



Association: Marble Arch Townhomes **Assoc. #:** 4772-2
Location: Houston, TX 77057
of Units: 174
Report Period: September 1, 2013 through August 31, 2014

Results as-of 9/1/2013:

Projected Starting Reserve Balance:	\$101,600
Fully Funded Reserve Balance:	\$608,388
Average Reserve Deficit Per Unit:	\$2,913
Percent Funded:	16.7%
Recommended 2013/2014 Monthly Reserve Contribution:	\$14,790
Recommended 2013/2014 Special Assessment for Reserves:	\$174,000
Most Recent Reserve Contribution Rate:	\$2,200

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves1.00%
Annual Inflation Rate3.00%

- This is an "Update With-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves, Inc. for your 2003/2004 Fiscal Year. The information in this Reserve Study is based on our site inspection on March 30, 2013.
- This Reserve Study was prepared by Sean Kargari, a credentialed Reserve Specialist (RS #115).
- Because your Reserve Fund is below 30% Funded, at 16.7% Funded, this represents a weak Reserve position. Associations in this Reserve position face a high risk of incurring Reserve cash-flow deficiencies.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions (\$85/unit per month), and to implement a one-time special assessment (\$1,000/unit) to build up your Reserves to meet your short-term Reserve expenses. Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded" (refer to Table 4, pg 12).

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
102	Pool Deck (North) - Resurface	35	26	\$38,500	\$83,029
102	Pool Deck (South) - Resurface	35	2	\$36,750	\$38,988
103	Concrete Deck/Walks - Repair	1	0	\$5,000	\$5,150
106	Stairs/Landings - Repair	5	0	\$17,500	\$20,287
201	Asphalt - Reconstruction	30	0	\$214,000	\$519,434
202	Asphalt - Seal/Repair	5	0	\$9,300	\$10,781
205	Concrete Driveways - Repair	10	0	\$12,500	\$16,799
303	HVAC Units - Partial Replace	1	0	\$13,100	\$13,493
309	Chiller - Refurbish	5	4	\$12,500	\$14,069
309	Chiller/VFD Drives - Replace	25	20	\$90,000	\$162,550
310	HVAC Boiler - Replace	20	15	\$12,500	\$19,475
311	Cooling Towers - Replace	20	7	\$62,500	\$76,867
320	Pole Lights - Replace	30	1	\$9,400	\$9,682
403	Mailboxes - Replace	16	4	\$12,400	\$13,956
501	Brick Walls - Repair	10	0	\$10,000	\$13,439
503	Iron Railings - Repair	15	5	\$15,750	\$18,259
505	Perimeter Wood Fence - Replace	25	5	\$38,500	\$44,632
505	Unit Wood Fence - Partial Replace	10	5	\$21,100	\$24,461
601	Hallway Carpeting - Replace	10	9	\$11,500	\$15,005
603	Tile Flooring - Partial Replace	10	5	\$4,750	\$5,507
801	Domestic Water Boiler - Replace	20	19	\$12,500	\$21,919
802	Boiler Tank - Replace	12	4	\$1,750	\$1,970
803	Water Heater/Tanks - Partial Replace	2	0	\$5,000	\$5,305
1107	Iron Railings - Repaint	5	4	\$11,050	\$12,437
1110	Interior Surfaces - Repaint	10	0	\$9,450	\$12,700
1115	Building Exteriors - Partial Repaint	1	0	\$17,500	\$18,025
1116	Building Wood Surfaces - Repair	1	0	\$7,500	\$7,725
1202	Pool (North) - Replaster	12	3	\$11,000	\$12,020
1202	Pool (South) - Replaster	12	0	\$14,000	\$19,961
1203	Pool Filters - Replace	12	3	\$2,500	\$2,732
1210	Pool/Spa Pumps - Partial Replace	4	2	\$950	\$1,008
1301	Flat Roofs - Partial Replace	1	0	\$35,000	\$36,050
1303	Mansard Shingle Roofs - Repair	1	0	\$12,000	\$12,360
1308	Metal Carport Roofs - Replace	1	0	\$10,000	\$10,300
1310	Gutters/Downspouts - Repair	10	5	\$6,250	\$7,245
1811	Plumbing - Replace	1	0	\$10,000	\$10,300
1902	Electrical Wiring - Repair/Replace	1	0	\$2,500	\$2,575
1904	Windows - Partial Replace	1	0	\$3,750	\$3,863
38	Total Funded Components				

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.
Note 2: highlighted line items are expected to require attention in the initial year.