining useful life.**
2. **It is estimated that the total cash reserves necessary to repair, replace, restore or maintain such major components (in the aggregate) during and at the end of their first remaining useful life is $128,262.**
   - **[For purposes of this calculation, "necessary" is defined as the Fully Funded Balance (FFB) (Component Current Cost X Effective Age / Useful Life, including a provision for interest and inflation in future years.)]**
3. **The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain such major components as of the fiscal year ending December 31, 2016 is estimated to be $77,610, constituting 60.5% of the total expenditures anticipated for all such major components through their first end of useful life replacement.**

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4. **Based upon the schedule of annual reserve contributions necessary to defray the cost of repairing, replacing, restoring or maintaining such major components in the years such expenditures are estimated to be required, it is estimated that annual reserve contributions in the initial amount of $10,000 *[$31.25 per Lot per year (average)]* for the fiscal year ending December 31, 2016 (the first full fiscal year following first distribution of this report) will be necessary in order to meet all such reserve expenditures when they are projected to come due.**

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

Idaho statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Percent Funded Status

Based on paragraphs 1 - 3 above, the Association is 60.5% funded. The following scale can be used as a measure to determine the Association's financial picture whereas the lower the percentage, the higher the likelihood of the Association requiring a special assessment, or other large increases to the reserve contribution in the future.

Methodology

The above recommended reserve contribution for the next fiscal year (and future fiscal years as outlined in *Section III, Reserve Fund Balance Forecast*) was developed using the cash flow method. This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Funding Goals

The funding goal employed for Banbury Meadows Homeowners' Association is

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

Limitations

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Statutory Disclosures

Compliance

The Reserve Study complies with or exceeds all applicable statutes, if any.

Supplemental Disclosures

General:

BRG has no other involvement(s) with the Association which could result in actual or perceived conflicts of interest.

Personnel Credentials:

N. Anthony Dann graduated from Cal State Northridge with Bachelors & Master of Science degrees in Business Administration, Management and Finance.

Diane M. Dann has a Certified Property Manager designation from the Institute of Real Estate Management.

Completeness:

BRG has found no material issues which, if not disclosed, would cause a distortion of the Association's situation.

Reliance on Client Data:

Information provided by the official representative of the Association regarding financial, physical, quantity, or historical issues will be deemed reliable by BRG.

Scope:

This Reserve Study is a reflection of information provided to BRG and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, health and safety inspection, or background checks of historical records.

Reserve Balance:

The actual beginning reserve fund balance in this Reserve Study is based upon information provided and was not audited.

Reserve Projects:

Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit, quality inspection, or health and safety review.

Component Quantities:

The Association warrants the previously developed component quantities are accurate and reliable.

Browning Reserve Group

Reserve Component	Current Replacement Cost	Life Useful / Remaining		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
02000 - Concrete																		
200 - Sidewalks, Curbs & Gutters Common Area	2,000	5	5						2,263					2,560				
Total 02000 - Concrete	2,000								2,263					2,560				
03000 - Painting: Exterior																		
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,500	10	7								2,972							
500 - Light Poles Common Area Street Lights	6,500	8	5						7,354								8,960	
510 - Mailboxes Residential Mailboxes	9,500	8	3				10,230								12,465			
520 - Fire Hydrants Common Area	1,500	10	7								1,783							
Total 03000 - Painting: Exterior	20,000						10,230		7,354		4,755				12,465		8,960	
18000 - Landscaping																		
340 - Irrigation: Pumps Pump Station #1 - Motors	14,000	8	5						15,840								19,299	
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,000	7	1		4,100							4,874						
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,000	30	1		8,200													
343 - Irrigation: Pumps Pump Station #2 - Skid & Piping	12,000	40	27															
344 - Irrigation: Pumps Pump Station #2 - Motors	14,000	8	4					15,453								18,828		
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,000	7	1		4,100							4,874						
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter	16,000	30	1		16,400													
347 - Irrigation: Pumps Pump Station #3 - Skid & Piping	12,000	40	27															
348 - Irrigation: Pumps Pump Station #3 - Motors	14,000	8	1		14,350								17,484					
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,000	7	1		4,100							4,874						
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter	8,000	30	1		8,200													
351 - Irrigation: Pumps Pump Station #4 - Skid & Piping	12,000	40	27															
352 - Irrigation: Pumps Pump Station #4 - Motors	14,000	8	1		14,350								17,484					
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,000	7	1		4,100							4,874						
354 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,000	30	29															

Reserve Component	Current Replacement Cost	Life Useful / Remaining	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,000	5 3				3,231					3,655					4,136	
500 - Tree Maintenance Common Area Trees	5,000	5 3				5,384					6,092					6,893	
Total 18000 - Landscaping	156,000			77,900		8,615	15,453	15,840			29,242	34,968			18,828	30,327	
18500 - Lakes / Ponds																	
330 - Aeration Heads / Diffusers Aeration System - Pump	4,000	10 8									4,874						
331 - Aeration Heads / Diffusers Aeration System - Motor	740	2 0	740		777		817		858		902		947		995		1,046
332 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,500	15 13														2,068	
Total 18500 - Lakes / Ponds	6,240		740		777		817		858		5,775		947		995	2,068	1,046
20000 - Lighting																	
205 - Street: Poles & Fixtures Common Area	2,319	10 14															3,276
Total 20000 - Lighting	2,319																3,276
31000 - Reserve Study																	
120 - 5 Year Update with Site Visit Full Reserve Study	1,300	5 2			1,366					1,545					1,748		
Total 31000 - Reserve Study	1,300				1,366					1,545					1,748		
Total Expenditures Inflated @ 2.50%			740	77,900	2,143	18,846	16,270	25,457	858	6,300	35,017	34,968	3,507	12,465	21,572	41,355	4,322
Total Current Replacement Cost	187,859																

Reserve Component	*2030*	*2031*	*2032*	*2033*	*2034*	*2035*	*2036*	*2037*	*2038*	*2039*	*2040*	*2041*	*2042*	*2043*	*2044*
02000 - Concrete															
200 - Sidewalks, Curbs & Gutters Common Area	2,897					3,277					3,708				
Total 02000 - Concrete	2,897					3,277					3,708				
03000 - Painting: Exterior															
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing			3,804										4,870		
500 - Light Poles Common Area Street Lights							10,917								13,302
510 - Mailboxes Residential Mailboxes					15,187								18,504		
520 - Fire Hydrants Common Area			2,282										2,922		
Total 03000 - Painting: Exterior			6,086		15,187		10,917						26,295		13,302
18000 - Landscaping															
340 - Irrigation: Pumps Pump Station #1 - Motors							23,514								28,650
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls	5,793							6,886							8,186
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter															
343 - Irrigation: Pumps Pump Station #2 - Skid & Piping													23,374		
344 - Irrigation: Pumps Pump Station #2 - Motors						22,941								27,951	
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls	5,793							6,886							8,186
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter															
347 - Irrigation: Pumps Pump Station #3 - Skid & Piping													23,374		
348 - Irrigation: Pumps Pump Station #3 - Motors			21,303								25,955				
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls	5,793							6,886							8,186
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter															
351 - Irrigation: Pumps Pump Station #4 - Skid & Piping													23,374		
352 - Irrigation: Pumps Pump Station #4 - Motors			21,303								25,955				
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls	5,793							6,886							8,186
354 - Irrigation: Pumps Pump Station #4 - Stainless Filter															16,371
420 - General Repairs/Upgrades Common Area Planters & Shrubs				4,679					5,294					5,989	
500 - Tree Maintenance Common Area Trees				7,798					8,823					9,982	
Total 18000 - Landscaping	23,173		42,605	12,477		22,941	23,514	27,545	14,117		51,910		70,121	43,923	77,763
18500 - Lakes / Ponds															

Reserve Component	*2030*	*2031*	*2032*	*2033*	*2034*	*2035*	*2036*	*2037*	*2038*	*2039*	*2040*	*2041*	*2042*	*2043*	*2044*
330 - Aeration Heads / Diffusers Aeration System - Pump				6,239										7,986	
331 - Aeration Heads / Diffusers Aeration System - Motor		1,099		1,154		1,213		1,274		1,338		1,406		1,477	
332 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses														2,995	
Total 18500 - Lakes / Ponds		1,099		7,393		1,213		1,274		1,338		1,406		12,458	
20000 - Lighting															
205 - Street: Poles & Fixtures Common Area										4,194					
Total 20000 - Lighting										4,194					
31000 - Reserve Study															
120 - 5 Year Update with Site Visit Full Reserve Study			1,978					2,238					2,532		
Total 31000 - Reserve Study			1,978					2,238					2,532		
Total Expenditures Inflated @ 2.50%	26,069	1,099	50,670	19,870	15,187	27,430	34,431	31,057	14,117	5,532	55,618	1,406	98,948	56,381	91,065

30 Year Reserve Funding Plan Cash Flow Method

Update-2

Prepared for the 2016 Fiscal Year

See Important footnotes at end of this Section III.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Balance	129,078[1]	145,510	77,610	92,639	90,965	91,867	84,097	101,457	113,922	98,233
Inflated Expenditures @ 2.5%	740	77,900	2,143	18,846	16,270	25,457	858	6,300	35,017	34,968
Reserve Contribution	17,172[2]	10,000[3]	17,172	17,172	17,172	17,687	18,218	18,765	19,328	19,908
Lots/year @ 320	*53.66*	*31.25*	*53.66*	*53.66*	*53.66*	*55.27*	*56.93*	*58.64*	*60.40*	*62.21*
Percentage Increase		*-41.8%*	*71.7%*	*0.0%*	*0.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	145,510	77,610	92,639	90,965	91,867	84,097	101,457	113,922	98,233	83,173

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance	83,173	100,171	108,826	109,008	90,059	108,817	106,518	129,904	104,453	110,559
Inflated Expenditures @ 2.5%	3,507	12,465	21,572	41,355	4,322	26,069	1,099	50,670	19,870	15,187
Reserve Contribution	20,505	21,120	21,754	22,407	23,079	23,771	24,484	25,219	25,976	26,755
Lots/year @ 320	*64.08*	*66.00*	*67.98*	*70.02*	*72.12*	*74.28*	*76.51*	*78.81*	*81.18*	*83.61*
Percentage Increase	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	100,171	108,826	109,008	90,059	108,817	106,518	129,904	104,453	110,559	122,127

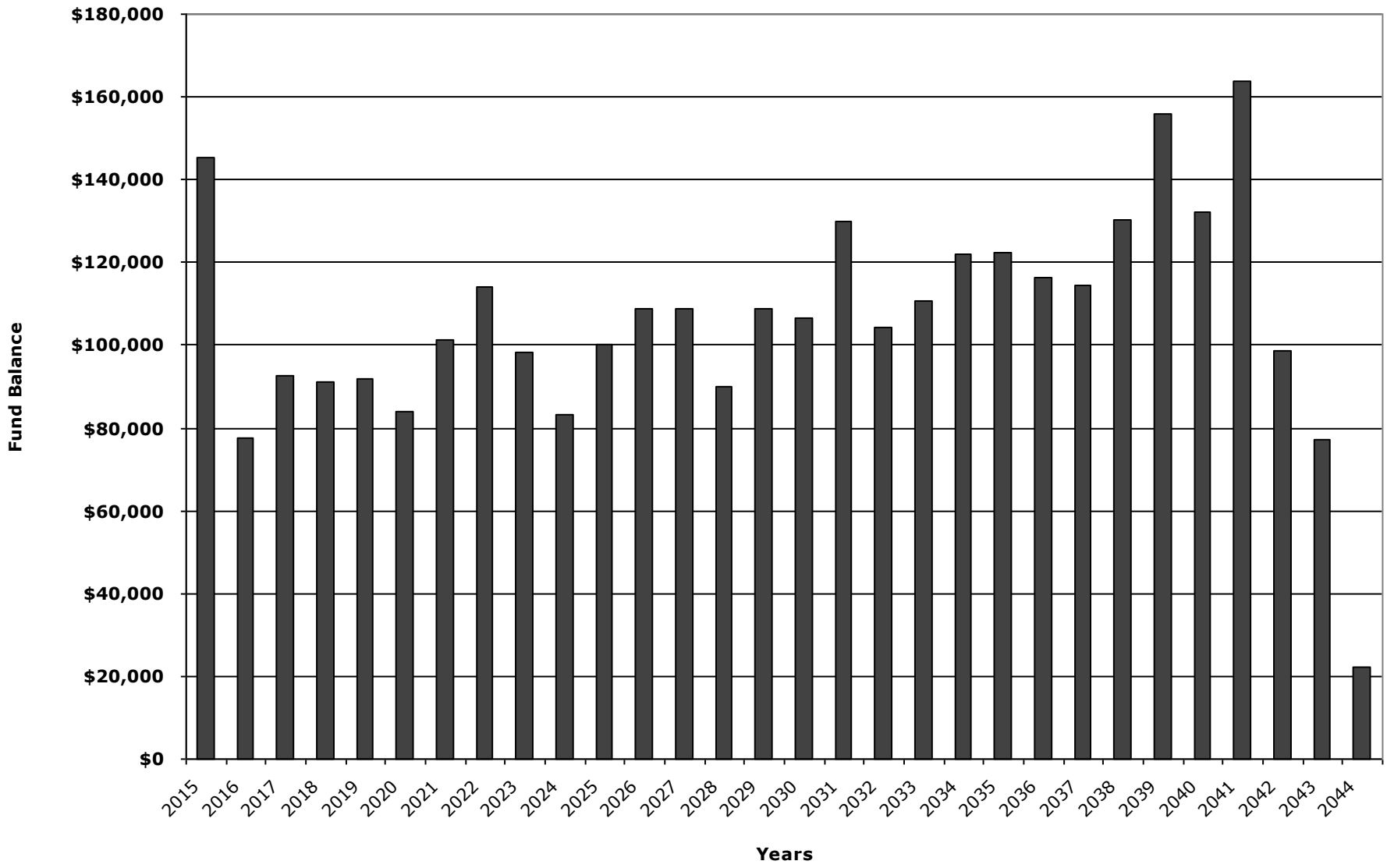
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Beginning Balance	122,127	122,254	116,208	114,388	130,385	155,870	132,199	163,699	98,644	77,173
Inflated Expenditures @ 2.5%	27,430	34,431	31,057	14,117	5,532	55,618	1,406	98,948	56,381	91,065
Reserve Contribution	27,558	28,385	29,237	30,114	31,017	31,948	32,906	33,893	34,910	35,957
Lots/year @ 320	*86.12*	*88.70*	*91.37*	*94.11*	*96.93*	*99.84*	*102.83*	*105.92*	*109.09*	*112.37*
Percentage Increase	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	122,254	116,208	114,388	130,385	155,870	132,199	163,699	98,644	77,173	22,065

Reserve Funding Plan - Footnotes

	Period / Year	
1)	00 / 2015	Beginning Balance provided by Board of Directors.
2)		Reserve Contribution needed to further fund the Reserve Account.
3)	01 / 2016	Reserve Contribution provided by Board of Directors.

30 Year Reserve Funding Plan Cash Flow Method - Ending Balances

Update-2
Prepared for the 2016 Fiscal Year



30 Year Reserve Funding Plan Including Fully Funded Balance and % Funded

Update-2
Prepared for the 2016 Fiscal Year

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2015	129,078	109,147	133.3%	740	17,172	0	0	145,510
2016	145,510	128,262	60.5%	77,900	10,000	0	0	77,610
2017	77,610	69,547	133.2%	2,143	17,172	0	0	92,639
2018	92,639	87,465	104.0%	18,846	17,172	0	0	90,965
2019	90,965	89,173	103.0%	16,270	17,172	0	0	91,867
2020	91,867	94,039	89.4%	25,457	17,687	0	0	84,097
2021	84,097	90,337	112.3%	858	18,218	0	0	101,457
2022	101,457	112,257	101.5%	6,300	18,765	0	0	113,922
2023	113,922	129,661	75.8%	35,017	19,328	0	0	98,233
2024	98,233	118,592	70.1%	34,968	19,908	0	0	83,173
2025	83,173	107,835	92.9%	3,507	20,505	0	0	100,171
2026	100,171	129,610	84.0%	12,465	21,120	0	0	108,826
2027	108,826	143,315	76.1%	21,572	21,754	0	0	109,008
2028	109,008	148,608	60.6%	41,355	22,407	0	0	90,059
2029	90,059	134,352	81.0%	4,322	23,079	0	0	108,817
2030	108,817	158,309	67.3%	26,069	23,771	0	0	106,518
2031	106,518	161,199	80.6%	1,099	24,484	0	0	129,904
2032	129,904	190,398	54.9%	50,670	25,219	0	0	104,453
2033	104,453	170,174	65.0%	19,870	25,976	0	0	110,559
2034	110,559	181,687	67.2%	15,187	26,755	0	0	122,127
2035	122,127	198,979	61.4%	27,430	27,558	0	0	122,254
2036	122,254	204,862	56.7%	34,431	28,385	0	0	116,208
2037	116,208	204,442	56.0%	31,057	29,237	0	0	114,388
2038	114,388	208,214	62.6%	14,117	30,114	0	0	130,385
2039	130,385	230,206	67.7%	5,532	31,017	0	0	155,870
2040	155,870	262,328	50.4%	55,618	31,948	0	0	132,199
2041	132,199	244,716	66.9%	1,406	32,906	0	0	163,699
2042	163,699	283,053	34.9%	98,948	33,893	0	0	98,644
2043	98,644	223,208	34.6%	56,381	34,910	0	0	77,173
2044	77,173	206,362	10.7%	91,065	35,957	0	0	22,065

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2015 Fully Funded Balance	2016 Fully Funded Balance	% Per Year Straight Line	2016 Line Item Contribution based on Cash Flow Method
02000 - Concrete									
200 - Sidewalks, Curbs & Gutters Common Area	2,000	5	5	2,263	377	333	410	1.93%	193
03000 - Painting: Exterior									
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,500	10	7	2,972	297	750	1,025	1.52%	152
500 - Light Poles Common Area Street Lights	6,500	8	5	7,354	919	2,438	3,331	4.72%	472
510 - Mailboxes Residential Mailboxes	9,500	8	3	10,230	1,279	5,938	7,303	6.56%	656
520 - Fire Hydrants Common Area	1,500	10	7	1,783	178	450	615	0.91%	91
Sub-total [03000 - Painting: Exterior]	20,000			22,339	2,674	9,575	12,274	13.71%	1,371

Reserve Component	*Current Repl. Cost*	*Useful Life*	*Remaining Life*	*Estimated Future Replacement Costs*	*Per Year*	*2015 Fully Funded Balance*	*2016 Fully Funded Balance*	*% Per Year Straight Line*	*2016 Line Item Contribution based on Cash Flow Method*
18000 - Landscaping									
340 - Irrigation: Pumps Pump Station #1 - Motors	14,000	8	5	15,840	1,980	5,250	7,175	10.16%	1,016
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,000	7	1	4,100	586	3,429	4,100	3.00%	300
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,000	30	1	8,200	273	7,733	8,200	1.40%	140
343 - Irrigation: Pumps Pump Station #2 - Skid & Piping	12,000	40	27	23,374	584	3,900	4,305	3.00%	300
344 - Irrigation: Pumps Pump Station #2 - Motors	14,000	8	4	15,453	1,932	7,000	8,969	9.91%	991
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,000	7	1	4,100	586	3,429	4,100	3.00%	300
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter	16,000	30	1	16,400	547	15,467	16,400	2.80%	280
347 - Irrigation: Pumps Pump Station #3 - Skid & Piping	12,000	40	27	23,374	584	3,900	4,305	3.00%	300
348 - Irrigation: Pumps Pump Station #3 - Motors	14,000	8	1	14,350	1,794	12,250	14,350	9.20%	920
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,000	7	1	4,100	586	3,429	4,100	3.00%	300
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter	8,000	30	1	8,200	273	7,733	8,200	1.40%	140
351 - Irrigation: Pumps Pump Station #4 - Skid & Piping	12,000	40	27	23,374	584	3,900	4,305	3.00%	300
352 - Irrigation: Pumps Pump Station #4 - Motors	14,000	8	1	14,350	1,794	12,250	14,350	9.20%	920
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,000	7	1	4,100	586	3,429	4,100	3.00%	300
354 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,000	30	29	16,371	546	267	547	2.80%	280
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,000	5	3	3,231	646	1,200	1,845	3.31%	331
500 - Tree Maintenance Common Area Trees	5,000	5	3	5,384	1,077	2,000	3,075	5.52%	552
Sub-total [18000 - Landscaping]	156,000			204,300	14,957	96,564	112,425	76.72%	7,672

Reserve Component	*Current Repl. Cost*	*Useful Life*	*Remaining Life*	*Estimated Future Replacement Costs*	*Per Year*	*2015 Fully Funded Balance*	*2016 Fully Funded Balance*	*% Per Year Straight Line*	*2016 Line Item Contribution based on Cash Flow Method*
18500 - Lakes / Ponds									
330 - Aeration Heads / Diffusers Aeration System - Pump	4,000	10	8	4,874	487	800	1,230	2.50%	250
331 - Aeration Heads / Diffusers Aeration System - Motor	740	2	0	740	370	740	379	1.90%	190
332 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,500	15	13	2,068	138	200	308	0.71%	71
Sub-total [18500 - Lakes / Ponds]	6,240			7,681	995	1,740	1,917	5.11%	511
20000 - Lighting									
205 - Street: Poles & Fixtures Common Area	2,319	10	14	3,276	218	155	170	1.12%	112
31000 - Reserve Study									
120 - 5 Year Update with Site Visit Full Reserve Study	1,300	5	2	1,366	273	780	1,066	1.40%	140
						[A]	[B]		
Totals	**187,859**			**241,226**	**19,495**	**109,147**	**128,262**	**100.00%**	**10,000**
						[EndBal]	[EndBal]		
						[A]	[B]		
Percent Funded						**133%**	**60.51%**		

02000 - Concrete

200 - Sidewalks, Curbs & Gutters
Common Area

Useful Life 5 Remaining Life 5
Quantity 1 Unit of Measure Lump Sum
Cost /LS $2,000
% Included 100.00% Total Cost/Study $2,000
Summary Replacement Year 2020 Future Cost $2,263

This is to repair, replace or grind failed concrete sidewalks, curbs and gutters to remove trip hazards and maintain functionality. Since the concrete useful life exceeds the scope of this study, this provides for repairs only and not full replacement.

03000 - Painting: Exterior

400 - Wrought Iron
160 Lin. Ft. Pump Station Fencing

Useful Life 10 Remaining Life 7
Quantity 160 Unit of Measure Linear Feet
Cost /l.f. $15.63
% Included 100.00% Total Cost/Study $2,500
Summary Replacement Year 2022 Future Cost $2,972

This is to paint the wrought iron fencing with a direct to metal product. Includes preparation, sanding, scraping and primer as necessary. Cost estimate provided by Board of Directors.

Linear footage is approximate by BRG measurement.

500 - Light Poles
Common Area Street Lights

Useful Life 8 Remaining Life 5
Quantity 1 Unit of Measure Lump Sum
Cost /LS $6,500
% Included 100.00% Total Cost/Study $6,500
Summary Replacement Year 2020 Future Cost $7,354

This is to prep and paint with a direct to metal product the street lights in the common areas of the association.

510 - Mailboxes
Residential Mailboxes

Useful Life 8 Remaining Life 3
Quantity 1 Unit of Measure Lump Sum
Cost /LS $9,500
% Included 100.00% Total Cost/Study $9,500
Summary Replacement Year 2018 Future Cost $10,230

This is to prep and paint with a direct to metal product the residential mailboxes in the common area. Count and cost estimate provided by Board of Directors.

320 Mailboxes;
160 Posts

03000 - Painting: Exterior

520 - Fire Hydrants
Common Area

Useful Life 10 Remaining Life 7
Quantity 1 Unit of Measure Lump Sum
Cost /LS $1,500
% Included 100.00% Total Cost/Study $1,500
Summary Replacement Year 2022 Future Cost $1,783

This is to prep and paint with a direct to metal product the fire hydrants located in the common area of the association. Approximately 15 hydrants provided by Board of Directors.

18000 - Landscaping

340 - Irrigation: Pumps
Pump Station #1 - Motors

Useful Life 8 Remaining Life 5
Quantity 1 Unit of Measure Lump Sum
Cost /LS $14,000
% Included 100.00% Total Cost/Study $14,000
Summary Replacement Year 2020 Future Cost $15,840

This is to replace 2 motors (7.5HP and 10HP) at pump station #1. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

341 - Irrigation: Pumps
Pump Station #1 - Electronic Controls

Useful Life 7 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $4,000
% Included 100.00% Total Cost/Study $4,000
Summary Replacement Year 2016 Future Cost $4,100

This is to replace the electronic controls at pump station #1. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

342 - Irrigation: Pumps
Pump Station #1 - Stainless Filter

Useful Life 30 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $8,000
% Included 100.00% Total Cost/Study $8,000
Summary Replacement Year 2016 Future Cost $8,200

This for a stainless filter at pump station #1. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

343 - Irrigation: Pumps
Pump Station #2 - Skid & Piping

Useful Life 40 Remaining Life 27
Quantity 1 Unit of Measure Lump Sum
Cost /LS $12,000
% Included 100.00% Total Cost/Study $12,000
Summary Replacement Year 2042 Future Cost $23,374

This for the skid & piping at pump station #2. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

18000 - Landscaping

344 - Irrigation: Pumps
Pump Station #2 - Motors

Useful Life 8 Remaining Life 4
Quantity 1 Unit of Measure Lump Sum
Cost /LS $14,000
% Included 100.00% Total Cost/Study $14,000
Summary Replacement Year 2019 Future Cost $15,453

This is to replace 2 motors (7.5HP and 10HP) at pump station #2. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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345 - Irrigation: Pumps
Pump Station #2 - Electronic Controls

Useful Life 7 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $4,000
% Included 100.00% Total Cost/Study $4,000
Summary Replacement Year 2016 Future Cost $4,100

This is to replace the electronic controls at pump station #2. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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346 - Irrigation: Pumps
Pump Station #2 - Stainless Filter

Useful Life 30 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $16,000
% Included 100.00% Total Cost/Study $16,000
Summary Replacement Year 2016 Future Cost $16,400

This for two stainless filters at pump station #2. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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347 - Irrigation: Pumps
Pump Station #3 - Skid & Piping

Useful Life 40 Remaining Life 27
Quantity 1 Unit of Measure Lump Sum
Cost /LS $12,000
% Included 100.00% Total Cost/Study $12,000
Summary Replacement Year 2042 Future Cost $23,374

This for the skid & piping at pump station #3. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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348 - Irrigation: Pumps
Pump Station #3 - Motors

Useful Life 8 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $14,000
% Included 100.00% Total Cost/Study $14,000
Summary Replacement Year 2016 Future Cost $14,350

This is to replace 2 motors (7.5HP and 10HP) at pump station #3. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

18000 - Landscaping

349 - Irrigation: Pumps
Pump Station #3 - Electronic Controls

Useful Life 7 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $4,000
% Included 100.00% Total Cost/Study $4,000
Summary Replacement Year 2016 Future Cost $4,100

This is to replace the electronic controls at pump station #3. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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350 - Irrigation: Pumps
Pump Station #3 - Stainless Filter

Useful Life 30 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $8,000
% Included 100.00% Total Cost/Study $8,000
Summary Replacement Year 2016 Future Cost $8,200

This for a stainless filter at pump station #3. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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351 - Irrigation: Pumps
Pump Station #4 - Skid & Piping

Useful Life 40 Remaining Life 27
Quantity 1 Unit of Measure Lump Sum
Cost /LS $12,000
% Included 100.00% Total Cost/Study $12,000
Summary Replacement Year 2042 Future Cost $23,374

This for the skid & piping at pump station #4. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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352 - Irrigation: Pumps
Pump Station #4 - Motors

Useful Life 8 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $14,000
% Included 100.00% Total Cost/Study $14,000
Summary Replacement Year 2016 Future Cost $14,350

This is to replace 2 motors (7.5HP and 10HP) at pump station #4. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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353 - Irrigation: Pumps
Pump Station #4 - Electronic Controls

Useful Life 7 Remaining Life 1
Quantity 1 Unit of Measure Lump Sum
Cost /LS $4,000
% Included 100.00% Total Cost/Study $4,000
Summary Replacement Year 2016 Future Cost $4,100

This is to replace the electronic controls at pump station #4. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

18000 - Landscaping

354 - Irrigation: Pumps
Pump Station #4 - Stainless Filter

Useful Life 30 Remaining Life 29
Quantity 1 Unit of Measure Lump Sum
Cost /LS $8,000
% Included 100.00% Total Cost/Study $8,000
Summary Replacement Year 2044 Future Cost $16,371

This for a stainless filter at pump station #4. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

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420 - General Repairs/Upgrades
Common Area Planters & Shrubs

Useful Life 5 Remaining Life 3
Quantity 1 Unit of Measure Lump Sum
Cost /LS $3,000
% Included 100.00% Total Cost/Study $3,000
Summary Replacement Year 2018 Future Cost $3,231

This is to have funds in excess of the operating budget for miscellaneous plantings, removals and other work as directed by the association.

---

500 - Tree Maintenance
Common Area Trees

Useful Life 5 Remaining Life 3
Quantity 1 Unit of Measure Lump Sum
Cost /LS $5,000
% Included 100.00% Total Cost/Study $5,000
Summary Replacement Year 2018 Future Cost $5,384

This is to prune, remove and replace trees as needed to enhance the association's landscaping and to avoid branch and root damage to nearby objects. This is in excess of the operating budget.

18500 - Lakes / Ponds

330 - Aeration Heads / Diffusers
Aeration System - Pump

Useful Life 10 Remaining Life 8
Quantity 1 Unit of Measure Lump Sum
Cost /LS $4,000
% Included 100.00% Total Cost/Study $4,000
Summary Replacement Year 2023 Future Cost $4,874

This is to replace an air pump at pump station #2. Cost estimate provided by Vertex.

---

331 - Aeration Heads / Diffusers
Aeration System - Motor

Useful Life 2 Remaining Life 0
Quantity 1 Unit of Measure Lump Sum
Cost /LS $740
% Included 100.00% Total Cost/Study $740
Summary Replacement Year 2015 Future Cost $740

This is to rebuild the motor at pump station #2. Cost estimate provided by Vertex.

---

332 - Aeration Heads / Diffusers
Aeration System - Diffusers & Air Hoses

Useful Life 15 Remaining Life 13
Quantity 1 Unit of Measure Lump Sum
Cost /LS $1,500
% Included 100.00% Total Cost/Study $1,500
Summary Replacement Year 2028 Future Cost $2,068

This is to replace the diffusers and air hoses at pump station #2. Cost estimate provided by Vertex.

18500 - Lakes / Ponds

20000 - Lighting

205 - Street: Poles & Fixtures

Common Area

Useful Life 10 Remaining Life 14
Quantity 1 Unit of Measure Items
Cost /Itm $2,319
% Included 100.00% Total Cost/Study $2,319
Summary Replacement Year 2029 Future Cost $3,276

This is to replace the pole and fixture. The life of the poles and fixtures should exceed the scope of this study. As such, we are projecting to replace 1 pole and fixture every 10 years. Repairs can also be made from this line item. History will dictate if this projection will need to be increased as the poles/fixtures age further.

31000 - Reserve Study

120 - 5 Year Update with Site Visit

Full Reserve Study

Useful Life 5 Remaining Life 2
Quantity 1 Unit of Measure Lump Sum
Cost /LS $1,300
% Included 100.00% Total Cost/Study $1,300
Summary Replacement Year 2017 Future Cost $1,366

This is for the 5 year full study which includes a visual observation of the accessible reserve components.

Costing provided by BRG Northwest, LLC

Component	Current Replacement Cost	Useful Life	Remaining Life	Quantity	Cost/ U of M	Treatment	Location
02000 - Concrete							
200 - Sidewalks, Curbs & Gutters	$2,000	5	5	1	$2,000/LS		Common Area
03000 - Painting: Exterior							
400 - Wrought Iron	$2,500	10	7	160	$15.63/l.f.		Pump Station Fencing
500 - Light Poles	$6,500	8	5	1	$6,500/LS		Common Area Street Lights
510 - Mailboxes	$9,500	8	3	1	$9,500/LS		Residential Mailboxes
520 - Fire Hydrants	$1,500	10	7	1	$1,500/LS		Common Area
18000 - Landscaping							
340 - Irrigation: Pumps	$14,000	8	5	1	$14,000/LS		Pump Station #1 - Motors
341 - Irrigation: Pumps	$4,000	7	1	1	$4,000/LS		Pump Station #1 - Electronic Controls
342 - Irrigation: Pumps	$8,000	30	1	1	$8,000/LS		Pump Station #1 - Stainless Filter
343 - Irrigation: Pumps	$12,000	40	27	1	$12,000/LS		Pump Station #2 - Skid & Piping
344 - Irrigation: Pumps	$14,000	8	4	1	$14,000/LS		Pump Station #2 - Motors
345 - Irrigation: Pumps	$4,000	7	1	1	$4,000/LS		Pump Station #2 - Electronic Controls
346 - Irrigation: Pumps	$16,000	30	1	1	$16,000/LS		Pump Station #2 - Stainless Filter
347 - Irrigation: Pumps	$12,000	40	27	1	$12,000/LS		Pump Station #3 - Skid & Piping
348 - Irrigation: Pumps	$14,000	8	1	1	$14,000/LS		Pump Station #3 - Motors
349 - Irrigation: Pumps	$4,000	7	1	1	$4,000/LS		Pump Station #3 - Electronic Controls
350 - Irrigation: Pumps	$8,000	30	1	1	$8,000/LS		Pump Station #3 - Stainless Filter
351 - Irrigation: Pumps	$12,000	40	27	1	$12,000/LS		Pump Station #4 - Skid & Piping
352 - Irrigation: Pumps	$14,000	8	1	1	$14,000/LS		Pump Station #4 - Motors
353 - Irrigation: Pumps	$4,000	7	1	1	$4,000/LS		Pump Station #4 - Electronic Controls
354 - Irrigation: Pumps	$8,000	30	29	1	$8,000/LS		Pump Station #4 - Stainless Filter
420 - General Repairs/Upgrades	$3,000	5	3	1	$3,000/LS		Common Area Planters & Shrubs
500 - Tree Maintenance	$5,000	5	3	1	$5,000/LS		Common Area Trees
18500 - Lakes / Ponds							
330 - Aeration Heads / Diffusers	$4,000	10	8	1	$4,000/LS		Aeration System - Pump
331 - Aeration Heads / Diffusers	$740	2	0	1	$740/LS		Aeration System - Motor
332 - Aeration Heads / Diffusers	$1,500	15	13	1	$1,500/LS		Aeration System - Diffusers & Air Hoses

Component	*Current Replacement Cost*	*Useful Life*	*Remaining Life*	*Quantity*	*Cost/ U of M*	*Treatment*	*Location*
18500 - Lakes / Ponds							
20000 - Lighting							
205 - Street: Poles & Fixtures	$2,319	10	14	1	$2,319/Itm		Common Area
31000 - Reserve Study							
120 - 5 Year Update with Site Visit	$1,300	5	2	1	$1,300/LS		Full Reserve Study

Reserve Component	Life Useful	Current Replacement Cost	Forecast Inflated Cost @ 2.50%
2015			
18500 - Lakes / Ponds			
331 - Aeration Heads / Diffusers Aeration System - Motor	2	740	
Total 2015:		740	

BRG Northwest, LLC

Tony Dann
P. O. Box 633
EMMETT, ID 83617

Phone: (208) 365-0977 ***License #:***

31000 - Reserve Study

120 -	5 Year Update with Site Visit	Full Reserve Study

Dan's Pump & Filter LLC

Dan Byler
114 S. Highland Dr.
Middleton, ID 83644

Phone: (208) 949-5037 ***License #:***

18000 - Landscaping

340 -	Irrigation: Pumps	Pump Station #1 - Motors
341 -	Irrigation: Pumps	Pump Station #1 - Electronic Controls
342 -	Irrigation: Pumps	Pump Station #1 - Stainless Filter
343 -	Irrigation: Pumps	Pump Station #2 - Skid & Piping
344 -	Irrigation: Pumps	Pump Station #2 - Motors
345 -	Irrigation: Pumps	Pump Station #2 - Electronic Controls
346 -	Irrigation: Pumps	Pump Station #2 - Stainless Filter
347 -	Irrigation: Pumps	Pump Station #3 - Skid & Piping
348 -	Irrigation: Pumps	Pump Station #3 - Motors
349 -	Irrigation: Pumps	Pump Station #3 - Electronic Controls
350 -	Irrigation: Pumps	Pump Station #3 - Stainless Filter
351 -	Irrigation: Pumps	Pump Station #4 - Skid & Piping
352 -	Irrigation: Pumps	Pump Station #4 - Motors
353 -	Irrigation: Pumps	Pump Station #4 - Electronic Controls
354 -	Irrigation: Pumps	Pump Station #4 - Stainless Filter

This report is intended to assist the auditor while preparing the audit, review or compilation of Banbury Meadows Homeowners' Association's (the "Association") financial documents.

Browning Reserve Group ("BRG") prepared a reserve study for the Association during the 2015 fiscal year. This was done to help determine the Association's reserve contribution for the next fiscal year (2016) and future fiscal years. In addition, BRG prepared the proper statutory disclosures for distribution to the Association members.

This reserve study is an Update w/o Site Visit Review. An **Update Without Site-Visit Review** is an update with no on-site visual observation upon where the following tasks are performed:

- life and valuation estimates;
- fund status;
- and a funding plan. Please note, as this study update did not require a site visit, and relied completely on the information provided, it is possible BRG has never visited Banbury Meadows Homeowners' Association.

For BRG reserve studies, the year in which the study is being conducted, is the first year of the study. For example, this study is being prepared during 2015 and is the Association's first year in the study. This enables BRG to use a starting point which ties to the last audited financial statement, December 31, 2014. You will notice in *Section III, Reserve Fund Balance Forecast*, a Beginning Reserve Balance of $129,078 is being used which ties to the last completed audit or review of the Association's financial statements. BRG then re-builds the first year of the study, in this case 2015, and estimates an ending reserve fund balance. Again, see *Section III* and the 2015 ending reserve balance estimate of $145,510.

"Re-building" the first year of the study as mentioned above simply means using the 2015 adopted budget for the 2015 reserve contribution. Finally, the 2015 reserve expenses both actual and projected are estimated.

We find by using the above method a more accurate reserve study is possible because the beginning reserve fund balance ties directly to the Association's audited financial statement or, in the absence of an audit or review, the year end balance sheet. There is no need to rely on others for determining mid year reserve balances or estimating current year ending reserve balances. This approach forces all involved, to look at the current year's reserve fund activities so a more accurate ending reserve fund balance can be estimated.

With respect to the reserve component Percent Funded values on the next page(s), here are the calculations:

FFB = Year Cost X Year Effective Age / Useful Life

% Funded = Year Estimated Ending Reserve Balance / Year FFB

Please see *Section V - Reserve Fund Balance Forecast*.

Browning Reserve Group

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	2015 Fully Funded Balance	2016 Fully Funded Balance	2016 Line Item Contribution based on Cash Flow Method
02000 - Concrete						
200 - Sidewalks, Curbs & Gutters Common Area	2,000	5	5	333	410	193
03000 - Painting: Exterior						
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,500	10	7	750	1,025	152
500 - Light Poles Common Area Street Lights	6,500	8	5	2,438	3,331	472
510 - Mailboxes Residential Mailboxes	9,500	8	3	5,938	7,303	656
520 - Fire Hydrants Common Area	1,500	10	7	450	615	91
18000 - Landscaping						
340 - Irrigation: Pumps Pump Station #1 - Motors	14,000	8	5	5,250	7,175	1,016
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,000	7	1	3,429	4,100	300
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,000	30	1	7,733	8,200	140
343 - Irrigation: Pumps Pump Station #2 - Skid & Piping	12,000	40	27	3,900	4,305	300
344 - Irrigation: Pumps Pump Station #2 - Motors	14,000	8	4	7,000	8,969	991
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,000	7	1	3,429	4,100	300
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter	16,000	30	1	15,467	16,400	280
347 - Irrigation: Pumps Pump Station #3 - Skid & Piping	12,000	40	27	3,900	4,305	300
348 - Irrigation: Pumps Pump Station #3 - Motors	14,000	8	1	12,250	14,350	920
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,000	7	1	3,429	4,100	300
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter	8,000	30	1	7,733	8,200	140
351 - Irrigation: Pumps Pump Station #4 - Skid & Piping	12,000	40	27	3,900	4,305	300
352 - Irrigation: Pumps Pump Station #4 - Motors	14,000	8	1	12,250	14,350	920
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,000	7	1	3,429	4,100	300
354 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,000	30	29	267	547	280
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,000	5	3	1,200	1,845	331
500 - Tree Maintenance Common Area Trees	5,000	5	3	2,000	3,075	552
18500 - Lakes / Ponds						
330 - Aeration Heads / Diffusers Aeration System - Pump	4,000	10	8	800	1,230	250
331 - Aeration Heads / Diffusers Aeration System - Motor	740	2	0	740	379	190
332 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,500	15	13	200	308	71

Reserve Component	*Current Repl. Cost*	*Useful Life*	*Remaining Life*	*2015 Fully Funded Balance*	*2016 Fully Funded Balance*	*2016 Line Item Contribution based on Cash Flow Method*
20000 - Lighting						
205 - Street: Poles & Fixtures Common Area	2,319	10	14	155	170	112
31000 - Reserve Study						
120 - 5 Year Update with Site Visit Full Reserve Study	1,300	5	2	780	1,066	140
				[A]	[B]	
Totals	**187,859**			**109,147**	**128,262**	**10,000**
				[EndBal]	[EndBal]	
				[A]	[B]	
Percent Funded				**133%**	**60.51%**	

Terms & Definitions CAI

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

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

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

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

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

CURRENT REPLACEMENT COST: See "Replacement Cost."

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

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

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

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

FFB = Current Cost X Effective Age / Useful Life

or

FFB = (Current Cost X Effective Age / Useful Life) +
[(Current Cost X Effective Age / Useful Life) / (1 + *Interest* Rate) ^ Remaining Life] -
[(Current Cost X Effective Age / Useful Life) / (1 + *Inflation* Rate) ^ Remaining Life]

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

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

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

Baseline Funding:	Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
Full Funding:	Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.
Statutory Funding:	Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statues.
Threshold Funding:	Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

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

FUNDING PRINCIPLES:

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

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

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

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

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

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

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts and Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual that prepares Reserve Studies.

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

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve study of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

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;
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.

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

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit."

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

The above terms and definitions are from the Community Associations Institute (CAI) national standards.

Terms & Definitions BRG

Browning Reserve Group reserve studies use several terms that are unique to our reports. Our specialized systems have been developed to offer flexibility in many areas of our reporting. Please see below for definitions of abbreviations and symbols used in many of our reserve studies.

NR-1 (LIMITED RECURRENCE, 1 TIME): This signifies a major reserve component recurs for only a fixed number of cycles. Most often used to display a cost in a specific year only, NR-1 signifies the component only occurs one time. An NR-2 means the component will display for two cycles and so on. This makes it easy to enter one-time costs that pop up from time to time, or to display a cost that may be unique at one replacement date only.

SE-2 (SPREAD EVENLY OVER 2 YEARS): This signifies the major component, when replaced is spread evenly over 2 or more years. For example if a component will be replaced in year 8 of the study, and there is a SE-2, then the component will be replaced over 2 years, year 8 and year 9. Although the component is split over 2 or more years, each subsequent year will increase by the study's inflation factor. An SE-3 signifies the component is split over three years and so on.

NSE-2 (SPREAD NON-EVENLY OVER 2 YEARS): Similar to above, but the spread is not equal in each year. The spread is entered at a different amount for each year in the spread. The total of the spread will always equal 100% of the total replacement cost, excluding inflation.

% (PERCENT TO INCLUDE): This signifies that the component is being replaced at less than 100 percent of its replacement cost or quantity. Perhaps a component is replaced partially at each replacement year. Another example would be to do a small portion of the work at each replacement year. Oftentimes wood fencing is replaced over several cycles, and the study will display a percentage of the fence at each replacement cycle.

DELAYED START (REMAINING LIFE GREATER THAN USEFUL): In many instances a component's replacement cycle may not begin immediately, so the replacement cycle start is delayed. Delay is accomplished by setting the remaining life greater than the useful life.

ZERO REMAINING LIFE: Zero remaining life signifies that the component is replaced in the year which the study is prepared. All replacements are reflected in their replacement year, and the year in which the study is prepared is no different than any other year.

Browning
RESERVE GROUP

RESERVE STUDY

Member Distribution Materials

Banbury Meadows Homeowners' Association

Update w/o Site Visit Review

Update-2

Published - December 01, 2015

Prepared for the 2016 Fiscal Year

Browning Reserve Group

www.BrowningRG.com

December 01, 2015

This is a summary of the Reserve Study that has been performed for Banbury Meadows Homeowners' Association, (the "Association"). This study was done in compliance with applicable professional standards and is being provided to you, as a member of the Association, as prescribed under these standards. A complete Reserve Study copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group prepared this Update w/o Site Visit Review for the January 1, 2016 - December 31, 2016 fiscal year.

Banbury Meadows Homeowners' Association is a Planned Development with a total of 320 Lots.

At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was Zero% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

Idaho statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Reserve Component	*Current Replacement Cost*	*Useful Life*	*Remaining Life*	*2015 Fully Funded Balance*	*2016 Fully Funded Balance*	*2016 Line Item Contribution based on Cash Flow Method*
02000 - Concrete	**2,000**	**5-5**	**5-5**	**333**	**410**	**193**
03000 - Painting: Exterior	**20,000**	**8-10**	**3-7**	**9,575**	**12,274**	**1,371**
18000 - Landscaping	**156,000**	**5-40**	**1-29**	**96,564**	**112,425**	**7,672**
18500 - Lakes / Ponds	**6,240**	**2-15**	**0-13**	**1,740**	**1,917**	**511**
20000 - Lighting	**2,319**	**10-10**	**14-14**	**155**	**170**	**112**
31000 - Reserve Study	**1,300**	**5-5**	**2-2**	**780**	**1,066**	**140**
Totals	**$187,859**			**$109,147**	**$128,262**	**$10,000**
Estimated Ending Balance				**$145,510**	**$77,610**	**$31.25** /Lot/year @ 320
Percent Funded				**133.3%**	**60.5%**	

30 Year Reserve Funding Plan Cash Flow Method

Update-2

Prepared for the 2016 Fiscal Year

See Important footnotes at end of this Section III.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Balance	129,078[1]	145,510	77,610	92,639	90,965	91,867	84,097	101,457	113,922	98,233
Inflated Expenditures @ 2.5%	740	77,900	2,143	18,846	16,270	25,457	858	6,300	35,017	34,968
Reserve Contribution	17,172[2]	10,000[3]	17,172	17,172	17,172	17,687	18,218	18,765	19,328	19,908
Lots/year @ 320	*53.66*	*31.25*	*53.66*	*53.66*	*53.66*	*55.27*	*56.93*	*58.64*	*60.40*	*62.21*
Percentage Increase		*-41.8%*	*71.7%*	*0.0%*	*0.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	145,510	77,610	92,639	90,965	91,867	84,097	101,457	113,922	98,233	83,173

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance	83,173	100,171	108,826	109,008	90,059	108,817	106,518	129,904	104,453	110,559
Inflated Expenditures @ 2.5%	3,507	12,465	21,572	41,355	4,322	26,069	1,099	50,670	19,870	15,187
Reserve Contribution	20,505	21,120	21,754	22,407	23,079	23,771	24,484	25,219	25,976	26,755
Lots/year @ 320	*64.08*	*66.00*	*67.98*	*70.02*	*72.12*	*74.28*	*76.51*	*78.81*	*81.18*	*83.61*
Percentage Increase	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	100,171	108,826	109,008	90,059	108,817	106,518	129,904	104,453	110,559	122,127

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Beginning Balance	122,127	122,254	116,208	114,388	130,385	155,870	132,199	163,699	98,644	77,173
Inflated Expenditures @ 2.5%	27,430	34,431	31,057	14,117	5,532	55,618	1,406	98,948	56,381	91,065
Reserve Contribution	27,558	28,385	29,237	30,114	31,017	31,948	32,906	33,893	34,910	35,957
Lots/year @ 320	*86.12*	*88.70*	*91.37*	*94.11*	*96.93*	*99.84*	*102.83*	*105.92*	*109.09*	*112.37*
Percentage Increase	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	122,254	116,208	114,388	130,385	155,870	132,199	163,699	98,644	77,173	22,065

Reserve Funding Plan - Footnotes

	Period / Year	
1)	00 / 2015	Beginning Balance provided by Board of Directors.
2)		Reserve Contribution needed to further fund the Reserve Account.
3)	01 / 2016	Reserve Contribution provided by Board of Directors.