

Mountain Park HOA

Reserve Management Plan

Type 3

Update Analysis

For 30-Year Projection Period Beginning January 1, 2023

THIS REPORT WAS COMPLETED BASED ON INTERNATIONAL CAPITAL BUDGETING INSTITUTE'S

GENERALLY ACCEPTED RESERVE STUDY STANDARDS



PREPARED BY:



Facilities Advisors, PLLC

Preparer's Report on Reserve Study

Reserve Management Plan

Type 3 Reserve Study Update with Off-Site Analysis

For 30-Year Projection Period Beginning January 1, 2023

Board of Directors

Mountain Park HOA

Lake Oswego, Oregon 98020

Description of Reserve Management Plan Engagement and Reserve Study Report

A reserve management plan engagement involves the reserve professional assisting the management of Mountain Park HOA by helping them identify key factors, develop assumptions, gather and assemble information, and develop a financial model so they may consider the results based on their stated assumptions.

A Type 3 is a Reserve Study Update with Off-Site Analysis. The on-site analysis of Mountain Park HOA upon which this reserve management plan is based was performed by Jay Grant of Facilities Advisors, PLLC on September 23, 2021.

The attached basic financial exhibits and disclosures comprise a Type 3 Reserve Study report of Mountain Park HOA. The basic financial exhibits comprising this reserve study report are the statement of position and summary component list as of January 1, 2023, statements of projected cash flows and expenditures for the 30-year period beginning January 1, 2023, and related disclosures that provide important information regarding the basic financial exhibits.

Management's Responsibility for Reserve Study

The Governing Body of Mountain Park HOA is responsible for the preparation and fair presentation of this reserve study report in accordance with Generally Accepted Reserve Study Principles.

Reserve Professional's Responsibility

Our responsibility is to perform our reserve management plan engagement and compile the reserve study report in accordance with Generally Accepted Reserve Study Standards.

Report on Reserve Study

Facilities Advisors reserve management plan engagement was performed in accordance with Generally Accepted Reserve Study Standards. A reserve study involves performing procedures to identify, quantify and evaluate the condition of components based upon a visual observation for the purpose of making a financial projection. The procedures selected are based on the reserve professional's judgment. We believe that the procedures we have

performed are sufficient and appropriate to support the reserve study report as presented. We are not responsible for any events subsequent to the date of this report.

We have compiled the accompanying reserve study report of Mountain Park HOA, comprised of the financial exhibits referred to above in accordance with Generally Accepted Reserve Study Principles.

This reserve study report was prepared using software meeting the reserve study calculation and software standards of the International Capital Budgeting Institute.

We are not aware of any material modifications that should be made to the financial exhibits referred to above, based upon the stated significant assumptions and exclusions, for them to be presented in conformity with Generally Accepted Reserve Study Principles.

This reserve study report is restricted to the management and members of the Mountain Park HOA and should not be relied upon by others not involved in the establishment of the significant assumptions and exclusions upon which this report is based. Readers of the reserve study report should consider the significant assumptions, excluded components, and general exclusions in forming their own conclusions regarding the reserve study report.

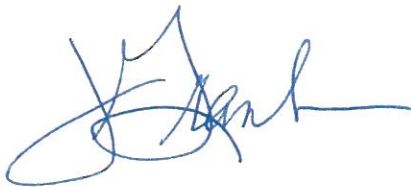
Required Supplementary Information

Generally Accepted Reserve Study Standards require that the component list compiled at the major or minor component level be presented to supplement the basic financial exhibits. This component list is the responsibility of the Mountain Park HOA 's management and was used to prepare the basic financial exhibits. The information contained in this list has been subjected to the procedures applied in the compilation of the reserve study report, and we are not aware of any material modifications that should be made thereto.

Regulatory Information

In the case of common interest realty associations located in the U.S.A., Generally Accepted Reserve Study Standards require that regulatory disclosures be presented to supplement the basic financial exhibits. Regulatory Disclosures consist of supplemental information required by the Financial Accounting Standards Board and any disclosures required by state or local jurisdictions. Such information is the responsibility of the Mountain Park HOA 's management and was derived from the component list used to prepare the reserve study report. The information has been subjected to the procedures applied in the compilation of the basic reserve study report, and we are not aware of any material modifications that should be made thereto.

Facilities Advisors, PLLC



Jay Grant

February 10, 2023

Mountain Park HOA

January 1, 2023

Statement of Position

Projection period:	January 1, 2023 to 2052
Type of Project:	Master Planned (PUD)
Number of Units:	2736
Location:	Lake Oswego, Oregon 97035
Project Construction date:	1968
On-Site analysis performed by:	Jay Grant
Component analysis performed by:	Jay Grant
Report prepared by:	Jay Grant

Special assessments are considered necessary during the 30-year projection period based on the "Current" funding plan.

Current Replacement Cost of All Components	\$7,659,276.10 *
Future Replacement Cost of All Components	\$35,933,870.69
Projected Balance of Reserve Funds at January 1, 2023	\$1,125,100.20
100% Funded Amount at January 1, 2023	\$4,181,396.88
Percent Funded at January 1, 2023	26.91 %
Reserve Surplus/(Deficit) – Average per Unit at January 1, 2023	(\$1,252.39)**
Projected Reserve Contribution	\$374,000.00
Average Annual Reserve Contribution Per Unit	\$136.70
Monthly Reserve Contribution First Year of Projection	\$31,166.67
Average Monthly Reserve Contribution Per Unit	\$11.39
Projected Special Assessment	\$0.00
Projected Special Assessment Per Unit	\$0.00**
Projected Inflation Rate	4.00 %
Projected Interest Rate	1.50 %

*The Total Current Replacement Cost of all Components if replaced on the start date of the analysis. ** Average, the actual amount is tiered based on CC&R requirements per unit.*

Components excluded from this analysis

Major Component	Reason Excluded
Building Structures	Lifetime Component
Utilities - Underground and in Structure	Long-lived Component – Never previously included in study, and Excluded per Board decision
Street Base	Lifetime Component
Hardscape - sidewalks and curbs	Lifetime Component
Irrigation Lines and Sprinklers	Included in Operating Budget
Major Tree Trimming	Included in Operating Budget
Landscape / Plant Replacement	Included in Operating Budget

A summary of major components is presented on the next page

See Preparer's Report | Review Summary of Significant Assumptions

Mountain Park HOA

Analysis Date - January 1, 2023

Inflation: 4.00 % | Investment: 1.50 % | Calc: Inflation-Adjusted

Summary of Major Components

CATEGORY	ESTIMATED USEFUL LIVES LIFE YY:MM	ESTIMATED REMAINING USEFUL LIVES LIFE YY:MM	REPLACE DATE(S)	ESTIMATED CURRENT REPLACEMENT COST	ESTIMATED FUTURE REPLACEMENT COST
Audio Visual/ IT	1:00 - 15:00	1:00 - 29:00	1/2024 - 1/2052	\$397,833.92	\$424,890.68
Boilers	10:00 - 23:00	1:00 - 26:03	1/2024 - 1/2049	\$317,347.09	\$471,274.95
Concrete	3:00 - 50:00	0:00 - 29:03	1/2023 - 1/2052	\$732,761.31	\$884,182.06
Doors	12:00 - 25:00	2:00 - 28:00	1/2025 - 1/2051	\$296,680.45	\$502,315.99
Elevator	10:00 - 20:00	1:00 - 27:00	1/2024 - 1/2050	\$123,483.03	\$198,971.01
Fence/Walls/Gates	5:00 - 30:00	2:00 - 29:05	1/2025 - 1/2052	\$717,157.64	\$1,277,779.73
Fire/Safety/Security	7:00 - 25:00	0:00 - 28:00	1/2023 - 1/2051	\$348,356.47	\$480,100.61
Fitness Equipment	5:00 - 25:00	0:00 - 29:05	1/2023 - 1/2052	\$969,270.73	\$1,277,222.77
Flooring	2:00 - 34:00	0:00 - 29:00	1/2023 - 1/2052	\$843,505.71	\$1,251,224.25
Food Service Equipment	10:00 - 24:00	0:00 - 29:00	1/2023 - 1/2052	\$96,114.62	\$139,890.91
Furniture	3:00 - 30:00	2:00 - 29:00	1/2025 - 1/2052	\$202,572.35	\$276,777.94
HVAC	0:00 - 30:00	0:00 - 29:10	1/2023 - 1/2052	\$4,875,706.55	\$6,829,470.65
Landscape	0:00 - 20:00	0:00 - 28:00	1/2023 - 1/2051	\$434,311.87	\$614,278.49
Lighting	7:00 - 35:00	0:00 - 29:00	1/2023 - 1/2052	\$531,959.06	\$1,054,946.12
Locker Room Equipment	10:00 - 25:00	1:00 - 27:00	1/2024 - 1/2050	\$205,423.30	\$314,533.61
Maintenance Equipment	10:00 - 30:00	1:04 - 27:00	1/2024 - 1/2050	\$287,444.76	\$428,370.44
Mechanical Equipment	5:00 - 30:00	0:00 - 26:00	1/2023 - 1/2049	\$74,762.37	\$111,182.25
Painting	7:00 - 21:00	0:00 - 29:08	1/2023 - 1/2052	\$790,709.35	\$1,157,087.68
Playground	1:00 - 30:00	0:05 - 29:07	1/2023 - 1/2052	\$679,418.44	\$727,670.56
Plumbing	14:00 - 25:00	1:00 - 29:00	1/2024 - 1/2052	\$569,422.17	\$939,749.52

CATEGORY	ESTIMATED USEFUL LIVES LIFE YY:MM	ESTIMATED REMAINING USEFUL LIVES LIFE YY:MM	REPLACE DATE(S)	ESTIMATED CURRENT REPLACEMENT COST	ESTIMATED FUTURE REPLACEMENT COST
Pool	1:00 - 35:00	0:00 - 29:08	1/2023 - 1/2052	\$2,569,548.68	\$3,782,826.84
Renovation	1:00 - 30:00	0:00 - 29:00	1/2023 - 1/2052	\$529,658.58	\$712,261.63
Roads/Asphalt/Trails	1:00 - 20:00	0:00 - 29:00	1/2023 - 1/2052	\$7,057,967.64	\$7,435,399.79
Roof	5:00 - 35:00	3:00 - 28:00	1/2026 - 1/2051	\$1,012,653.74	\$1,585,297.41
Signage	8:00 - 25:00	6:06 - 22:06	1/2029 - 1/2045	\$43,154.83	\$71,369.08
Sports Equipment	8:00 - 25:00	2:00 - 29:05	1/2025 - 1/2052	\$370,069.24	\$558,226.05
Vehicles	8:00 - 15:00	0:00 - 29:00	1/2023 - 1/2052	\$865,035.84	\$1,174,404.10
Windows	20:00 - 40:00	7:00 - 27:00	1/2030 - 1/2050	\$651,646.32	\$1,252,165.57
				\$26,593,976.06	\$35,933,870.69

See Preparer's Report | Review Summary of Significant Assumptions

Mountain Park HOA

Analysis Date - January 1, 2023

Inflation: 4.00 % | Investment: 1.50 % | Calc: Inflation-Adjusted

Expenditures

CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Audio Visual/ IT		\$6,326.60	\$38,638.29	\$6,842.85	\$7,116.56	\$7,401.22	\$7,697.27	\$8,005.16	\$8,325.37	\$8,658.38
Boilers		\$3,244.80		\$127,415.15			\$2,722.66			
Concrete	\$171,600.00	\$31,907.20		\$17,547.88			\$51,979.31			\$22,203.66
Doors			\$3,937.02		\$9,733.22			\$149,926.76		
Elevator		\$5,408.00	\$13,498.37					\$41,057.07		
Fence/Walls/Gates			\$22,497.28	\$16,495.01				\$123,000.14	\$9,393.86	\$188.73
Fire/Safety/Security	\$6,240.00	\$3,785.60	\$125,984.73					\$8,211.42		\$9,621.59
Fitness Equipment	\$87,100.97	\$33,616.13	\$7,286.88	\$20,472.53	\$1,459.98	\$1,290.62	\$50,992.35		\$33,554.57	\$74,855.96
Flooring	\$24,960.00	\$28,770.56	\$47,580.93	\$5,381.35	\$27,983.01	\$5,820.47	\$4,605.76	\$8,006.13	\$26,331.27	\$14,210.34
Food Service Equipment	\$4,947.28	\$2,217.28						\$14,369.98		\$740.12
Furniture			\$5,005.65	\$4,094.50	\$3,041.63	\$3,100.03	\$26,318.64	\$6,842.84	\$7,045.39	\$5,180.86
HVAC	\$25,896.00	\$9,734.40	\$42,463.61	\$111,930.20	\$23,724.73	\$26,761.49	\$31,582.37	\$376,734.20	\$24,907.96	\$811,035.32
Landscape	\$22,704.00	\$28,912.00	\$21,632.00	\$3,041.63	\$4,866.62		\$3,421.42	\$98,126.41		\$9,029.50

CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Lighting	\$5,200.00	\$13,249.60	\$30,933.76					\$6,842.84	\$61,109.61	
Locker Room Equipment		\$19,468.80	\$15,748.09	\$32,756.04				\$12,317.12		
Maintenance Equipment		\$7,030.40			\$57,174.20			\$17,278.18		
Mechanical Equipment	\$5,000.00	\$5,408.00	\$3,374.59			\$6,083.26				
Painting	\$31,720.00		\$88,768.64	\$9,358.87		\$25,603.73	\$7,000.76	\$54,058.48	\$28,039.25	\$29,606.37
Playground	\$9,000.00	\$63,440.00	\$20,983.04	\$68,616.71	\$10,528.73	\$10,949.88	\$11,387.87	\$11,843.39	\$12,317.12	\$20,951.16
Plumbing		\$16,224.00	\$18,982.07							
Pool	\$141,332.31	\$27,122.68	\$33,219.99	\$22,691.10	\$65,607.34	\$17,968.10	\$57,225.20	\$36,995.78	\$301,153.50	\$10,948.55
Renovation	\$17,100.00	\$1,560.00	\$39,867.78	\$5,196.88	\$1,754.79	\$39,297.89	\$1,897.98	\$32,766.71	\$20,555.91	\$2,134.97
Roads/Asphalt/Trails	\$104,000.00	\$321,177.44	\$134,591.18	\$167,436.50	\$134,753.90	\$163,464.47	\$153,898.98	\$151,572.96	\$170,308.73	\$160,680.19
Roof				\$177,233.57			\$124,872.59	\$34,214.23	\$2,134.97	
Signage							\$2,631.86		\$3,558.28	
Sports Equipment			\$5,624.32		\$24,333.06	\$3,498.61		\$3,010.85	\$32,024.52	\$74,012.21
Vehicles	\$104,305.06		\$39,370.24					\$41,057.07		\$75,129.80
Windows								\$130,014.06		
	\$761,105.62	\$628,603.49	\$759,988.46	\$796,510.77	\$372,077.77	\$311,239.77	\$538,235.02	\$1,366,251.78	\$740,760.31	\$1,329,187.71

Mountain Park HOA

Analysis Date - January 1, 2023

Inflation: 4.00 % | Investment: 1.50 % | Calc: Inflation-Adjusted

Expenditures

CATEGORY	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Audio Visual/ IT	\$9,004.72	\$9,364.91	\$9,739.50	\$10,129.08	\$10,534.25	\$10,955.62	\$11,393.84	\$69,585.36	\$12,323.58	\$12,816.52
Boilers	\$63,425.51					\$5,618.94	\$4,030.21	\$6,077.45		\$238,646.18
Concrete		\$39,225.29	\$24,976.10	\$8,658.38		\$28,094.72	\$47,723.56		\$104,204.76	
Doors							\$29,175.65	\$43,048.60		
Elevator		\$8,005.16			\$3,601.89			\$20,258.16		
Fence/Walls/Gates			\$10,320.50	\$50,499.15		\$18,729.81		\$95,973.06	\$8,638.08	\$279.36
Fire/Safety/Security			\$28,306.23		\$10,805.66		\$5,843.70	\$213,723.65		
Fitness Equipment	\$15,413.45	\$50,912.82	\$9,324.41	\$30,304.34	\$66,400.79	\$52,000.80	\$63,219.10	\$4,209.67	\$55,304.79	\$23,718.91
Flooring	\$5,388.09	\$34,582.30	\$34,330.47	\$7,965.71	\$41,421.70	\$53,567.26	\$6,817.65	\$298,820.98	\$38,976.71	\$10,079.17
Food Service Equipment	\$7,323.18	\$11,511.43			\$5,393.83			\$21,271.07		\$1,095.56
Furniture		\$7,124.59	\$4,162.68		\$4,412.31	\$6,555.43	\$4,869.75	\$59,721.06		\$10,955.62
HVAC	\$64,483.11	\$66,682.99	\$242,701.12	\$42,426.07	\$40,521.23	\$56,751.33	\$74,994.16	\$127,423.86	\$47,404.11	\$1,293,434.00
Landscape	\$6,157.82	\$40,025.80	\$4,329.19	\$6,926.70		\$4,869.75	\$7,791.60	\$7,090.36	\$5,477.81	\$8,764.50

CATEGORY	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Lighting					\$9,004.72		\$23,861.78	\$5,064.54	\$48,320.16	
Locker Room Equipment			\$49,952.21					\$46,593.78		\$21,911.23
Maintenance Equipment			\$8,325.37		\$84,631.78	\$13,713.97				\$107,069.23
Mechanical Equipment			\$8,005.16				\$47,959.02			\$21,489.87
Painting	\$4,618.36	\$24,015.48	\$45,789.52	\$9,212.52		\$37,899.78		\$119,350.97	\$30,970.68	\$43,824.65
Playground	\$13,322.20	\$13,855.09	\$44,786.89	\$14,985.66	\$15,585.09	\$16,208.49	\$16,856.83	\$17,531.10	\$18,232.35	\$61,688.54
Plumbing		\$241,195.50	\$100,736.93			\$28,094.72		\$34,185.65		
Pool	\$186,114.53	\$35,040.92	\$153,240.80	\$108,625.39	\$25,206.82	\$19,828.22	\$62,111.63	\$94,266.21	\$407,457.15	\$16,206.53
Renovation	\$22,410.90	\$2,309.18	\$44,028.39	\$24,436.22	\$2,597.52	\$67,535.39	\$2,809.47	\$71,799.61	\$62,030.50	\$25,071.50
Roads/Asphalt/Trails	\$170,495.81	\$191,559.06	\$180,742.91	\$191,786.84	\$215,482.17	\$203,315.64	\$215,740.10	\$242,405.55	\$228,700.40	\$242,682.84
Roof			\$707,650.00	\$25,808.91				\$23,742.57	\$319,187.65	
Signage					\$3,601.89	\$50,950.70				
Sports Equipment						\$1,311.09				\$153,378.62
Vehicles	\$47,696.90	\$82,480.38	\$58,277.57			\$89,516.00				\$111,210.46
Windows	\$21,310.66		\$85,751.31					\$524,686.48	\$52,671.23	
	\$637,165.24	\$857,890.90	\$1,855,477.26	\$531,764.97	\$539,201.65	\$765,517.66	\$577,239.03	\$2,194,788.76	\$1,439,899.96	\$2,404,323.29

Mountain Park HOA

Analysis Date - January 1, 2023

Inflation: 4.00 % | Investment: 1.50 % | Calc: Inflation-Adjusted

Expenditures

CATEGORY	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Audio Visual/ IT	\$13,329.18	\$13,862.35	\$14,416.84	\$14,993.52	\$15,593.26	\$16,216.99	\$16,865.67	\$17,540.30	\$18,241.91	\$18,971.58
Boilers	\$14,128.36						\$5,965.69			
Concrete		\$93,611.79		\$39,987.54	\$13,862.35	\$70,642.53		\$44,980.55		\$72,976.44
Doors								\$241,545.53	\$24,949.21	
Elevator		\$11,849.59			\$5,331.67			\$89,961.10		
Fence/Walls/Gates			\$761,691.89	\$10,509.55	\$9,858.86	\$6,931.17		\$119,573.29	\$12,786.47	\$413.52
Fire/Safety/Security		\$14,219.52	\$17,253.04	\$7,689.91		\$9,703.64			\$18,711.92	
Fitness Equipment	\$42,359.66	\$180,220.48	\$10,844.75	\$44,857.83	\$3,665.52	\$8,359.00	\$112,307.19		\$173,303.46	\$19,865.81
Flooring	\$61,474.33	\$51,190.25	\$51,497.76	\$11,791.20	\$70,799.29	\$36,649.28	\$79,292.64	\$90,314.96	\$57,695.05	\$14,919.63
Food Service Equipment	\$10,840.10	\$4,858.33	\$7,394.15				\$14,820.51	\$31,486.39		\$1,621.70
Furniture	\$11,279.90	\$55,693.10		\$11,406.71	\$6,664.59		\$7,064.25	\$10,495.46	\$7,796.63	\$7,946.32
HVAC	\$61,526.74	\$56,878.05	\$88,729.76	\$64,467.10	\$159,359.42	\$44,359.52	\$90,826.11	\$825,471.05	\$113,830.78	\$1,782,429.86
Landscape		\$6,161.79	\$9,858.86	\$64,082.60	\$6,931.17	\$20,793.52		\$210,808.84	\$12,474.60	

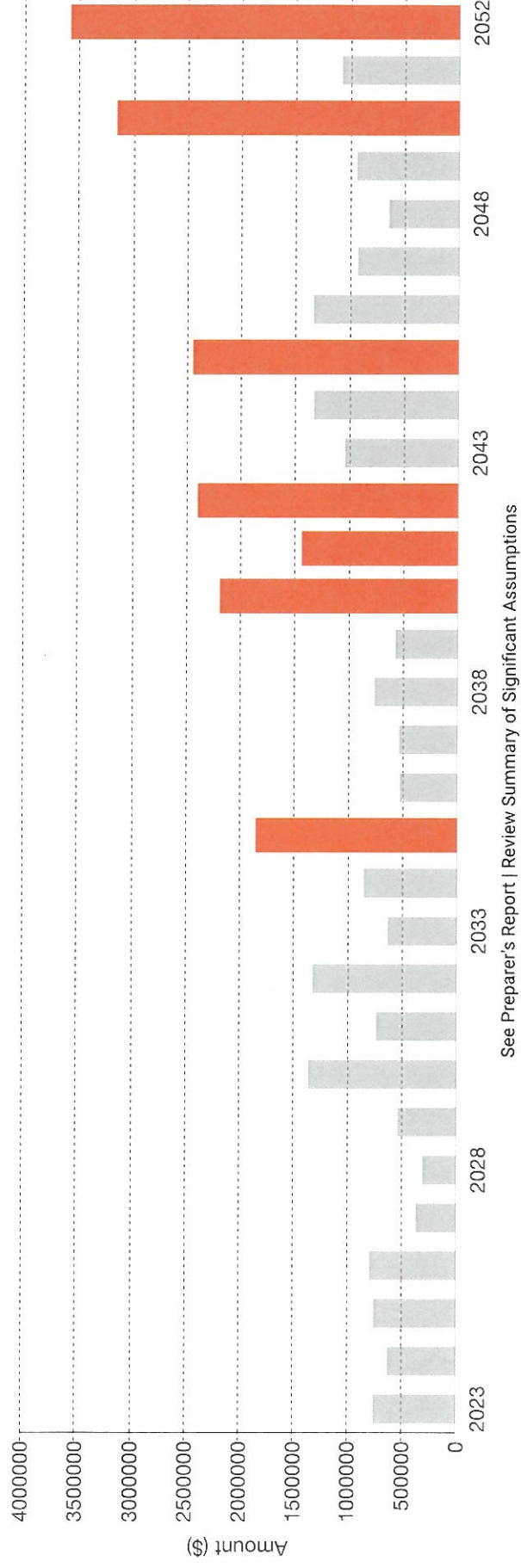
CATEGORY	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Lighting		\$11,849.59	\$141,173.98	\$403,061.64				\$143,287.04	\$87,118.91	\$64,867.95
Locker Room Equipment		\$42,658.54		\$46,139.47				\$26,988.33		
Maintenance Equipment					\$125,275.71			\$7,871.60		
Mechanical Equipment						\$13,862.35				
Painting	\$18,959.35		\$98,588.62	\$58,955.99	\$73,310.50	\$56,100.93		\$134,401.88	\$45,844.17	\$81,088.18
Playground	\$19,720.11	\$20,508.91	\$21,329.27	\$22,182.44	\$23,069.74	\$23,992.53	\$24,952.23	\$25,950.32	\$26,988.33	\$45,906.54
Plumbing							\$1,874.19	\$449,805.50		\$48,650.96
Pool	\$241,313.45	\$67,994.04	\$488,877.44	\$49,719.00	\$99,692.81	\$20,506.43	\$106,357.23	\$126,042.85	\$119,745.15	\$640,215.69
Renovation	\$25,197.91	\$3,418.15	\$22,040.25	\$11,386.98	\$3,844.96	\$58,381.81	\$32,992.39	\$49,305.60	\$13,854.01	\$4,677.98
Roads/Asphalt/Trails	\$272,666.09	\$698,517.37	\$272,979.77	\$395,358.58	\$289,379.35	\$333,484.42	\$369,218.50	\$325,509.57	\$345,407.28	\$388,083.19
Roof				\$3,844.96				\$161,929.98	\$4,677.98	
Signage	\$5,696.92		\$4,929.43							
Sports Equipment	\$6,300.79			\$8,202.57				\$19,491.58		\$227,037.83
Vehicles	\$70,603.07		\$213,239.79	\$76,899.12						\$164,618.64
Windows	\$169,130.16		\$226,753.83	\$36,450.18				\$5,397.66		
	\$1,044,526.12	\$1,333,491.85	\$2,451,599.43	\$1,341,999.35	\$932,764.39	\$649,341.59	\$947,041.48	\$3,158,159.38	\$1,083,425.86	\$3,584,291.82

Mountain Park HOA

Analysis Date - January 1, 2023

Inflation: 4.00 % | Investment: 1.50 % | Calc: Inflation-Adjusted

Expenditures By Year Chart



Report Disclosures

Site Analysis

Mountain Park HOA is a Master Planned (PUD) association located just outside of Portland Oregon located at 2 Mt. Jefferson Terrace Lake, Lake Oswego 97035. The Association consists of a primary clubhouse facility and secondary support buildings. The HOA member housing community has some six thousand individual houses, condominiums and apartments, in addition, there are several miles of roadway and both are not the responsibility of the HOA and are part of this report.

The common areas, which are the focus of this study are its expansive grounds provide trails, playgrounds, and other recreation features for the homeowners' enjoyment. Also includes the Association's clubhouse facility is at the corner of Main and East streets and encompasses approximately 11 acres. The facility was constructed in a single phase in 1968; it is a wood frame with stucco exterior cladding. The primary facility consists of offices, conference facilities, a playschool, and several indoor recreational amenities, including pools, spas, a gym, and cardio. There are also outdoor tennis courts. In addition, a separate building housing maintenance equipment, a parking lot with vehicles, and a recreational vehicle storage area. As part of the trails large passage culverts are included in the trail paths, initially made large enough for three horses, and they are maintained by the HOA. As outlined, the main roads are maintained by the City and are not the responsibility of the HOA, but the immediate area of the clubhouse and secondary buildings including some roadway and parking areas are the responsibility of the HOA.

The site analysis was performed on September 23, 2021, by Jay Grant of Facilities Advisors, PLLC. The Association's Executive Director and Facilities Manager were interviewed during the site analysis regarding component existence, maintenance activities, dates last repaired/replaced, and actual or bid costs, if known.

Site analysis procedures included:

- Review of Google Earth satellite images
- Tour of Association's common areas
- Identification and quantification/measurement of common area components
- Component condition assessment
- Actual reoccurring component expenditures
- Use of RS Means and Craftsman databases, as well as internet information

The site analysis was performed as a limited-scope visual observation. No destructive or invasive testing was performed. The condition of components may be assessed differently if destructive/invasive testing was performed, but such testing is beyond the scope of a reserve study.

Component Analysis

Components considered for inclusion in the reserve study report are all those components that are the maintenance responsibility of the Association anticipated requiring future major repair or replacement under the assumption that such components are subject to normal maintenance activities and normal wear and tear. Components with a useful life of fewer than two years or a cost of \$1,000 have generally been excluded from this

analysis, as such items are considered part of the Association's operating budget.

The component list was compiled based on the previous reserve study, the tour of the Association's common areas, inquiry of Association management and maintenance staff, and selected vendors providing maintenance services to the Association. The component list is believed to be complete, except for the exclusions noted below, which are considered normal exclusions.

Estimated future major repair and replacement costs are generally based on current replacement costs projected to the estimated repair or replacement date, applying an inflation factor of 4.00 % for the entire 30-year financial projection period.

Current estimated replacement costs are derived from a variety of sources including; actual prior costs, current bids, vendor or contractor estimates, management's estimates, Facilities Advisors, PLLC's cost database, or cost estimator manuals. This data is considered reliable and has been relied upon in the determination of current costs. Current costs include material or product costs, labor, overhead, delivery, and sales tax.

General Exclusions from the analysis are:

Excluded Conditions	Reason for Exclusion
Building code or zoning violations or upgrades	Outside scope of the Study
Structural stability or engineering analysis	Outside scope of the Study
Environmental conditions *	Outside scope of the Study
Geological stability or soil conditions	Outside scope of the Study
Soil contamination	Outside scope of the Study
Hydrological conditions	Outside scope of the Study
Mold or fungus	Outside scope of the Study
Termites or other pest control	Outside scope of the Study
Risks of wildfire, flood or seismic activity	Outside scope of the Study
Water quality or testing	Outside scope of the Study
Illegal or controlled substances	Outside scope of the Study
Building values or appraisals	Outside scope of the Study
Adequacy of efficiency of any system or component	Outside scope of the Study
Information not provided by the Association necessary to identify all components	Outside scope of the Study

* Asbestos, radon, formaldehyde, lead, water or air quality, electromagnetic radiation or other environmental hazards.

Financial Analysis

The financial projection was prepared using the pooled cash flow method. Under this method, aggregate expenditures are projected to future estimated repair or replacement dates considering inflation at 4.00 %. Actual expenditures may vary from estimated expenditures, and the differences may be significant.

Reserve fund revenues consist of member assessments and interest earned (and other income). Interest income has been estimated at 1.50 % based on current funding. The funding plan does not contain an income tax expense related to interest earned, as income taxes are paid from the operating fund. The projected annual assessment has been subjected to an annual increase factor for the projection period. This annual assessment adjustment factor is necessary to counteract the effects of inflation on projected expenditures.

Replacement reserves are funded at a level of 26.91 % as of January 1, 2023 using the Inflation-Adjusted method of calculating percent funded. The beginning balance of reserve funds was estimated at \$1,125,100.20, and an anticipated contribution for 2023 of \$374,000.00 as provided by Association management. Changes in these numbers will affect the outcome of this report.

Alternative funding plans, including minimum threshold funding, were shown in order to illustrate requirements for future budgeting and prudent financial decision-making.

Significant Assumptions

The following significant assumptions were used in the preparation of this reserve study report. If the actual replacement costs or remaining lives vary from the assumptions used in this analysis, the impact could be significant on future assessments. Accordingly, an annual review of the analysis is necessary to see if the Board, within its authority, should increase the regular assessments, pass special assessments or reschedule future replacement dates.

- Generally, only long-term major repair and replacement activities for components with a life of 2 years or longer and a cost of \$1,000 or more have been considered in this analysis. A group of items with an individual cost of less than \$1,000 is included if the aggregate cost exceeds \$1,000.
- The Board of Directors will implement and/or continue preventive maintenance and repair programs to prevent abnormal deterioration of the common areas.
- The analysis assumes that no unusual conditions will occur, such as weather, vandalism, unusual use, or unforeseen obsolescence.
- Measurements and quantities were obtained by count, measurement, or estimation from plans provided by the Board of Directors unless otherwise noted and are assumed to be a close approximation to actual.
- Proper construction and installation of all improvements are assumed unless otherwise noted.
- This analysis assumes that the Association membership wishes to continue the use and maintenance of all amenities currently in place.
- The Association carries comprehensive property insurance to cover most insurable property risks.
- Current financial information was supplied by the Board of Directors and is assumed to be reasonably accurate as of the date of this analysis. Funded cash balances were not audited nor confirmed directly with financial institutions as a part of this analysis.
- The Association will collect and set aside reserve assessments on an annual basis as set forth in the funding plan projection in order that sufficient funds will be available when expenditures are scheduled or necessary.
- The Board of Directors does not anticipate any special assessments other than those that may be scheduled as part of the attached 30-year funding projection.
- The Interest rate of 1.50 % is used in the funding plan. Investment interest could be lower or based on inflation or the balance of the reserve account is substantially higher. This is only a projection and this figure can easily vary based on several circumstances.

- The Inflation rate of 8% is used in the "current" funding plan for years 2024 through 2027 and then reduces to 4% and further reduces to 3% in 2030. This is based on the expectation of the current higher inflation factor and based on past knowledge, it is expected the inflation rate to return to a lower stable number.
- The Expenditures and FASB illustration are illustrated at a 4.0% inflation rate during the entire period.

See Preparer's Report | Review Summary of Significant Assumptions

Mountain Park HOA

Analysis Date - January 1, 2023

Inflation: 4.00 % | Investment: 1.50 % | Calc: Inflation-Adjusted

Financial Accounting Standards Board (FASB) Allocation

CATEGORY	ESTIMATED USEFUL LIVES LIFE YY:MM	ESTIMATED REMAINING USEFUL LIVES LIFE YY:MM	ESTIMATED FUTURE REPLACEMENT COST
Audio Visual/ IT	1:00 - 15:00	1:00 - 29:00	\$424,890.68
Boilers	10:00 - 23:00	1:00 - 26:03	\$471,274.95
Concrete	3:00 - 50:00	0:00 - 29:03	\$884,182.06
Doors	12:00 - 25:00	2:00 - 28:00	\$502,315.99
Elevator	10:00 - 20:00	1:00 - 27:00	\$198,971.01
Fence/Walls/Gates	5:00 - 30:00	2:00 - 29:05	\$1,277,779.73
Fire/Safety/Security	7:00 - 25:00	0:00 - 28:00	\$480,100.61
Fitness Equipment	5:00 - 25:00	0:00 - 29:05	\$1,277,222.77
Flooring	2:00 - 34:00	0:00 - 29:00	\$1,251,224.25
Food Service Equipment	10:00 - 24:00	0:00 - 29:00	\$139,890.91
Furniture	3:00 - 30:00	2:00 - 29:00	\$276,777.94
HVAC	0:00 - 30:00	0:00 - 29:10	\$6,829,470.65
Landscape	0:00 - 20:00	0:00 - 28:00	\$614,278.49
Lighting	7:00 - 35:00	0:00 - 29:00	\$1,054,946.12
Locker Room Equipment	10:00 - 25:00	1:00 - 27:00	\$314,533.61
Maintenance Equipment	10:00 - 30:00	1:04 - 27:00	\$428,370.44
Mechanical Equipment	5:00 - 30:00	0:00 - 26:00	\$111,182.25
Painting	7:00 - 21:00	0:00 - 29:08	\$1,157,087.68
Playground	1:00 - 30:00	0:05 - 29:07	\$727,670.56
Plumbing	14:00 - 25:00	1:00 - 29:00	\$939,749.52

CATEGORY	ESTIMATED USEFUL LIVES LIFE YY:MM	ESTIMATED REMAINING USEFUL LIVES LIFE YY:MM	ESTIMATED FUTURE REPLACEMENT COST
Pool	1:00 - 35:00	0:00 - 29:08	\$3,782,826.84
Renovation	1:00 - 30:00	0:00 - 29:00	\$712,261.63
Roads/Asphalt/Trails	1:00 - 20:00	0:00 - 29:00	\$7,435,399.79
Roof	5:00 - 35:00	3:00 - 28:00	\$1,585,297.41
Signage	8:00 - 25:00	6:06 - 22:06	\$71,369.08
Sports Equipment	8:00 - 25:00	2:00 - 29:05	\$558,226.05
Vehicles	8:00 - 15:00	0:00 - 29:00	\$1,174,404.10
Windows	20:00 - 40:00	7:00 - 27:00	\$1,252,165.57
			\$35,933,870.69

See Preparer's Report | Review Summary of Significant Assumptions

Preparer's Information

Facilities Advisors International (FAI)

The Facilities Advisors Reserve Study Team comprises several individuals with various backgrounds and professional experience. For the convenience of our clients, each team member has an assigned geographic area that they serve, including the areas of the country with the highest concentration of associations. In addition, any of the team members can be available to assist other team members or to perform studies in areas outside the assigned geographic areas.

Facilities Advisors provides reserve study and facilities consulting services to several industries, including those listed below. While the basic processes of gathering and compiling data are the same, the reporting terminology and formats may differ for certain industries. The common term used in most industries is "Reserve Study." However, some industries will refer to this process as a "long-term capital replacement plan" or an "infrastructure funding plan." We will generally refer to the generic term; "reserve study."

- Condominium and homeowners associations
- Timeshare associations
- Condo-hotels
- Country Clubs
- Governmental entities
- Hospitality industry
- Non-profit organizations
- Churches
- Schools

The condominium and homeowners association practice encompasses all associations, from associations as small as two units to projects of more than 10,000 homes representing cities. While some associations have virtually no amenities, others have items such as golf courses, marinas, campgrounds, shooting ranges, lakes, etc. One of our association clients maintains more than 150 miles of privately maintained roads. Our reports are designed to consider the reporting needs of each type of association, and we are unique in our ability to provide data at any level requested by the association. Our fees are competitive and do not charge extra travel time or expenses. The fee quote in our proposal is the ONLY fee we charge.

The timeshare association practice encompasses associations as small as ten units (510 intervals) to projects of more than 1,100 units with more than 55,000 interval owners. Further, we have worked with traditional timeshare associations, fractional ownership associations, and vacation clubs. Our reports are designed to consider the reporting needs of each type of association, and we are unique in our ability to provide data at any level requested by the association. Our fees are competitive and do not charge extra travel time or expenses. The fee quote in our proposal is the ONLY fee we charge.

The nonprofit organization practice encompasses various associations, such as country clubs, social clubs, churches, and schools. Our reports are designed to consider the reporting needs of each type of organization, and

we are unique in our ability to provide data at any level requested by the organization. Our fees are competitive and do not charge extra travel time or expenses. The fee quote in our proposal is the ONLY fee we charge.

Jay Grant – Project Manager

Jay Grant is a risk analyst providing reserve report studies. He has extensive organizational, financial, maintenance, and structural project knowledge regarding condominiums, including interfacing with local government for projects & permits. He holds a professional risk underwriter designation in financial services from Northeastern University. His personal condominium experience includes living in a condominium for ten years and as an HOA president for several years.

His professional work includes serving as a senior advisor at the state and federal level, including positions managing national and international security, mass and critical environment risk management, counterterrorism, and evidence-based programs and best practices. He was a principal author of the International Community Security Practice Guide, which included international security management quality assurance practices. He has over 30 years of experience authoring legislation, model law, regulatory rule-making, complex negotiation, and collaborative requirements.

Jay regularly advises condominiums to assist boards with the ins and outs of organizational, governing, project, regulatory, financial and people management. This has included authoring a buyer's guide focused on providing information to inform condominium purchasers better.

Gary Porter, CEO

Gary is a Certified Public Accountant and has provided financial services to condominium and homeowners associations since 1976 and started doing reserve studies as Facilities Advisors International in 1982. He has authored five books and more than 400 articles on association financial matters and has made dozens of presentations to industry groups. He is considered one of the foremost financial experts for associations and has been quoted or published in the Wall Street Journal, Kiplinger's Personal Finance, Common Ground, The Ledger Quarterly, and The Practical Accountant.

He holds the Facilities Management Professional (FMP) credential, designating those as an expert in facilities management, one of the most critical skills in component condition assessment. He was a recognized economics and valuations expert in the California Superior Court system for over twenty years and served as a court-appointed independent expert on several occasions.

As a CPA, he possesses the skills directly applicable to preparing a financial projection for future major repairs and replacements. In addition, he holds several reserve specialist credential designations, including the Registered Reserve Consultant (RRC) credential, considered the highest designation available to reserve preparers, the CAI's RS (Reserve Specialist) designation, and is licensed by the State of Nevada as a registered reserve specialist.

Gary was also a founding member of the CAI Channel Islands California chapter in 1979 and served as CAI's national president from 1998-99; and has received numerous awards, including CAI's Distinguished Service and Author of the Year Awards and CACM's Vision Award for outstanding service.

OREGON RESERVE REQUIREMENTS

94.595 Reserve account for maintaining, repairing and replacing common property; reserve study; maintenance plan. (1) The declarant, on behalf of a homeowners association, shall:

- (a) Conduct an initial reserve study as described in subsection (3) of this section;
- (b) Prepare an initial maintenance plan as described in subsection (4) of this section; and
- (c) Establish a reserve account as provided in subsection (2) of this section.

(2)(a) A reserve account shall be established to fund major maintenance, repair or replacement of all items of common property which will normally require major maintenance, repair or replacement, in whole or in part, in more than one and less than 30 years, for exterior painting if the common property includes exterior painted surfaces, for other items, whether or not involving common property, if the association has responsibility to maintain the items and for other items required by the declaration or bylaws. The reserve account need not include reserves for those items:

- (A) That can reasonably be funded from the general budget or other funds or accounts of the association; or
- (B) For which one or more, but less than all, owners are responsible for maintenance and replacement under the provisions of the declaration or bylaws.

(b) The reserve account shall be established in the name of the homeowners association. The association is responsible for administering the account and for making periodic payments into the account.

(c) The reserve portion of the initial assessment determined by the declarant shall be based on:

- (A) The reserve study described in subsection (3) of this section; or
- (B) Other reliable information.

(d) A reserve account established under this section must be funded by assessments against the individual lots for which the reserves are established.

(e) Unless the declaration provides otherwise, the assessments under this subsection begin accruing for all lots from the date the first lot is conveyed.

(3)(a) The board of directors of the association annually shall conduct a reserve study or review and update an existing study to determine the reserve account requirements. Subject to subsection (8) of this section, after review of the reserve study or reserve study update, the board of directors may, without any action by owners:

- (A) Adjust the amount of payments as indicated by the study or update; and
- (B) Provide for other reserve items that the board of directors, in its discretion, may deem appropriate.

(b) The reserve study shall:

- (A) Identify all items for which reserves are or will be established;
- (B) Include the estimated remaining useful life of each item as of the date of the reserve study; and
- (C) Include for each item, as applicable, an estimated cost of maintenance and repair and replacement at the end of the item's useful life.

(4)(a) The board of directors shall prepare a maintenance plan for the maintenance, repair and replacement of all property for which the association has maintenance, repair or replacement responsibility under the declaration or bylaws or ORS 94.550 to 94.783. The maintenance plan shall:

- (A) Describe the maintenance, repair and replacement to be conducted;
- (B) Include a schedule for the maintenance, repair and replacement;

(C) Be appropriate for the size and complexity of the maintenance, repair and replacement responsibility of the association; and

(D) Address issues that include but are not limited to warranties and the useful life of the items for which the association has maintenance, repair and replacement responsibility.

(b) The board of directors shall review and update the maintenance plan described under this subsection as

necessary.

(5)(a) If the declaration or bylaws require a reserve account, the reserve study requirements of subsection (3) of this section and the maintenance plan requirements of subsection (4) of this section first apply to the association of a subdivision that meets the definition of a planned community under ORS 94.550 and is recorded prior to October 23, 1999, when:

(A) The board of directors adopts a resolution in compliance with the bylaws that applies the requirements of subsections (3) and (4) of this section to the association; or

(B) A petition signed by a majority of owners is submitted to the board of directors mandating that the requirements of subsections (3) and (4) of this section apply to the association.

(b) A reserve study and maintenance plan shall be completed within one year of adoption of the resolution or submission of the petition to the board of directors.

(6)(a) Except as provided in paragraph (b) of this subsection, the reserve account may be used only for the purposes for which reserves have been established and is to be kept separate from other funds.

(b) After the individual lot owners have assumed responsibility for administration of the planned community under ORS 94.616, if the board of directors has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds:

(A) The board of directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses.

(B) Not later than the adoption of the budget for the following year, the board of directors shall adopt by resolution a written payment plan providing for repayment of the borrowed funds within a reasonable period.

(7) The reserve account is subject to the requirements and restrictions of ORS 94.670 and any additional restrictions or requirements imposed by the declaration, bylaws or rules of the homeowners association.

(8)(a) Except as provided under paragraph (b) of this subsection, unless the board of directors under subsection (3) of this section determines that the reserve account will be adequately funded for the following year, the board of directors or the owners may not vote to eliminate funding a reserve account required under this section or under the declaration or bylaws.

(b) Following the turnover meeting described in ORS 94.609, on an annual basis, the board of directors, with the approval of all owners, may elect not to fund the reserve account for the following year.

(9) Assessments paid into the reserve account are the property of the association and are not refundable to sellers or owners of lots. [1981 c.782 §15; 1999 c.677 §7; 2001 c.756 §10; 2003 c.569 §8; 2005 c.543 §1; 2007 c.409 §7; 2009 c.641 §4]