

**CONCRETE EVALUATION AND
RESERVE FUND STUDY**

***BELMONT PARK
8400 ARIEL STREET
HOUSTON, TEXAS 77074***

Prepared for:
***BELMONT PARK TOWN HOMES OWNERS ASSOCIATION
C/O SUZETTE COOKE
DTA MANAGEMENT***

Prepared by:
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APRIL 1, 2004

1.0 INTRODUCTION

Belmont Park Town homes, through DTA Management, authorized Criterium – Farrell Engineers to conduct a Concrete Evaluation and Reserve Fund Study for Belmont Park Town homes, located at 8400 Ariel Street in Houston Texas. Studies of this nature are important to ensure a community has sufficient funds for long-term, periodic capital expenditure requirements. Anticipating large expenditures over an extended period of time through a structured analysis and scheduling process assists the Association in meeting financial requirements without increasing the service fees above permitted maximums, borrowing the funds, or levying special financial assessments to the home owners.

Typically, a community Association has two broad cash requirements: the general operating reserves and the capital repair and replacement reserves. In this report, we will focus on those items falling under the capital repair and replacement reserve criteria. We have projected a capital repair and replacement reserve for twenty years. The first ten years are the most reliable. Such a study should be updated every five years.

This report is structured to analyze only the concrete site components of the community for which the Association is responsible and to assess a useful expected life and useful remaining life to those components. The anticipated scheduled repair or replacement of the component and the anticipated expense for the activity are then analyzed in conjunction with the current capital reserves funding program for the community. Funding program recommendations are made with the objective of limiting substantial cash excesses while minimizing financial burdens that can result from significant cash inadequacies.

This report is intended to be used as a tool to determine reserve fund allocation requirements for the community, to manage future Association obligations, and to inform the community of future financial needs in general.

The report that follows has been prepared from the perspective of what an owner of this property would benefit from knowing. Some items, beyond those of immediate concern, may be discussed. Therefore, the report should be read in its entirety in order to fully understand all of the information that has been obtained.

2.0 EXECUTIVE SUMMARY

All of the parking and circulation streets are of concrete construction and are reportedly, the responsibility of the Association. In this section of the report, we will address those issues that, in our opinion, will require immediate repair or replacement. For a more detailed discussion of all of our findings and any other material deficiencies that will require repair or replacement over the term of this study, refer to the appropriate sections of this report. Based on our evaluation, the current level of funding of the reserve for the concrete components is inadequate. A more detailed analysis of the reserve fund has been provided in Appendix A.

Based on our observations, there are immediate material deficiencies.

- Poor drainage (unit 8482)
- Excessive area settlement (West of Bldg. 15)
- Crack with large displacement (Front of Club house)
- Differential settlement of previous repair/patch (South of bldg. 8)
- Concrete patches with rough finish (unit 8482 & unit 8322)
- Unsealed concrete cracks in the streets/driveways (Multiple locations)
- Unfilled concrete joints in the streets/driveways (Multiple locations)
- Side walk - cracks, displacement, and spalling (Bldg. 4 & multiple locations)

There are, of course, other capital expenditures to be expected over the next ten to twenty years. Those items that will require attention are discussed in detail in this report and can be found in their appropriate sections.

For your convenience, we have prepared the following summary of the condition of the major concrete systems. Please refer to the appropriate sections of this report for a more detailed discussion of these systems.

SYSTEM	CONDITION	ACTIVITY REQUIRED	ANTICIPATED YEAR OF ACTIVITY
SITE			
Drainage problem – unit 8482	P	Install storm drain	Year 1
Concrete Paving - South of Bldg. 8	P	Full-depth repair	Year 1
Concrete Paving - Throughout	F	Full-depth repair	Year 3, every 5 years afterward
Concrete Paving - Throughout	P	Partial-depth repair – patch, grind, fill	Year 1, every 5 years afterward
Random cracks - Throughout	F	Rout and seal	Year 1, every 5 years afterward
Concrete Curbing	F	Repair or replace	Year 1, every 5 years afterward
Sidewalks – Bldg. 4	P	Major renovation	Year 2
Sidewalks – Throughout	G to P	Replace or repair	Year 1, every 5 years afterward
Speed bumps	G to F	Replace	Year 5, every 5 years afterward
Storm Sewer Pipe Study	F	Assess	Year 1

Table 2.1: Summary

3.0 PURPOSE & SCOPE

3.1 Purpose

The purpose of this study is to perform a reserve fund analysis and to determine a capital needs plan for concrete areas only. It is intended to be used as a tool for the Belmont Park Townhomes Owners Association in determining the allocation requirements into the reserve fund in order to meet future anticipated capital expenditures for the community.

This report forecasts obligations for the community twenty years into the future. 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. Therefore, a study such as this should be updated from time to time, usually on a three to five-year cycle, in order to reflect the most accurate needs and obligations of the community.

3.2 Scope

This study has been performed according to the scope as generally defined by DTA Management Company and Criterium – Farrell Engineers. The findings and recommendations are based on interviews with the community's management personnel and residents; a review of available documents; and an investigation of the buildings and site. The investigation involved, (to the extent visible), the concrete paved areas, curbs and sidewalks.

The report contains the following:

- A description of the overall condition of concrete paving and flatwork components that are the responsibility of the Association, and conditions that may limit the expected useful life of these items.
- Information about significant deficiencies, deferred maintenance items, and material code violations based on a visual survey of the building and grounds, research of documents, and conversations with people who have knowledge about the community.
- A reserve fund analysis including a component inventory, anticipated remaining component useful life, anticipated component repair or replacement costs, and forecasted

fund levels as a result of those anticipated costs.

The statements in this report are opinions about the present condition of the subject community. They are based on visual evidence available during a diligent investigation of all reasonably accessible areas falling under the responsibility of the Association. We did not remove any surface materials or perform any destructive testing. This study is not an exhaustive technical evaluation. Such an evaluation would entail a significantly larger scope than this effort. For additional limitations, see Section 11.0.

3.3 Sources of Information

Onsite inspections of the property occurred on the following dates:

- April 1, 2004
- April 15, 2004

The following documents were made available to us and reviewed:

- Reserve Study Information Sheet provided by DTA Management
- 8 ½" by 11" site map

3.4 Standards of Reference

For your reference, the following definitions may be helpful:

Excellent: Component or system is in "as new" condition, requiring no rehabilitation and should perform in accordance with expected performance.

Good: Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.

Fair: Component or system falls into one or more of the following categories: a) Evidence of previous repairs not in compliance with commonly accepted practice, b)

Workmanship not in compliance with commonly accepted standards, c) Component or system is obsolete, d) Component or system approaching end of expected performance. Repair or

replacement is required to prevent further deterioration or to prolong expected life.

Poor: Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. Present condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.

Adequate: A component or system is of a capacity that is defined as enough for what is required, sufficient, suitable, and/or conforms to standard construction practices.

All ratings are determined by comparison to other buildings of similar age and construction type. Further, some details of workmanship and materials will be examined more closely in higher quality buildings where such details typically become more relevant.

All directions (left, right, rear, etc.), when used, are taken from the viewpoint of an observer standing in front of a building and facing it.

Repair/Replacement Reserves - Included are items that will reach the end of their estimated useful life during the course of this forecast, or, in the opinion of the investigator, will require attention during that time.

4.0 DESCRIPTION

Belmont Park Town homes was constructed in or around 1976. The community consists of twenty-one buildings connected by a common street and shared driveways. The overall property has relatively flat ground. There is one entrance (Ariel Street) serving the property. Ariel Street enters the property from South Gessner Drive, loops around and connects to Nairn. These streets provide access to shared driveways for each of the buildings. The service streets are paved with concrete and have concrete curbing. Individual resident driveways, pedestrian walkways, and parking areas are poured-in-place concrete. The property has a swimming pool, playground and a community park.

5.0 SITE IMPROVEMENTS

5.1 Topography Description

The ground is relatively flat and moderate landscaping is located throughout the site.

Evaluation & Recommendations

The site topography was not evaluated, as it was not included in the study.

5.2 Storm Drainage Description

The concrete paved surfaces are sloped to direct storm water to catch basins located throughout the property. After entering the catch basins, the water is routed through pipes to the municipal system.

Evaluation & Recommendations

The adequacy and condition of the storm drainage system was not evaluated, as it was not included in this study. The storm runoff is considered here only in as much as it is necessary to evaluate potential impact on the concrete components. There are some areas where rainwater is accumulating between the street and the driveways. The worst of these spots is between buildings 9 & 10, where the water can get as deep as 2 inches. An attempt has been made to drain this water by installing a depression in the concrete across the driveway. There is not enough slope however, for the water to follow the intended path. Two 8" street drains have been installed post-development in other like locations. It looks as if these drains are diverting the water away from these low areas adequately. We recommend the installation of a similar drain between buildings 9 & 10 in the first year. Many of the paved areas that have broken and settled are in the direct vicinity of manholes and catch basins. This could indicate subsidence of the supporting soil due to pipe leakage and should be checked out.

5.3 Paving & Curbing

Description

COMMUNITY PAVING & CURBING	
Type of Paving	Concrete service drives and concrete driveways
Type of Curbing	Concrete curbing

Table 5.1: Parking Area

The service streets consist of poured-in-place concrete pavement with concrete curbing. There has been some minor cracking of the concrete pavement all over the property. This is common and to be expected. The cracks range in width from hairline up to $\frac{3}{4}$ " with displacement. Overall, the streets are still in fair condition. There are, however, areas that show signs of significant settling, cracking and displacement. There has been more than normal cracking and settlement in several areas. The probable cause of the movement and damage is unstable soil beneath the pavement compounded by drainage problems. There are large areas of excessive settlement in the concrete streets. Some of these areas have been repaired by various methods. We cannot tell without monitoring if some of these repairs have been successful. Other repairs obviously have not worked. There is evidence that some slab grouting of the sub grade was performed previously in the street between building 15 and 16. Without elevation readings of the concrete surfaces from before the repair, it cannot be determined if the settling has been arrested. A drain has also been installed at this location. Surface wear is consistent with age and surface spalling is presently not a big problem. There is a break in the concrete paved street with a large displacement at the entryway in front of clubhouse and another West of building 16. South of building 8 there has been disproportionate settlement of a recent looking concrete patch in street surrounding manhole access cover. It appears as if additional cracking and settlement has taken place around the patch as well. Two concrete patches with very rough or eroded surface finishes were noted East of building 12 and South of building 9 respectively. Open (unsealed) concrete cracks in the streets and driveways are located throughout the complex. Expansion joints in the concrete pavement have failed or rotted materials throughout the complex.

**Evaluation &
Recommendations**

Concrete paved streets generally have an expected useful life of approximately thirty years. Concrete parking lots generally have an expected useful life of approximately thirty-five years. The development was completed around 1976 so the original concrete is 28 years old. Consequently, we have anticipated major repairs to many of these components over the next two to twelve years. Concrete pavements frequently outlast their designed life expectancy and presently, the concrete streets are still adequately performing most of the functions for which they were intended. The concrete pavement serves as a bearing surface for vehicular and pedestrian traffic. Generally, concrete pavement is designed to be fully supported by the soil beneath. Some allowance for settling is included in most designs. It is when excessive area settlement or differential settlement occurs that problems arise. These problems include cracking and ponding of water, which can further exacerbate the situation. If the settlement becomes too great, there will be a weakening of the load bearing capacity and extra deflection under loading. Also when pavement displacement is too great it can be a trip & fall hazard to pedestrians as well provide poor rideability to vehicular traffic.

Cracks in the concrete can cause many problems when they are left unsealed, especially coupled with slow drainage conditions. The cracks allow water more access to the reinforcing steel, causing rust and further unwanted stresses on the concrete. The unfilled expansion joints are also a problem. Excessive water running into these openings can contribute to erosion of the supporting soil and other problems. The joints can also become filled with incompressible materials that hinder proper joint movement.

The condition of the underground drainage pipes cannot be determined without a more in-depth investigation which is not within the scope of this inspection. We recommend either performing a sewer line camera inspection or checking out the underground pipes during a pavement repair (while the pipes are accessible).

Because of present conditions, the following are high priority items that will need your immediate attention. We recommend full depth repair of a 24' by 48' section of concrete pavement South of building 8 in the first year. This

patch should be properly doveled into surrounding pavement for load transfer. Similar patches of this magnitude should be expected throughout the complex about every five years. A catch basin should be installed by unit 8482 to divert water to existing underground piping. Breaks in the concrete pavement with displacement greater than 1 inch should be planed or diamond ground to improve rideability. Trip & fall hazards should be addressed in a similar manner. All cracks greater in width than a 1/4" should be properly routed and filled with an oil resistant sealant. Sealant should be replaced on a five-year cycle beginning in the first year. The concrete curbing is in relatively good condition at present. There are some areas of cracking and deterioration. We have anticipated various concrete repairs to the curbing to occur on a five-year cycle beginning in year one.

Other considerations – Repair of the underground piping/drainage cannot be accomplished without disturbing pavement above. This piping is over 28 years old, and has reportedly been repaired in at least one location prior to this inspection. Other problems may presently exist in these underground pipes and they should be inspected for breaks and leaks before a major overhaul of the concrete streets is performed. When the concrete is removed for replacement, the pipes beneath should be inspected at this time.

Ultimately, streets containing a multitude of different looking patches, repairs to patches and striped with cracks are aesthetically unpleasing. For this reason alone when the repairs are made, they need to be large enough encompass the entire affected area. Ideally, the repairs should span half of the roadway.

5.4 Flatwork Description

Flatwork on the site consists of a concrete sidewalk along one side of each building and a series of concrete pedestrian walkways providing access to the front doors of each unit. Additionally, concrete walks surround the pool clubhouse and playground. For sidewalks the useful life expectancy is about twenty years. The exposed aggregate finish sidewalks suffer from various problems; excessive cracking, differential settlement, displacement and surface spalling. Almost all of

**Evaluation &
Recommendations**

the walkways at building 4 and many other places throughout the complex should be replaced.

Some of the concrete pedestrian walk-ways, are showing a vast amount of distress typically due to differential settlement. It is apparent that portions of these concrete systems have been replaced. In some cases the repairs are in poor condition also. We have allocated a sum to repair or replace the worst of these locations (potential trip & fall hazards) in year one. Subsequent major renovations to these components will be scheduled on a five-year cycle beginning in year two.

Driveways and carport aprons are in generally good condition. As can be expected, they are beginning to show signs of pitting and cracking. These components will require periodic repairs and are included in the aforementioned component repairs.

**5.5 Landscaping & Appurtenances
Description**

NA

**Evaluation &
Recommendations**

NA

6.0 STRUCTURE

**6.1 Structure
Description**

NA

**Evaluation &
Recommendations**

NA

**6.2 Ventilation
Description**

NA

**Evaluation &
Recommendations**

NA

7.0 EXTERIOR SYSTEMS

**7.1 Roofing Systems
Description**

NA

**Evaluation &
Recommendations**

NA

7.2 Exterior Finishes
Description

NA

Evaluation &
Recommendations

NA

8.0 MECHANICAL SYSTEMS

8.1 Electrical Systems

COMMUNITY ELECTRICAL SYSTEMS	
Amperage	Not investigated
Voltage/Phase	Not investigated
Service Entrance	Not investigated
Branch Wiring	Not investigated

Table 8.1: Electrical System Summary

Description

NA

**Evaluation &
Recommendations**

NA

8.2 Plumbing Systems

Description

NA

**Evaluation &
Recommendations**

NA

9.0 MISCELLANEOUS AMENITIES

Description

NA

**Evaluation &
Recommendations**

10.0 CONCLUSION

In Summary, we consider these concrete components to be in generally fair condition when compared to others of similar age and construction type. While some components are in need of a repair and replacement program, the program can be prioritized and planned in conjunction with reserve strategies.

We feel that the reserve financials included with this report outline several possible strategies for the community to adopt given the current condition of the project as a whole. As time passes, it may become necessary to re-establish financial priorities and capital expenditure schedules given any unforeseen circumstances. We recommend and encourage this activity.

11.0 LIMITATIONS

The observations described in this study are valid on the date of the investigation and have been made under the conditions noted in the report. We prepared this study for the exclusive use of DTA Management Services Company and Belmont Park Townhomes Owners' Association. Criterium – Farrell

Engineers does not intend any other individual or party to rely upon this study without our express written consent. If another individual or party relies on this study, they shall indemnify and hold Criterium – Farrell Engineers harmless for any damages, losses, or expenses they may incur as a result of its use.

This study is limited to the visual observations made during our inspection. We did not remove surface materials, conduct any destructive or invasive testing, move furnishings or equipment, or undertake any digging or excavation. Accordingly, we cannot comment on the condition of systems that we could not see, such as buried structures and utilities, nor are we responsible for conditions that could not be seen or were not within the scope of our services at the time of the investigation. We did not undertake to completely assess the stability of the buildings or the underlying foundation soil since this effort would require excavation and destructive testing. Likewise, this is not a seismic assessment.

We did not investigate the following areas:

- Buried utilities or infrastructure
- Concealed structural members or systems
- Attic areas
- All interior spaces

We do not render an opinion on uninvestigated portions of the community.

We did not perform any computations or other engineering analysis as part of this evaluation, nor did we conduct a comprehensive code compliance investigation. This study is not to be considered a warranty of condition, and no warranty is implied. The appendices are an integral part of this report and must be included in any review.

In our Reserve Fund Analysis, we have provided estimated costs. These costs are based on our general knowledge of building systems and the contracting and construction industry. When appropriate, we have relied on standard sources, such as Means Building Construction Cost Data, to develop estimates. However, for items that we have

developed costs (e.g.: structural repairs), no standard guide for developing such costs exists. Actual costs can vary significantly, based on the availability of qualified contractors to do the work, as well as many other variables. We cannot be responsible for the specific cost estimates provided.

We have performed no design work as part of this study, nor have we obtained competitive quotations or estimates from contractors as this also is beyond the scope of the project. The actual cost to remedy deficiencies and deferred maintenance items that we have identified may vary significantly from estimates and competitive quotations from contractors.

If you have any questions about this study or the reserve fund analysis, please feel free to contact us. Thank-you for the opportunity to be of assistance to you.

Respectfully submitted,

Tim Bentley,
Project Manager
Criterium – Farrell Engineers

Appendix A: RESERVE FUND PROJECTIONS

INTRODUCTION

The following is a projected reserve fund analysis for non-annual items as discussed in the report. This projection takes into consideration a reasonable return on invested moneys and inflation. Please review this thoroughly and let us know of any changes that may be desired.

The intent of this reserve fund projection is to help the Association develop a reserve fund to provide for anticipated repair or replacements of various system components during the next thirty years.

The capital items listed are those that are typically the responsibility of the condominium association and are derived from a list provided by the property manager. A copy of this list is provided in Appendix C. However, Association by-laws vary and, therefore, which components are the responsibility of the owner and which are the responsibility of the Association can vary. The Association should confirm that the items listed should be financed by the Association reserve fund.

This projection provides the following:

- An input sheet that defines all the criteria used for the financial alternatives, including the assumed inflation rate and rate of return on deposited reserve funds.
- A table that lists anticipated replacement and/or repair items complete with estimated remaining life expectancies, projected costs of replacement and/or repair, a frequency in years of when these items require replacement and/or repair, and a projection based on this frequency.
- A table and graph that represent end of year balances versus capital expenditures based on your current funding program and reserve balances, and alternatives to your current program. The provided graphs illustrate what effects the funding methods will have over the presented twenty-year period versus the anticipated capital expenditures. Care should be taken in analyzing the graphs due to varying graphic scales that occur within each graph and between graphs.
- Note that based on our developed list of capital items and taking inflation into account, the current funding is not adequate.
- The Association should bear in mind that unanticipated expenditures can always arise and maintenance of a significant reserve fund balance can be viewed as a way to avoid special assessments.

We have included three alternatives to your current funding program and recommend that the board adopt an alternative that best reflects the objectives of the community:

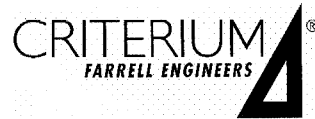
- **Alternative 1:** Increase the fixed annual contribution of \$0.00 per unit per month to \$15.45 per unit per month immediately for the next ten years. This alternative will maintain a positive balance.
- **Alternative 2:** Increase the contribution to \$17.98 per unit per month immediately and decrease this contribution amount by 10% annually over the next twenty years. This alternative will maintain a positive balance.
- **Alternative 3:** Increase the contribution to \$10.00 per unit per month immediately and decrease this contribution amount by 3.5% annually. Also, special assessments of \$100.00 per unit in 2005 and \$100.00 per unit in 2007 are applied. This alternative will maintain a positive balance.

Please note that the reserve fund study does not include typical annual maintenance items or capital items other than concrete. Our assumption is that you already have an annual operating budget that provides for these typical, repetitive items. This includes miscellaneous repairs, parking lot striping, etc. We have focused on those significant, non-annual items where careful financial planning is important.

Finally, please note that the estimates we have developed are based on 2004 dollars. Our reserve fund study does adjust for an estimated annual inflation and a given return on investment assuming that the indicated fund balances are maintained.

Reserve Study Worksheet

Draft



General Information:

1 Organization: Belmont Park
 2 Address: 8400 Ariel
 Houston, Texas 77074

3	Number of Units	178
4	Age of Buildings	28 Years Old
5a	Study Period	20 Years
5b	Base Period	January 1, 2005
6	Site Inspection Date	April 15, 2004
7	Reserve Funds at start	\$0
8	Rate of Return on invested Reserve Funds (%)	1.5%
9	Inflation Rate (%)	3.0%

10 Current Funding Levels

Existing Funding Levels							
		FIRST YEAR			IN YEAR 20		
Annual Current Reserve Fund Contribution		Total/Month	Total Annual	Per Unit/Month	Total/Month	Total Annual	Per Unit/Month
		\$0	\$0	\$0.00	\$0	\$ -	\$0.00
Escalation %		0.00%	Year	Total Annual	Per Unit		
Planned Special Assessment		NONE					
Ending Balance							(\$320,977)

Belmont Park
8400 Ariel
Houston, Texas 77074



Capital Item To Be Replaced	Remaining Life	Estimated Cost (*)	Frequency (Years)
CONCRETE SITE COMPONENTS			
Concrete pavement repair (Full-depth)	2	\$30,000	5
Concrete pavement repair (Partial-depth)	0	\$10,000	5
Cracks in concrete pavement (Rout and Seal)	0	\$7,500	5
Joints in concrete pavement (Clean and fill)	0	\$2,500	5
Storm Drain (Unit 8482)	0	\$2,500	30
Speed bumps	5	\$2,000	10
Concrete curb (Repair schedule)	0	\$3,000	5
Concrete sidewalk (trip & fall repairs)	0	\$1,500	5
Concrete sidewalk (Bldg. 4 - remove/replace)	1	\$10,000	20
Concrete sidewalk (Replace worst areas)	2	\$10,000	5
Reserve Study (concrete components)	5	\$1,500	5
Storm sewer pipe (Assessment)	0	\$1,500	21

* Costs are typically 10%±; Costs are based on 2004 dollars

** Reserve study is based on a 20 year projection of non-annual maintenance

Existing Funding Level

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Reserve Fund Balance:	\$0	\$28,500	\$38,800	\$58,126	\$81,236	\$81,236	\$111,696	\$111,696	\$162,891	\$162,891	\$162,891	\$197,832	\$197,832	\$254,863	\$254,863	\$254,863	\$254,863	\$254,863	\$254,863	\$254,863
Revenue:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessments:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures:	\$28,500	\$10,300	\$2,146	\$0	\$0	\$2,460	\$0	\$48,195	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,121	\$0	\$0
Ending Reserve Balance:	\$28,500	\$38,800	\$38,800	\$58,126	\$81,236	\$81,236	\$111,696	\$111,696	\$162,891	\$162,891	\$162,891	\$197,832	\$197,832	\$254,863	\$254,863	\$254,863	\$254,863	\$254,863	\$254,863	\$254,863
Average Cap. Expenditure	\$16,049																			

Alternative 1, Fixed Funding Beginning in 2005, decrease in year 11

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Reserve Fund Balance:	\$0	\$4,568	\$27,677	\$18,314	\$22,897	\$86,586	\$83,113	\$13,234	\$108,435	\$133,770	\$179,423	\$146,446	\$146,446	\$91,114	\$91,114	\$96,010	\$97,430	\$98,112	\$33,290	\$33,290
Revenue:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessments:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures:	\$28,500	\$10,300	\$2,146	\$0	\$0	\$1,307	\$1,821	\$1,606	\$2,125	\$5,652	\$2,167	\$2,200	\$17,380	\$1,380	\$1,140	\$1,140	\$1,140	\$66,114	\$0	\$0
Ending Reserve Balance:	\$4,568	\$27,677	\$18,314	\$22,897	\$86,586	\$84,413	\$112,324	\$108,448	\$143,770	\$179,423	\$146,446	\$146,446	\$103,193	\$94,591	\$96,010	\$97,430	\$98,112	\$33,290	\$33,290	\$33,290

Alternative 2, Fixed Funding Beginning in 2005 &

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Reserve Fund Balance:	\$0	\$34,823	\$34,823	\$23,843	\$52,615	\$78,976	\$70,229	\$91,996	\$62,085	\$78,794	\$96,091	\$73,657	\$89,023	\$14,480	\$14,480	\$34,760	\$37,248	\$81,060	\$31,192	\$31,192
Revenue:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessments:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures:	\$28,500	\$10,300	\$2,146	\$0	\$0	\$12,660	\$1,360	\$9,18	\$1,179	\$1,420	\$1,118	\$1,316	\$543	\$799	\$542	\$1,075	\$1,075	\$2,130	\$2,130	\$2,130
Ending Reserve Balance:	\$10,449	\$34,823	\$32,843	\$22,615	\$78,976	\$70,229	\$91,996	\$62,085	\$78,794	\$96,091	\$73,657	\$89,023	\$14,480	\$14,480	\$34,760	\$37,248	\$81,060	\$31,192	\$31,192	\$31,192

Alternative 3, Fixed Funding Beginning in 2005 & Annual derse of 4%, spel assessments in 2005 & 2011

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Reserve Fund Balance:	\$0	\$10,429	\$21,449	\$16,955	\$36,092	\$56,433	\$42,880	\$60,219	\$28,084	\$41,869	\$61,214	\$41,849	\$55,128	\$12,237	\$12,237	\$38,094	\$55,012	\$68,097	\$13,844	\$13,844
Revenue:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessments:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures:	\$28,500	\$10,300	\$2,146	\$0	\$0	\$22,160	\$2,880	\$415	\$602	\$905	\$818	\$814	\$210	\$115	\$616	\$813	\$1,036	\$205	\$376	\$555
Ending Reserve Balance:	\$10,820	\$21,449	\$16,955	\$36,092	\$56,433	\$42,880	\$60,219	\$28,084	\$41,869	\$61,214	\$41,849	\$55,128	\$12,237	\$12,237	\$38,094	\$55,012	\$68,097	\$13,844	\$13,844	\$13,844

8400 Ariel

8400 Ariel
Houston, Texas 77074

Credit



Annual Expense By Year, Current Dollars

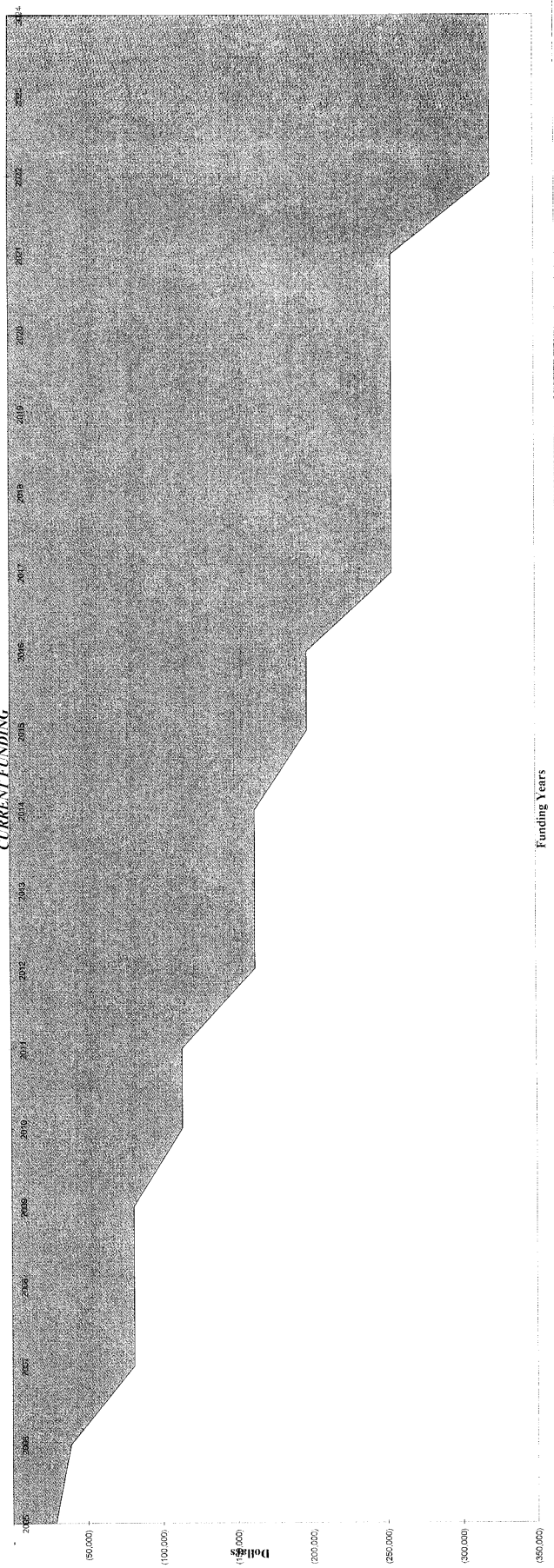
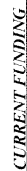
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Year Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
CONCRETE SITE COMPONENTS																				
Concrete pavement repair (Full-depth)	0	0	30,000	0	0	0	0	30,000	0	0	0	0	30,000	0	0	0	0	30,000	0	0
Concrete pavement repair (Partial-depth)	10,000	0	0	0	0	10,000	0	0	0	0	10,000	0	0	0	0	0	0	0	0	0
Cracks in concrete pavement (Rout and Seal)	7,500	0	0	0	0	7,500	0	0	0	0	7,500	0	0	0	0	0	0	0	0	0
Joints in concrete pavement (Clean and Fill)	2,500	0	0	0	0	2,500	0	0	0	0	2,500	0	0	0	0	0	0	0	0	0
Storm Drain (Unit 8482)	2,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Speed bumps	0	0	0	0	0	2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Concrete curb (Repair schedule)	3,000	0	0	0	0	3,000	0	0	0	0	3,000	0	0	0	0	0	0	0	0	0
Concrete sidewalk (trip & fall repairs)	1,500	0	0	0	0	1,500	0	0	0	0	1,500	0	0	0	0	0	0	0	0	0
Concrete sidewalk (Bldg. 4 - remove/replace)	0	10,000	0	0	0	0	0	0	0	0	0	0	10,000	0	0	0	0	10,000	0	0
Concrete sidewalk (Replace worst areas)	0	0	10,000	0	0	0	0	0	0	0	1,500	0	0	0	0	0	0	0	0	0
Reserve Study (concrete components)	0	0	0	0	0	1,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Storm sewer pipe (Assessment)	1,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Costs	28,500	10,000	40,000	0	0	28,000	0	40,000	0	0	26,000	0	40,000	0	0	0	0	40,000	0	0
Total Costs Adjusted For 2% Inflation	28,500	10,300	42,436	0	0	32,460	0	43,195	0	0	34,942	0	57,030	0	0	0	0	66,114	0	0

8400 Ariel**Existing Funding Levels**

	Beginning Reserve Fund Balance	Fee Revenue	Special Assessments	Investment Earnings	Capital Expenditures	Ending Balance
2005	\$ -	\$ -	-	-	\$ 28,500	\$ (28,500)
2006	\$ (28,500)	-	-	-	10,300	\$ (38,800)
2007	\$ (38,800)	-	-	-	42,436	\$ (81,236)
2008	\$ (81,236)	-	-	-	-	\$ (81,236)
2009	\$ (81,236)	-	-	-	-	\$ (81,236)
2010	\$ (81,236)	-	-	-	32,460	\$ (113,696)
2011	\$ (113,696)	-	-	-	-	\$ (113,696)
2012	\$ (113,696)	-	-	-	49,195	\$ (162,891)
2013	\$ (162,891)	-	-	-	-	\$ (162,891)
2014	\$ (162,891)	-	-	-	-	\$ (162,891)
2015	\$ (162,891)	-	-	-	34,942	\$ (197,832)
2016	\$ (197,832)	-	-	-	-	\$ (197,832)
2017	\$ (197,832)	-	-	-	57,030	\$ (254,863)
2018	\$ (254,863)	-	-	-	-	\$ (254,863)
2019	\$ (254,863)	-	-	-	-	\$ (254,863)
2020	\$ (254,863)	-	-	-	-	\$ (254,863)
2021	\$ (254,863)	-	-	-	-	\$ (254,863)
2022	\$ (254,863)	-	-	-	66,114	\$ (320,977)
2023	\$ (320,977)	-	-	-	-	\$ (320,977)
2024	\$ (320,977)	-	-	-	-	\$ (320,977)

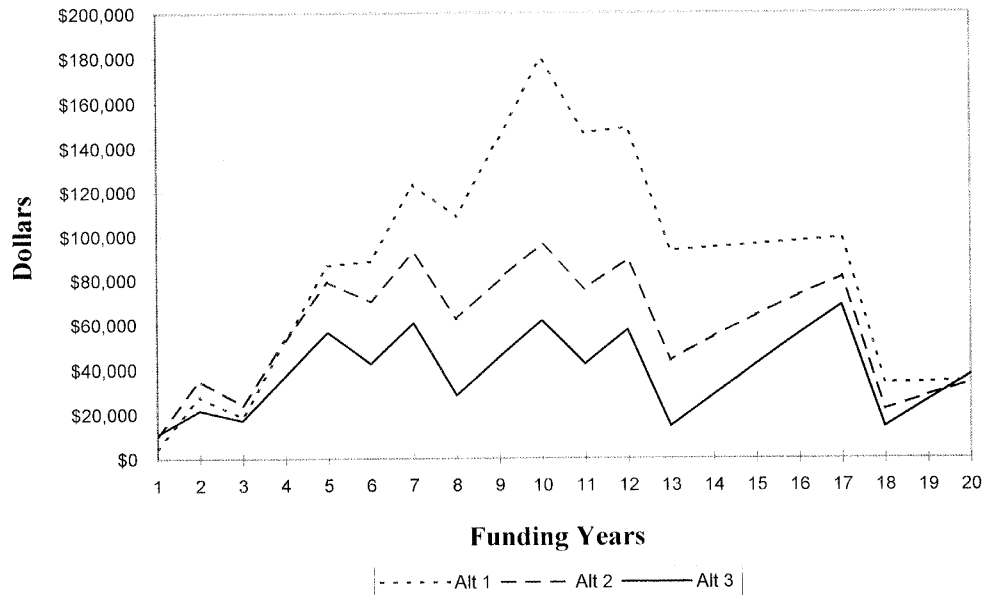
CURRENTLY FUNDED LEVELS

Current Reserve Balance:	\$0
Annual Contribution:	\$0
Per Month Amount:	\$0
Per Unit Monthly Amount:	\$0.00
Special Assessment Amount:	\$0

[illegible]

<u>Year</u>	<u>Yearly Expenditures</u>	<u>Alt. 1</u>	<u>Alt. 2</u>	<u>Alt. 3</u>
2005	\$28,500	\$4,568	\$10,049	\$10,820
2006	\$10,300	\$27,677	\$34,823	\$21,449
2007	\$42,436	\$18,514	\$23,843	\$16,955
2008	\$0	\$52,287	\$52,615	\$36,692
2009	\$0	\$86,566	\$78,976	\$56,043
2010	\$32,460	\$88,413	\$70,229	\$42,080
2011	\$0	\$123,234	\$91,996	\$60,219
2012	\$49,195	\$108,645	\$62,085	\$28,084
2013	\$0	\$143,770	\$79,794	\$44,809
2014	\$0	\$179,421	\$96,091	\$61,214
2015	\$34,942	\$146,646	\$75,657	\$41,849
2016	\$0	\$148,846	\$89,023	\$57,128
2017	\$57,030	\$93,193	\$43,480	\$14,237
2018	\$0	\$94,591	\$54,039	\$28,094
2019	\$0	\$96,010	\$63,767	\$41,681
2020	\$0	\$97,450	\$72,748	\$55,012
2021	\$0	\$98,912	\$81,061	\$68,097
2022	\$66,114	\$33,290	\$21,672	\$13,844
2023	\$0	\$33,789	\$27,847	\$25,469
2024	\$0	\$34,296	\$33,530	\$36,869

ALTERNATIVE FUNDING SUMMARY



8400 Ariel**Alternative 1****Fixed Funding Beginning in 2005, decrease in year 11**

	Beginning Reserve Fund Balance	Fee Revenue	Special Assessment 1	Special Assessment 2	Investment Earnings	Capital Expenditures	Ending Balance
2005	\$ -	\$ 33,000	\$ -	\$ -	\$ 68	\$ 28,500	\$ 4,568
2006	\$ 4,568	\$ 33,000	\$ -	\$ -	\$ 409	\$ 10,300	\$ 27,677
2007	\$ 27,677	\$ 33,000	\$ -	\$ -	\$ 274	\$ 42,436	\$ 18,514
2008	\$ 18,514	\$ 33,000	\$ -	\$ -	\$ 773	\$ -	\$ 52,287
2009	\$ 52,287	\$ 33,000	\$ -	\$ -	\$ 1,279	\$ -	\$ 86,566
2010	\$ 86,566	\$ 33,000	\$ -	\$ -	\$ 1,307	\$ 32,460	\$ 88,413
2011	\$ 88,413	\$ 33,000	\$ -	\$ -	\$ 1,821	\$ -	\$ 123,234
2012	\$ 123,234	\$ 33,000	\$ -	\$ -	\$ 1,606	\$ 49,195	\$ 108,645
2013	\$ 108,645	\$ 33,000	\$ -	\$ -	\$ 2,125	\$ -	\$ 143,770
2014	\$ 143,770	\$ 33,000	\$ -	\$ -	\$ 2,652	\$ -	\$ 179,421
2015	\$ 179,421	\$ -	\$ -	\$ -	\$ 2,167	\$ 34,942	\$ 146,646
2016	\$ 146,646	\$ -	\$ -	\$ -	\$ 2,200	\$ -	\$ 148,846
2017	\$ 148,846	\$ -	\$ -	\$ -	\$ 1,377	\$ 57,030	\$ 93,193
2018	\$ 93,193	\$ -	\$ -	\$ -	\$ 1,398	\$ -	\$ 94,591
2019	\$ 94,591	\$ -	\$ -	\$ -	\$ 1,419	\$ -	\$ 96,010
2020	\$ 96,010	\$ -	\$ -	\$ -	\$ 1,440	\$ -	\$ 97,450
2021	\$ 97,450	\$ -	\$ -	\$ -	\$ 1,462	\$ -	\$ 98,912
2022	\$ 98,912	\$ -	\$ -	\$ -	\$ 492	\$ 66,114	\$ 33,290
2023	\$ 33,290	\$ -	\$ -	\$ -	\$ 499	\$ -	\$ 33,789
2024	\$ 33,789	\$ -	\$ -	\$ -	\$ 507	\$ -	\$ 34,296

Alternative 1 Fixed Funding Beginning in 2005, decrease in year 11

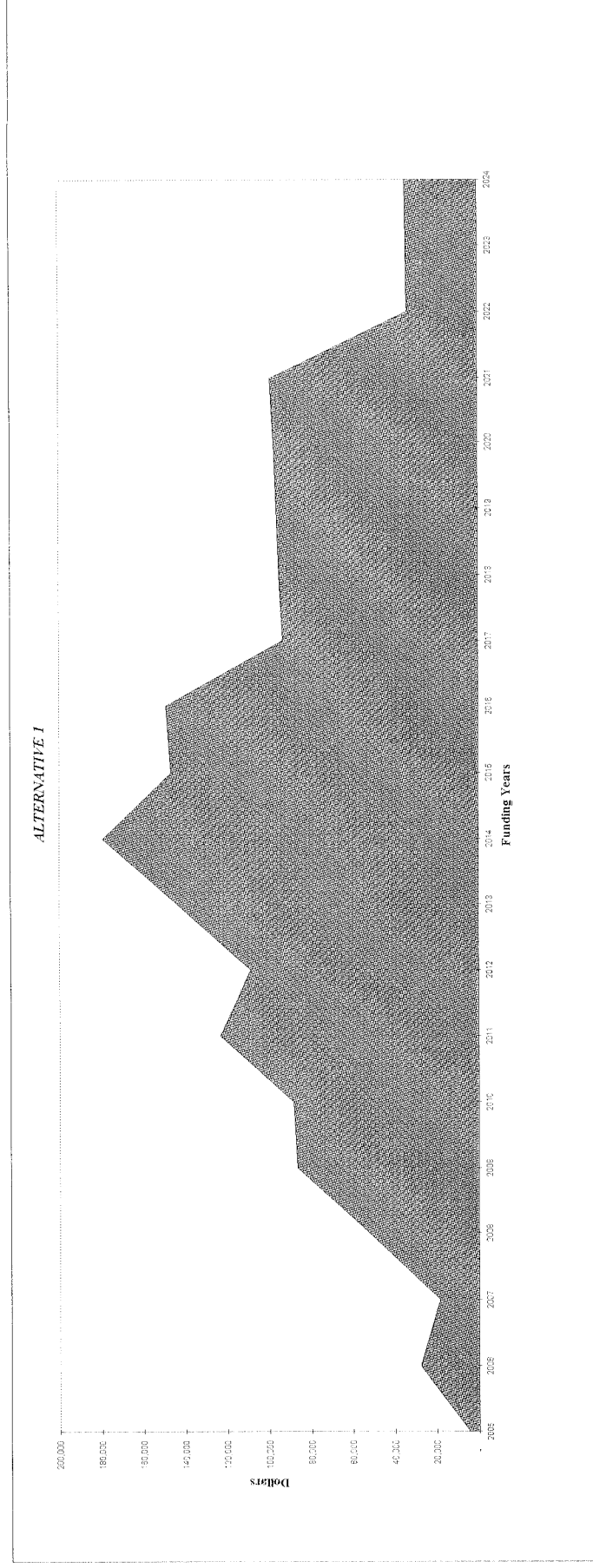
Beginning Balance

FIRST YEAR CONTRIBUTION	
\$	33,000 Per Year
\$	2,750 Per Month
\$	15.45 Per Unit per Month

LAST YEAR CONTRIBUTION	
\$ -	Per Year
\$ -	Per Month
\$ -	Per Unit per Month

SPECIAL ASSESSMENTS	
Year	Per Unit Amount \$
	-

Projected Annual Funding and Expenditures:																			
Year:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
End of Year Reserve Fund Balance	4,568	27,677	18,514	52,287	86,566	88,413	123,234	108,645	143,770	179,421	146,646	93,193	94,591	96,010	97,450	98,912	33,290	33,789	34,296
Total Expenditures:	28,500	10,300	42,436	32,460	32,460	49,195	34,942	34,942	34,942	34,942	34,942	57,030	57,030	57,030	57,030	57,030	66,114	66,114	66,114
Capital Expenditures:	33,068	33,274	33,773	34,279	34,279	34,821	34,606	35,125	35,652	2,167	2,200	1,377	1,398	1,419	1,440	1,462	499	499	507
Total Expenditures (all sources)	33,068	33,274	33,773	34,279	34,279	34,821	34,606	35,125	35,652	2,167	2,200	1,377	1,398	1,419	1,440	1,462	499	499	507



8400 Ariel

Alternative 2 Fixed Funding Beginning in 2005 & Annual decrease of 2.5%

	Beginning Reserve Fund Balance	Fee Revenue	Special Assessment 1	Special Assessment 2	Investment Earnings	Capital Expenditures	Ending Balance
2005	\$ -	\$ 38,400	\$ -	\$ -	\$ 149	\$ 28,500	\$ 10,049
2006	\$ 10,049	\$ 34,560	\$ -	\$ -	\$ 515	\$ 10,300	\$ 34,823
2007	\$ 34,823	\$ 31,104	\$ -	\$ -	\$ 352	\$ 42,436	\$ 23,843
2008	\$ 23,843	\$ 27,994	\$ -	\$ -	\$ 778	\$ -	\$ 52,615
2009	\$ 52,615	\$ 25,194	\$ -	\$ -	\$ 1,167	\$ -	\$ 78,976
2010	\$ 78,976	\$ 22,675	\$ -	\$ -	\$ 1,038	\$ 32,460	\$ 70,229
2011	\$ 70,229	\$ 20,407	\$ -	\$ -	\$ 1,360	\$ -	\$ 91,996
2012	\$ 91,996	\$ 18,367	\$ -	\$ -	\$ 918	\$ 49,195	\$ 62,085
2013	\$ 62,085	\$ 16,530	\$ -	\$ -	\$ 1,179	\$ -	\$ 79,794
2014	\$ 79,794	\$ 14,877	\$ -	\$ -	\$ 1,420	\$ -	\$ 96,091
2015	\$ 96,091	\$ 13,389	\$ -	\$ -	\$ 1,118	\$ 34,942	\$ 75,657
2016	\$ 75,657	\$ 12,050	\$ -	\$ -	\$ 1,316	\$ -	\$ 89,023
2017	\$ 89,023	\$ 10,845	\$ -	\$ -	\$ 643	\$ 57,030	\$ 43,480
2018	\$ 43,480	\$ 9,761	\$ -	\$ -	\$ 799	\$ -	\$ 54,039
2019	\$ 54,039	\$ 8,785	\$ -	\$ -	\$ 942	\$ -	\$ 63,767
2020	\$ 63,767	\$ 7,906	\$ -	\$ -	\$ 1,075	\$ -	\$ 72,748
2021	\$ 72,748	\$ 7,116	\$ -	\$ -	\$ 1,198	\$ -	\$ 81,061
2022	\$ 81,061	\$ 6,404	\$ -	\$ -	\$ 320	\$ 66,114	\$ 21,672
2023	\$ 21,672	\$ 5,764	\$ -	\$ -	\$ 412	\$ -	\$ 27,847
2024	\$ 27,847	\$ 5,187	\$ -	\$ -	\$ 496	\$ -	\$ 33,530

Draft



8400 Ariel

Alternative 3 Fixed Funding Beginning in 2005 & Annual derse of 4%, spl assessments in 2005 & 2011

	Beginning Reserve Fund Balance	Fee Revenue	Special Assessment 1	Special Assessment 2	Investment Earnings	Capital Expenditures	Ending Balance
2005	\$ -	\$ 21,360	\$ 17,800	-	\$ 160	\$ 28,500	\$ 10,820
2006	\$ 10,820	\$ 20,612	-	-	\$ 317	\$ 10,300	\$ 21,449
2007	\$ 21,449	\$ 19,891	-	\$ 17,800	\$ 251	\$ 42,436	\$ 16,955
2008	\$ 16,955	\$ 19,195	-	-	\$ 542	-	\$ 36,692
2009	\$ 36,692	\$ 18,523	-	-	\$ 828	-	\$ 56,043
2010	\$ 56,043	\$ 17,875	-	-	\$ 622	\$ 32,460	\$ 42,080
2011	\$ 42,080	\$ 17,249	-	-	\$ 890	-	\$ 60,219
2012	\$ 60,219	\$ 16,645	-	-	\$ 415	\$ 49,195	\$ 28,084
2013	\$ 28,084	\$ 16,063	-	-	\$ 662	-	\$ 44,809
2014	\$ 44,809	\$ 15,501	-	-	\$ 905	-	\$ 61,214
2015	\$ 61,214	\$ 14,958	-	-	\$ 618	\$ 34,942	\$ 41,849
2016	\$ 41,849	\$ 14,434	-	-	\$ 844	-	\$ 57,128
2017	\$ 57,128	\$ 13,929	-	-	\$ 210	\$ 57,030	\$ 14,237
2018	\$ 14,237	\$ 13,442	-	-	\$ 415	-	\$ 28,094
2019	\$ 28,094	\$ 12,971	-	-	\$ 616	-	\$ 41,681
2020	\$ 41,681	\$ 12,517	-	-	\$ 813	-	\$ 55,012
2021	\$ 55,012	\$ 12,079	-	-	\$ 1,006	-	\$ 68,097
2022	\$ 68,097	\$ 11,656	-	-	\$ 205	\$ 66,114	\$ 13,844
2023	\$ 13,844	\$ 11,248	-	-	\$ 376	-	\$ 25,469
2024	\$ 25,469	\$ 10,855	-	-	\$ 545	-	\$ 36,869

Alternative 3 Fixed Funding Beginning in 2005 & Annual derse of 4%, spd assessments in 2005 & 2011

Beginning Balance	\$	-
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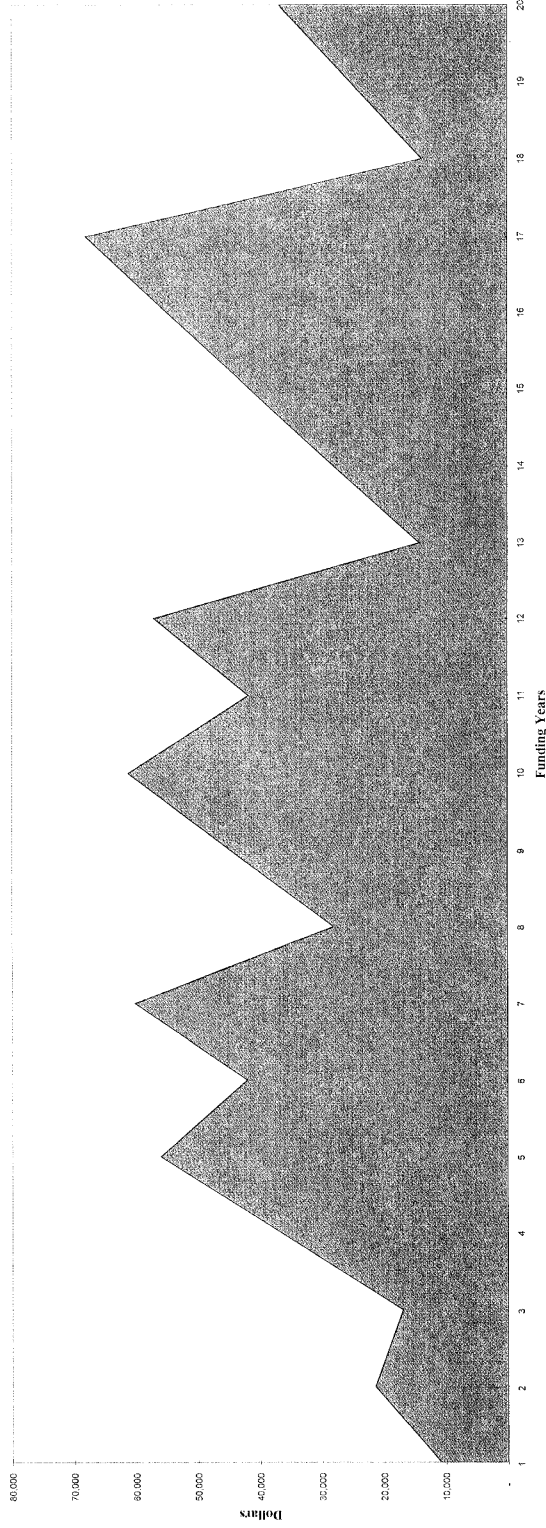
FIRST YEAR CONTRIBUTION		
\$	21,360	Per Year
\$	1,780	Per Month
\$	10,000	Per Unit per Month

LAST YEAR CONTRIBUTION		
\$	10,855	Per Year
\$	905	Per Month
\$	5,080	Per Unit per Month

SPECIAL ASSESSMENTS			
Year	1	Per Unit Amount	\$100
Year	3	Per Unit Amount	\$100

Projected Annual Funding and Expenditures:																				
Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
End of Year Reserve Fund Balance	10,820	21,449	16,955	36,692	56,043	42,080	60,219	28,084	44,809	61,214	41,849	57,128	14,237	28,094	41,681	55,012	68,097	13,844	25,469	36,869
Capital Expenditures:	28,500	10,300	42,436	-	-	32,460	-	49,195	-	-	34,942	-	57,030	-	-	-	-	66,114	-	-
Total Revenue (all sources)	39,320	20,929	37,942	19,737	19,331	18,497	18,139	17,060	16,725	16,405	15,576	15,279	14,140	13,857	13,387	13,086	11,861	11,625	11,400	11,400

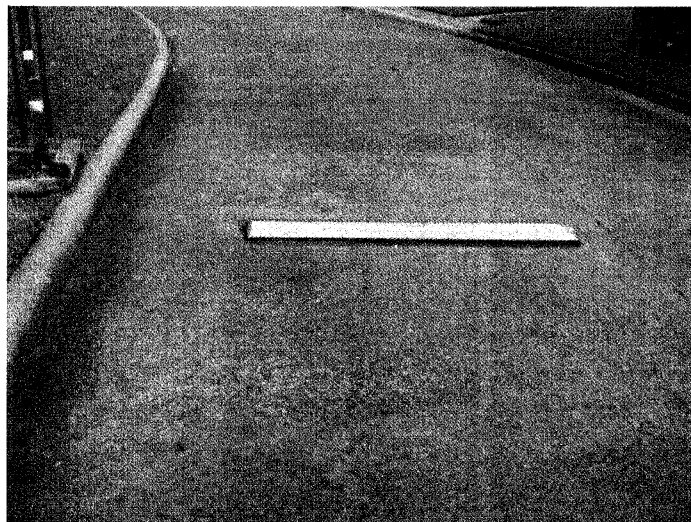
ALTERNATIVE 3



Appendix B: PROJECT PHOTOGRAPHS



Entrance Sign



Surface Speed Bump



Wide Crack



Storm Drain



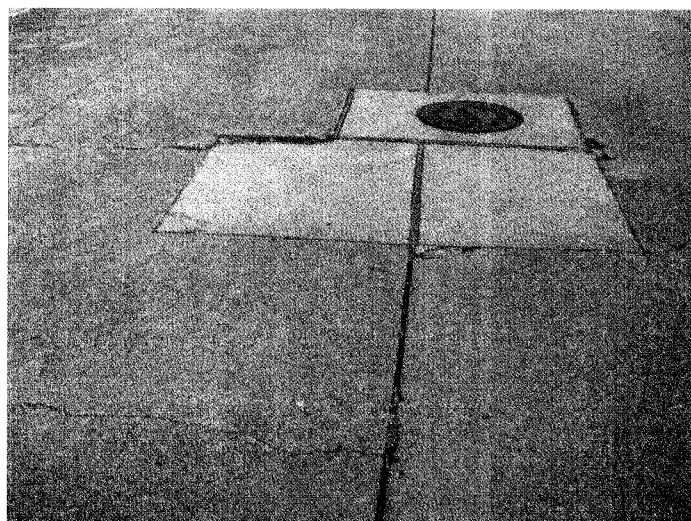
Asphalt Speed Bumps



Cracks/Settlement @ Bldg. 8



2" Displacement



Excessive settlement of patch



Covered Parking



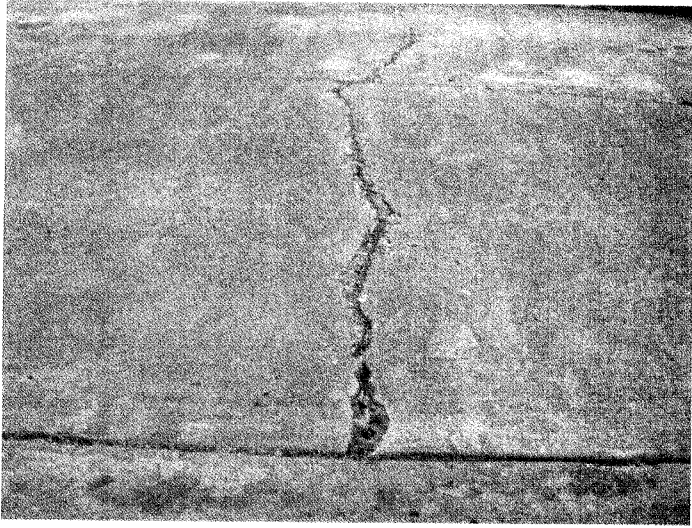
Shared Drive to Covered Parking



Settlement/Cracking @ Storm Drain



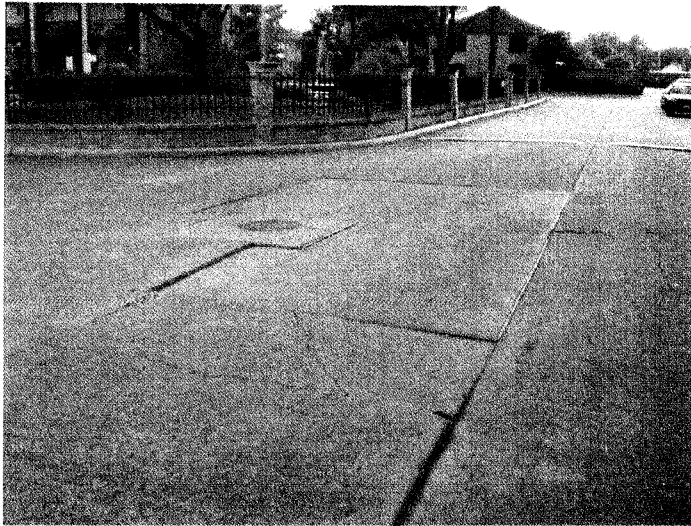
Curb @ Covered Parking



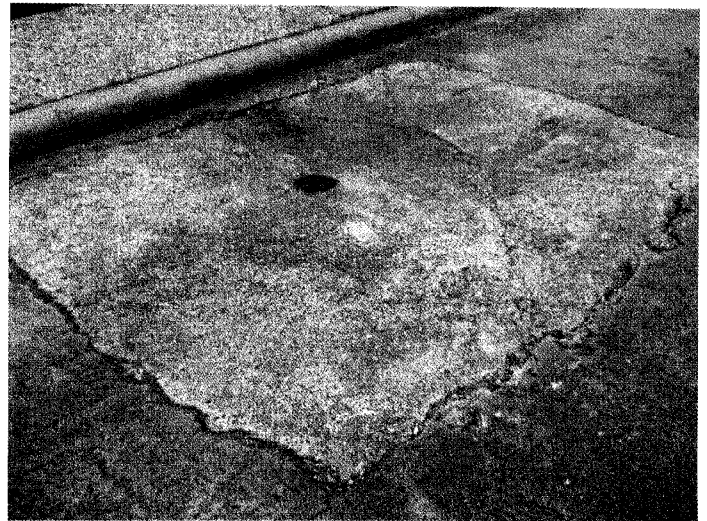
Crack in Pavement



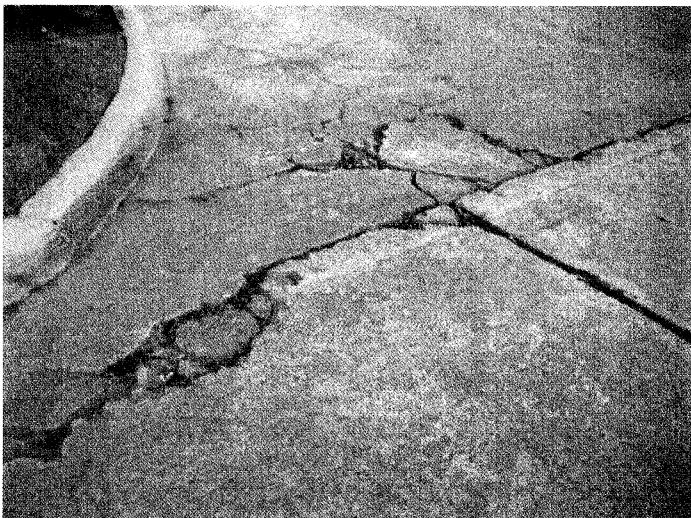
Poor Drainage Bldg. 9 & 10



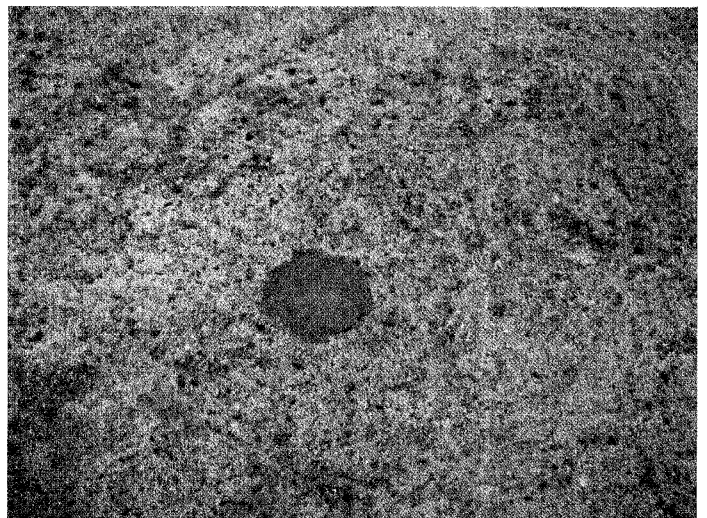
Settlement South of Building 8



Rough Finish on Repair



West of Bldg. 15



Grout Injection Hole



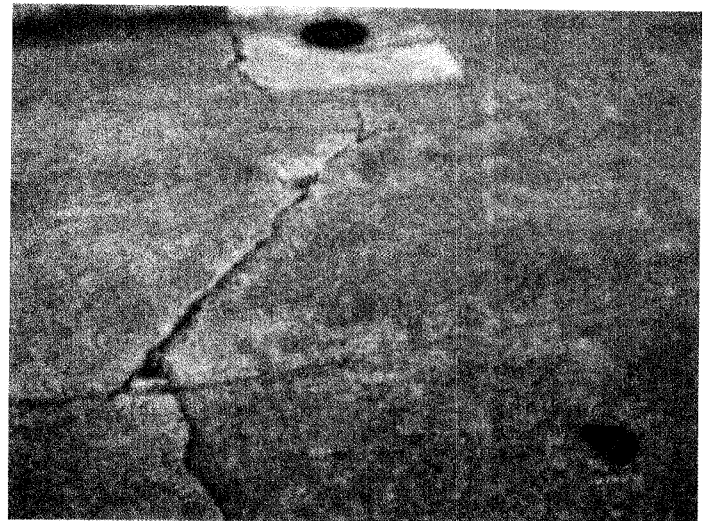
Area Grout Injection



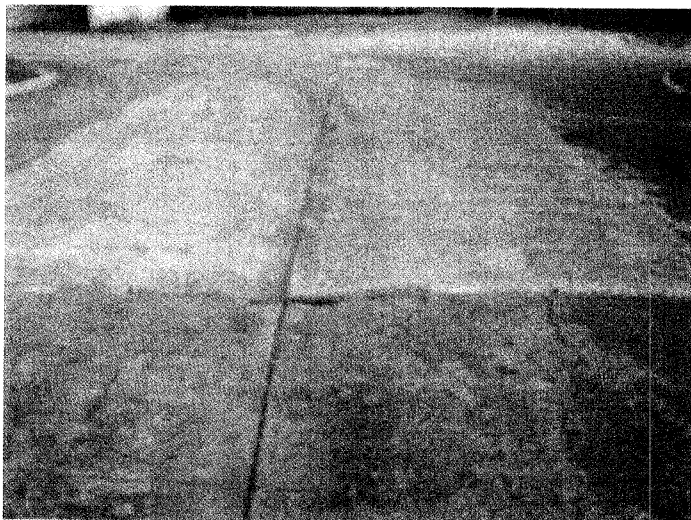
Flatwork @ Park



Post-development Storm Drain



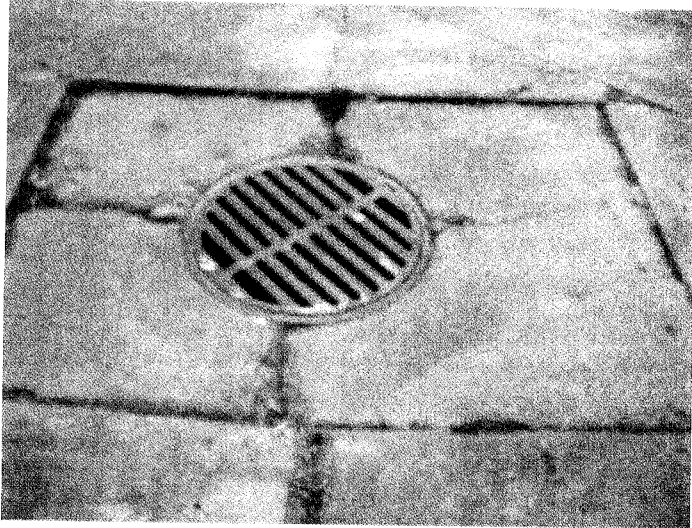
Settlement/Cracking Around Storm Drain



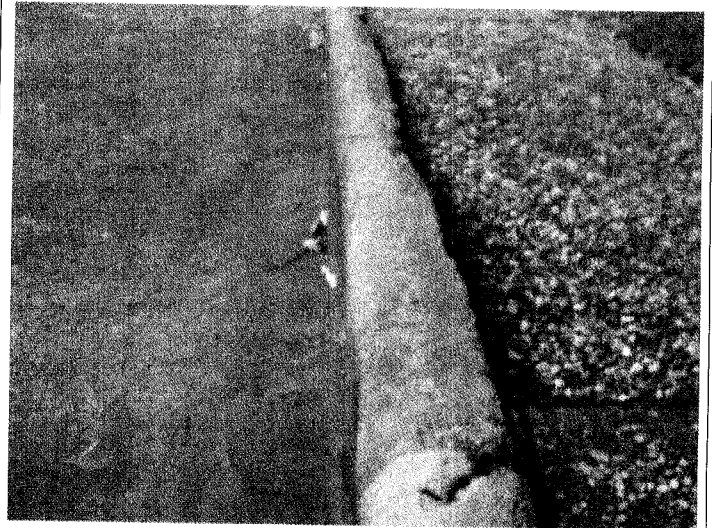
Patch Over Storm Sewer Repair (Municipal)



Rough Surface on Pavement



Cracking Around Storm Drain



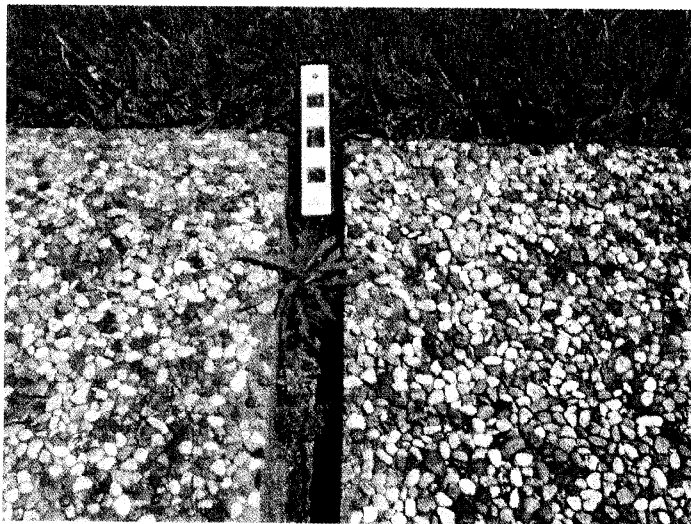
Curb at Street



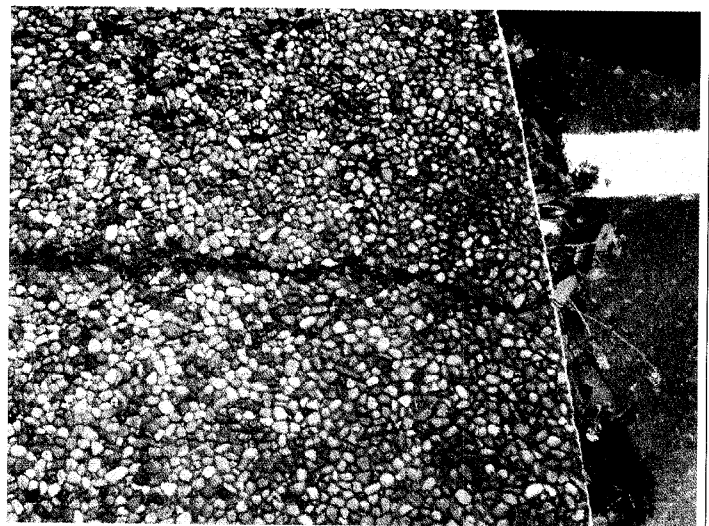
Downspout Outlet into Street



Sidewalk Settling @ Curb



Missing Joint Filler



Crack in Sidewalk



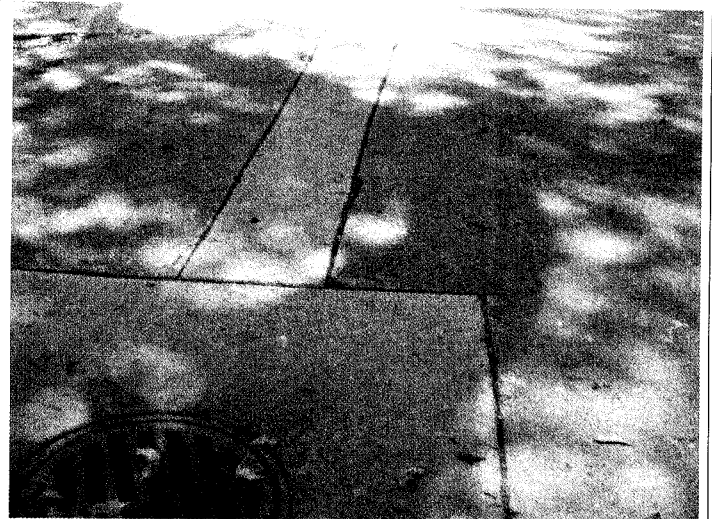
Displacement – Trip and Fall



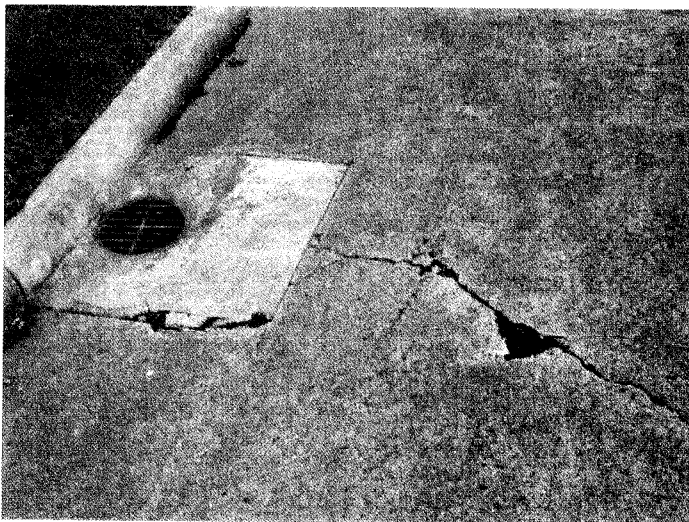
Displacement – Trip and Fall



Uneven Pavers



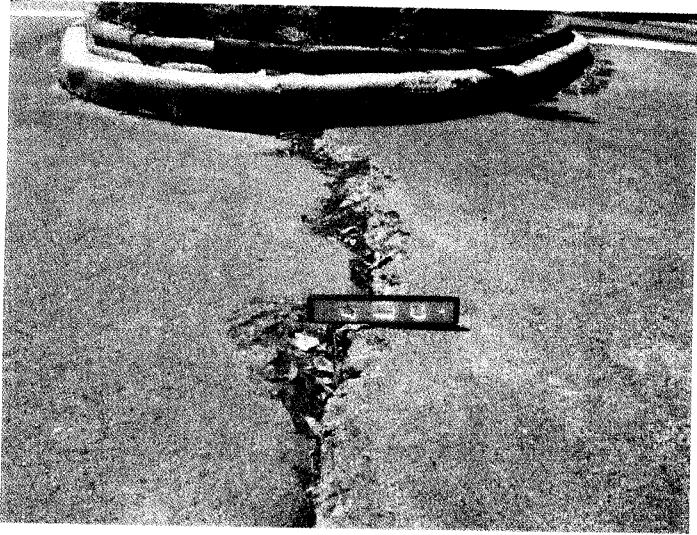
Concrete Patch for Storm Drain Install



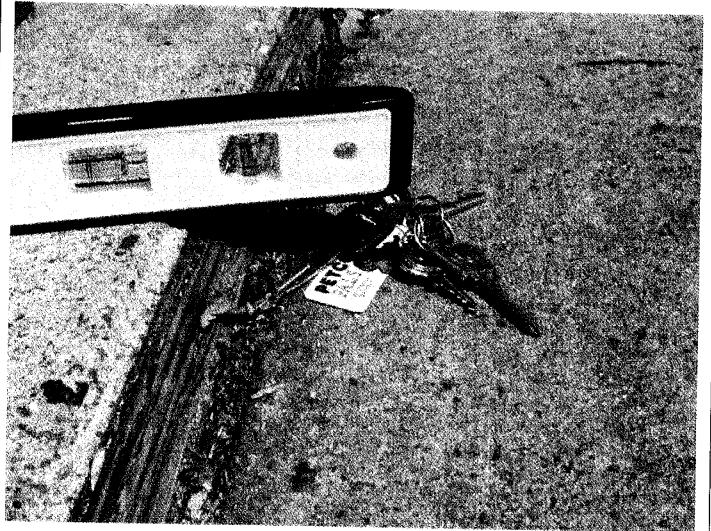
Post-development Storm Drain



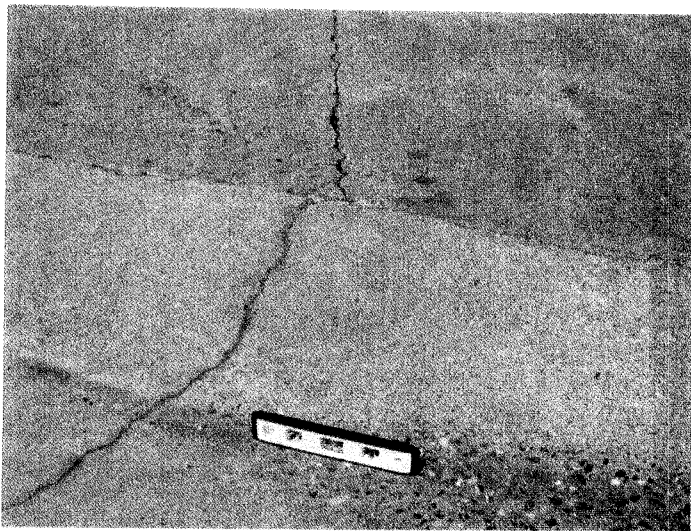
PVC Pipe in Storm Drain



Concrete Break and Displacement



Displacement over Joint



Drainage Trough at Unit 8482 – negative slope



Cracking around Patch