



October 4, 2022

Camden Park, Inc.
Associa H.R.W. Management
Attn: Keli Allen

Re: Reserve Study Update with No Site Visit

Dear Ms. Allen,

At your request, we have updated the reserve study worksheets for the Camden Park, Inc. (CPI) association. We completed a full reserve study update in 2021 for the community with our Full Reserve Study Update report finalized on May 9, 2022 (2021 Study). This update is based on the information gathered during the site inspection of the previous reserve study, information from a paving report dated July 19, 2022, as well as information provided by the Board of Directors and Community Manager. Please refer to the previous reserve study for detailed information on the common area components maintained by the association and limitations of such a study.

We have updated the cost estimates in the analysis based on information provided by the Board on actual repair expenses and our internal updated construction cost estimates. Of particular importance, the paving schedule has been updated based on a study completed in 2022 evaluating pavement conditions throughout the community. Likewise, the association has recently asked for updates to specific line items including tree/landscape upgrades and maintenance, sidewalks, and plumbing. Based on this information, the Board and Community Manager have taken the prudent step to update the 2021 study using the provided costs and pavement scheduling updates.

The attached spreadsheets itemize those components that are the responsibility of the association and provide expected timeframes for repair or replacement of each component over the next 20 years. We have also provided a financial analysis of the current reserve funding levels, which are detailed in the attached spreadsheets. Current capital reserve balance and contribution rates were provided by the Community Manager.

CAPITAL REPAIR PROJECTIONS

We have updated the remaining useful life from the 2021 study, shifting forward two years for all components with the exception of these specific changes requested by the association:

- Updated line item for Tree/Landscape Upgrades and Maintenance with provided costs for years 2023, 2024, 2025, 2026, 2027, and 2029.
- Added a line item for sidewalk repair at \$25,000 annually.
- Updated the allocation for buried private street utility repairs to \$5,000 every 2 years.
- Street/Road paving to begin in 2025 per the Board and coincide with the recommendations in the 2022 pavement evaluation study. A summary of the recommendations from the

report is as follows. Please consult the original paving evaluation report dated July 19, 2022 for further detail.

Priority	Street/Road	Repair Year	Recommended Repair
1a	Caswell East Madison West Madison McDowell	2025	Mill & Overlay
1b	Yancey Yancey Square McDowell Square Caldwell Caldwell Square Caswell Square	2026	Mill & Overlay
2a	Caldwell Square East Madison Yancey McDowell	2027	Full Mill & Replacement
2b	Caldwell West Madison	2029	Full Mill & Replacement

- Previous row paving schedule updated based on information provided by the community manager. Row paving is anticipated to proceed in 2023 and include South Avery and Yadkin, which leaves North Avery and Anson for 2024. Costs for the completed phases and values for South Avery and Yadkin are based on actual costs provided by the community manager.
- Asphalt sealing has now been decided to be funded from the reserve account. We have included an allowance for asphalt sealing each year, which represents approximately 10% of the total paving each year.
- The current inflation rate used for the updated study is 3.5% and is based on the average building construction cost index since 2010. Building construction costs are more appropriate than typical economic inflation, CPI, or other broad market indices.
- The interest rate on invested funds is at 1% based on discussions from the previous reserve study update.

RESERVE FUNDING

Current Reserve Fund Balance: \$454,035 (Projected January 2023 balance)

Current Annual Reserve Fund Contribution: \$100,520 per year



Current Funding Schedule

Maintaining the current funding schedule will not provide sufficient funding throughout the 20-year term. We have provided a recommendation below to provide further sufficient funding throughout the term of this study.

Alternative #1

Increase the annual contribution to capital reserves by 3% every year throughout the remainder of the term. This alternative is projected to maintain a positive balance for the term of this study, and would continue to allow funds to build towards the end of the cycle to accommodate unforeseen expenditures.

It should be noted that events might occur that could have an effect on the underlying component or system useful life assumptions used in this study. Likewise, inevitable market fluctuations can have an impact on component or system replacement and repair costs. We recommend updating the reserve study with a site inspection every 3-5 years.

LIMITATIONS

As no inspection was performed for this Reserve Study Update, the condition of the association's assets may not be represented in the reserve study. See the original report for additional limitations.

CONCLUSION

We trust that this report provides the information you require. Please contact us (919) 465-3801 if you have any questions. Thank you for the opportunity to be of assistance to you.

Sincerely,



Terry J. Smull, PE
Principal Engineer
Giles Flythe Engineers, Inc.
NC Lic. No. C-2871

Enclosures

PROJECT SUMMARY

Camden Park, Inc. - Update with No Site Visit

City/state location:	Pittsboro, NC
Date of previous study inspection:	1/12/2021 (no visit for this update)
Number of units:	233
Term of study (years):	20
Beginning Year of Term	2023
Estimated starting reserve account balance:	\$454,035
Current annual reserve contribution rate:	\$100,520
Assumed inflation rate:	3.50%
Assumed rate of return on invested funds:	1.00%
Total over term capital expenditure (un-inflated):	\$2,016,994
Total over term capital expenditure with inflation:	\$2,794,591
Recommended threshold reserve balance:(Average annual capital expenditure)	\$139,730

EXPENSE ESTIMATES

Capital Item Description	Quantity	Unit	Unit Cost	Total Cost Per Cycle	Estimated Useful Life (years)	Estimated Remaining Life (years)	Notes
Site Improvements							
Resurface asphalt rows Phase 1	1	LS	\$93,000.00	\$93,000	20	0	Yadkin & S. Avery
Resurface asphalt rows Phase 2	2,300	SY	\$28.00	\$64,400	20	1	N. Avery & Anson
Resurface asphalt rows Phase 3	1	LS	\$135,000.00	\$135,000	20	15	N. & M. Gaston, N. Surrey
Resurface asphalt rows Phase 4	1	LS	\$50,000.00	\$50,000	20	16	N. Pender & Scotland
Resurface asphalt rows Phase 5	1	LS	\$105,000.00	\$105,000	20	17	S. Pender & S. Surrey
Resurface asphalt rows Phase 6	1	LS	\$90,000.00	\$90,000	20	18	M. Pender & S. Gaston
Resurface asphalt rows Phase 7	1	LS	\$80,000.00	\$80,000	20	19	M. Avery
Roads priority 1a - Mill and overlay Caswell, East Madison, West Madison, & McDowell	11,650	SY	\$18.00	\$209,700	20	2	Values based on 2022 road paving condition study
Roads priority 1b - Mill and overlay Yancey, Yancey Square, McDowell Square, Caldwell, Caldwell Square, & Caswell Square	5,627	SY	\$18.00	\$101,286	20	3	Values based on 2022 road paving condition study
Roads priority 2a - Full mill and replacement Caldwell Square, East Madison, Yancey, & McDowell	1,982	SY	\$28.00	\$55,496	20	4	Values based on 2022 road paving condition study
Roads priority 2b - Full mill and replacement Caldwell & West Madison	4,454	SY	\$28.00	\$124,712	20	6	Values based on 2022 road paving condition study
Allowance to reseal portions of asphalt pavement	1	LS	\$9,500.00	\$9,500	1	0	Approx. 15% of total each year
Replace portions of sidewalks	1	LS	\$25,000.00	\$25,000	1	0	
Allowance for common area drainage improvements	1	allow.	\$10,000.00	\$10,000	7	3	
Allowance for repairs to landscape irrigation systems	1	allow.	\$5,000.00	\$5,000	4	1	
Allowance for repairs/upgrades to parks	1	allow.	\$15,000.00	\$15,000	8	0	
Tree/Landscape upgrades and maintenance	1	allow.	\$11,400.00	\$11,400	1	0	See annual expenses for detail
Mechanical, Electrical, Plumbing Systems							
Allocation for buried private street utility repairs	1	LS	\$5,000.00	\$5,000	2	0	

SY: Square Yard SF: Square Feet LF: Linear Feet SQ: Roofing Square

EA: Each LS: Lump Sum SYS: System

ANNUAL EXPENSE PROJECTION



Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Site Improvements										
Resurface asphalt rows Phase 1	\$93,000									
Resurface asphalt rows Phase 2		\$64,400								
Resurface asphalt rows Phase 3										
Resurface asphalt rows Phase 4										
Resurface asphalt rows Phase 5										
Resurface asphalt rows Phase 6										
Resurface asphalt rows Phase 7										
Roads priority 1a - Mill and overlay Caswell, East Madison, West Madison, & McDowell			\$209,700							
Roads priority 1b - Mill and overlay Yancey, Yancey Square, McDowell Square, Caldwell, Caldwell Square, & Caswell Square				\$101,286						
Roads priority 2a - Full mill and replacement Caldwell Square, East Madison, Yancey, & McDowell					\$55,496					
Roads priority 2b - Full mill and replacement Caldwell & West Madison							\$124,712			
Allowance to reseal portions of asphalt pavement	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500
Replace portions of sidewalks	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Allowance for common area drainage improvements				\$10,000						
Allowance for repairs to landscape irrigation systems		\$5,000				\$5,000				\$5,000
Allowance for repairs/upgrades to parks	\$15,000								\$15,000	
Tree/Landscape upgrades and maintenance	\$11,400	\$12,000	\$12,000	\$12,000	\$10,000		\$11,000			
Mechanical, Electrical, Plumbing Systems										
Allocation for buried private street utility repairs	\$5,000		\$5,000		\$5,000		\$5,000		\$5,000	
Totals	\$158,900	\$115,900	\$261,200	\$157,786	\$104,996	\$39,500	\$175,212	\$34,500	\$54,500	\$39,500
Totals including inflation:	\$158,900	\$119,957	\$279,804	\$174,940	\$120,485	\$46,914	\$215,380	\$43,894	\$71,766	\$53,834

ANNUAL EXPENSE PROJECTION

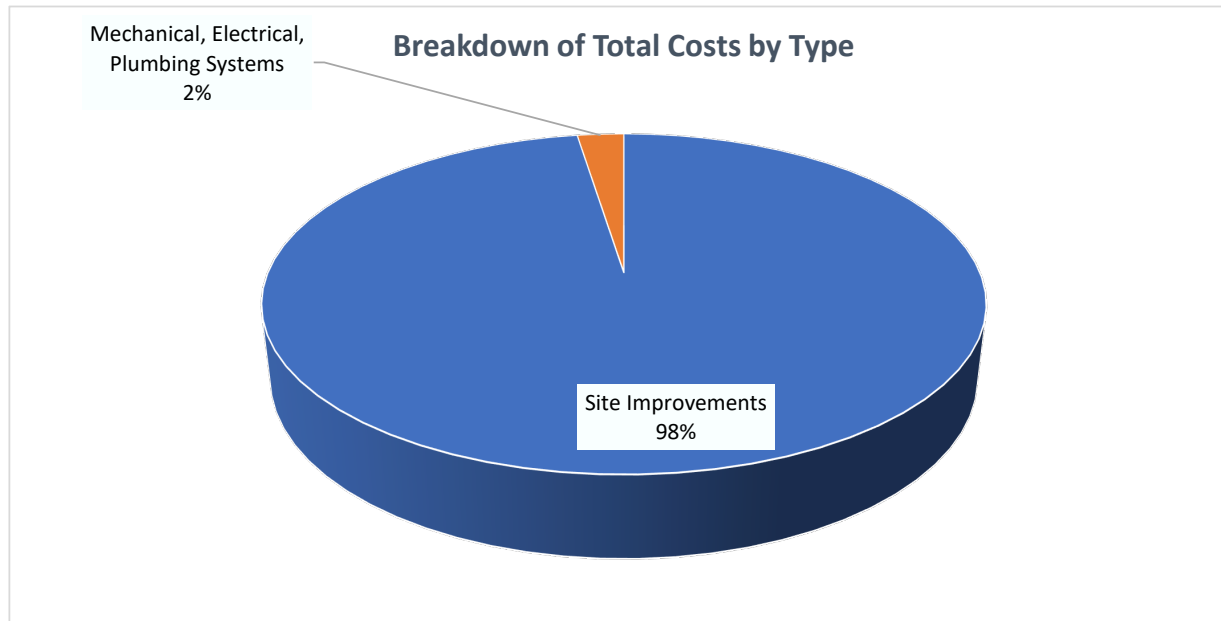


Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Site Improvements										
Resurface asphalt rows Phase 1										
Resurface asphalt rows Phase 2										
Resurface asphalt rows Phase 3						\$135,000				
Resurface asphalt rows Phase 4							\$50,000			
Resurface asphalt rows Phase 5								\$105,000		
Resurface asphalt rows Phase 6									\$90,000	
Resurface asphalt rows Phase 7										\$80,000
Roads priority 1a - Mill and overlay Caswell, East Madison, West Madison, & McDowell										
Roads priority 1b - Mill and overlay Yancey, Yancey Square, McDowell Square, Caldwell, Caldwell Square, & Caswell Square										
Roads priority 2a - Full mill and replacement Caldwell Square, East Madison, Yancey, & McDowell										
Roads priority 2b - Full mill and replacement Caldwell & West Madison										
Allowance to reseal portions of asphalt pavement	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500
Replace portions of sidewalks	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Allowance for common area drainage improvements	\$10,000							\$10,000		
Allowance for repairs to landscape irrigation systems				\$5,000				\$5,000		
Allowance for repairs/upgrades to parks							\$15,000			
Tree/Landscape upgrades and maintenance										
Mechanical, Electrical, Plumbing Systems										
Allocation for buried private street utility repairs	\$5,000		\$5,000		\$5,000		\$5,000		\$5,000	
Totals	\$49,500	\$34,500	\$39,500	\$39,500	\$39,500	\$169,500	\$104,500	\$154,500	\$129,500	\$114,500
Totals including inflation:	\$69,825	\$50,369	\$59,687	\$61,776	\$63,938	\$283,972	\$181,202	\$277,277	\$240,545	\$220,126

EXPENSE SUMMARY



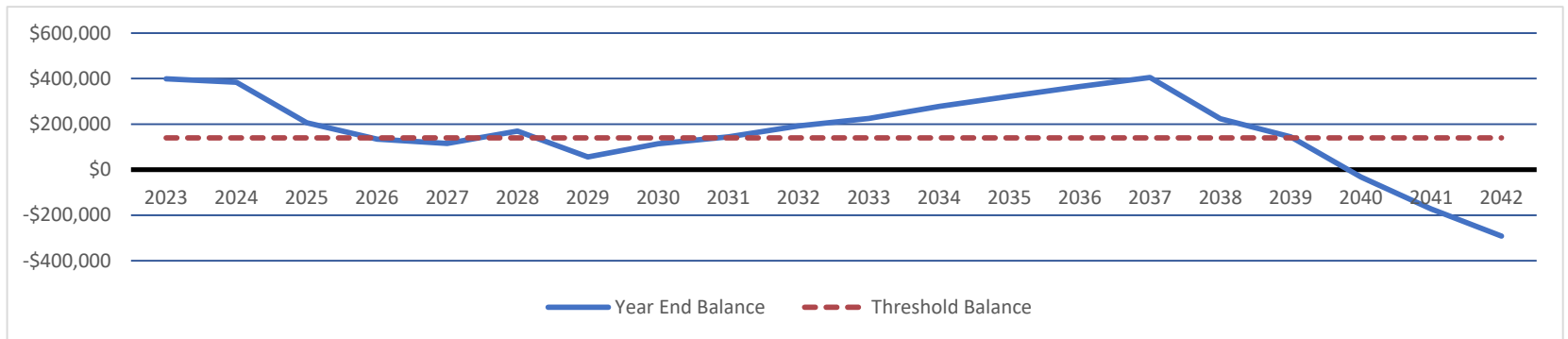
Total over term capital expenditure (un-inflated)	\$2,016,994
Total over term capital expenditure with inflation:	\$2,794,591
Average estimated annual capital expenditure with inflation:	\$139,730
Current Reserve Account Balance	\$454,035
Full Funding Balance	\$708,563
Percent Funded	64.08%



Current Funding Analysis



Year	Starting Balance	Reserve Account Contribution	Average Per Unit/Month	Return on Investments	Repair Expenses	Special Assessments	Year End Balance
2023	\$454,035	\$100,520	\$35.95	\$3,957	\$158,900	\$0	\$399,612
2024	\$399,612	\$100,520	\$35.95	\$3,802	\$119,957	0	\$383,977
2025	\$383,977	\$100,520	\$35.95	\$2,047	\$279,804	0	\$206,740
2026	\$206,740	\$100,520	\$35.95	\$1,323	\$174,940	0	\$133,643
2027	\$133,643	\$100,520	\$35.95	\$1,137	\$120,485	0	\$114,814
2028	\$114,814	\$100,520	\$35.95	\$1,684	\$46,914	0	\$170,105
2029	\$170,105	\$100,520	\$35.95	\$552	\$215,380	0	\$55,797
2030	\$55,797	\$100,520	\$35.95	\$1,124	\$43,894	0	\$113,548
2031	\$113,548	\$100,520	\$35.95	\$1,423	\$71,766	0	\$143,725
2032	\$143,725	\$100,520	\$35.95	\$1,904	\$53,834	0	\$192,314
2033	\$192,314	\$100,520	\$35.95	\$2,230	\$69,825	0	\$225,240
2034	\$225,240	\$100,520	\$35.95	\$2,754	\$50,369	0	\$278,145
2035	\$278,145	\$100,520	\$35.95	\$3,190	\$59,687	0	\$322,167
2036	\$322,167	\$100,520	\$35.95	\$3,609	\$61,776	0	\$364,520
2037	\$364,520	\$100,520	\$35.95	\$4,011	\$63,938	0	\$405,113
2038	\$405,113	\$100,520	\$35.95	\$2,217	\$283,972	0	\$223,878
2039	\$223,878	\$100,520	\$35.95	\$1,432	\$181,202	0	\$144,628
2040	\$144,628	\$100,520	\$35.95	\$0	\$277,277	0	-\$32,129
2041	-\$32,129	\$100,520	\$35.95	\$0	\$240,545	0	-\$172,154
2042	-\$172,154	\$100,520	\$35.95	\$0	\$220,126	0	-\$291,761





Funding Alternative 1 - Increase by 3% every year

Year	Starting Balance	Reserve Account Contribution	Average Per Unit/Month	Return on Investments	Repair Expenses	Special Assessments	Year End Balance
2023	\$454,035	\$103,536	\$37.03	\$3,987	\$158,900	\$0	\$402,657
2024	\$402,657	\$106,642	\$38.14	\$3,893	\$119,957	\$0	\$393,236
2025	\$393,236	\$109,841	\$39.29	\$2,233	\$279,804	\$0	\$225,506
2026	\$225,506	\$113,136	\$40.46	\$1,637	\$174,940	\$0	\$165,339
2027	\$165,339	\$116,530	\$41.68	\$1,614	\$120,485	\$0	\$162,997
2028	\$162,997	\$120,026	\$42.93	\$2,361	\$46,914	\$0	\$238,471
2029	\$238,471	\$123,627	\$44.22	\$1,467	\$215,380	\$0	\$148,185
2030	\$148,185	\$127,336	\$45.54	\$2,316	\$43,894	\$0	\$233,943
2031	\$233,943	\$131,156	\$46.91	\$2,933	\$71,766	\$0	\$296,266
2032	\$296,266	\$135,090	\$48.32	\$3,775	\$53,834	\$0	\$381,297
2033	\$381,297	\$139,143	\$49.77	\$4,506	\$69,825	\$0	\$455,122
2034	\$455,122	\$143,317	\$51.26	\$5,481	\$50,369	\$0	\$553,551
2035	\$553,551	\$147,617	\$52.80	\$6,415	\$59,687	\$0	\$647,896
2036	\$647,896	\$152,046	\$54.38	\$7,382	\$61,776	\$0	\$745,547
2037	\$745,547	\$156,607	\$56.01	\$8,382	\$63,938	\$0	\$846,597
2038	\$846,597	\$161,305	\$57.69	\$7,239	\$283,972	\$0	\$731,170
2039	\$731,170	\$166,144	\$59.42	\$7,161	\$181,202	\$0	\$723,274
2040	\$723,274	\$171,129	\$61.20	\$6,171	\$277,277	\$0	\$623,297
2041	\$623,297	\$176,262	\$63.04	\$5,590	\$240,545	\$0	\$564,604
2042	\$564,604	\$181,550	\$64.93	\$5,260	\$220,126	\$0	\$531,288

