

**SURFSIDE HOMEOWNERS ASSOCIATION
PACIFIC COUNTY, WASHINGTON**

RESOLUTION NO. 2012-11

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SURFSIDE
HOMEOWNERS ASSOCIATION, PACIFIC COUNTY, WASHINGTON,
APPROVING AN AGREEMENT WITH SCHWINDT & CO FOR THREE
YEAR RESERVE STUDY SERVICES.**

WHEREAS, Surfside Homeowners Association is required by chapter 64.38.070 RCW to conduct a reserve study under the control of an unaffiliated reserve study professional; and

WHEREAS, the Board of Trustees of the Surfside Homeowners Association authorized the water planning committee to advertise for and interview qualified reserve study professionals; and


WHEREAS, the water planning committee did advertise and conduct interviews of the responding reserve study professional and they recommend engaging the services of Schwindt & Co. to conduct a level I full reserve study in 2013 and a level III reserve study in 2014 and 2015 ; now, therefore

BE IT RESOLVED by the Board of Trustees of the Surfside Homeowners Association that the agreement between Surfside Homeowners Association and Schwindt & Co. as set forth in attachment "A" of this Resolution is hereby approved.

ADOPTED by the Board of Trustees of the Surfside Homeowners Association, Pacific County, Washington, at its regular meeting held on the 20th day of October, 2012.



Gary Williams, Board President



James Flood, Board Vice President



Kirby Smith, Board Secretary



Chris Hanson, Board Treasurer

Attachment "A"

EXECUTIVE SUMMARY

Surfside Homeowners Association

Proposal for Reserve Study

Budget Year 2014

Level I: Full Reserve Study	Budget Year 2014	\$10,000
Level III: Update with no Visual Site Visit	Budget Years 2015 and 2016	\$1,000 per year

**Draft of budget year 2014 reserve study report to be provided to Board by July 1, 2013.
Images to be included for each component.**

See Attached Engagement Letter



*A Professional Corporation
Members American Institute of
Certified Public Accountants /
Oregon Society of Certified Public
Accountants*

October 16, 2012

Board of Directors
Surfside Homeowners Association
31402 H Street
Ocean Park, Washington 98640

Dear Directors:

We are pleased to propose services to prepare a reserve study for the budget year 2014 for Surfside Homeowners Association. We currently provide reserve studies, maintenance plans, operating budgets, accounting, and tax services to over 500 Homeowner Associations throughout the Pacific Northwest. This experience coupled with our involvement with Community Associations Institute distinguishes our firm as one of the leaders in providing accounting, reserve and tax services to Homeowner Associations.

We propose to prepare a reserve study for Surfside Homeowners Association, which will include but not be limited to:

- Cost estimates for all repairs, replacements and maintenance components
- Easy to understand description of work to be performed
- Computation of monthly/yearly required contributions to maintenance/reserve funds to be used in conjunction with budgeting
- Reference to manufacturer's warranties and specifications if available
- Project definition
- Component summary
- Component detail
- Expenditures
- Cash flow minimum
- Various funding levels
- Easy to read reports and charts
- Availability of consultation by licensed engineers relating to component issues
- Images to be included for each component

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PORTLAND, OREGON 97239
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E-MAIL: CPA@SchwindtCo.com

Surfside Homeowners Association

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Please note that reserve study only engagements will not have the same level of exterior envelope inspection and will not contain maintenance procedures and checklists. Also note that maintenance plans will not be prepared unless the Association has an existing reserve study or is engaging us to prepare a reserve study.

The undersigned also acknowledges that even though a complete building envelope inspection is not implicitly required by State Statutes, the existing condition of components and lack of information thereon may have a material effect on determining required repairs and maintenance procedures.

In some instances, it may not be possible to determine the exact model or grade of a specific component especially Associations that have existing structures. Also, it may not be possible to determine prior maintenance procedures that may or may not have an impact on future costs and estimated useful lives. In these cases, the engineer or building contractor/consultant will use his/her best judgment on repair/replacement/maintenance suggestions.

It is understood that components such as elevators and HVAC systems that are generally included in a monthly/yearly maintenance contract will be excluded from the maintenance report. Major repairs, replacements and upgrades will be included as reserve study components with related estimated useful lives and costs.

It is also understood that reserve studies/maintenance plans are based upon estimates that may change due to inclement weather conditions, construction defects, material defects and conditions present at the time of inspection that were not readily determinable. In those circumstances, original estimates, costs and estimated useful lives may be different than those used in the reports and the changes may be material. The viability of these estimates are predicated on annual updates of the reserve study/maintenance plan and strict adherence to performing required inspections and required preventative maintenance procedures based on the results of inspections and deficiency reports. It is understood that if the Association does not adhere to the procedures recommended by the reserve study/maintenance plan, the resulting effect on the timing and cost of repairing and replacing property is the sole responsibility of the Association.

You understand that during the course of our reserve study engagement we may be providing estimated useful lives and costs for the Association's common elements. These estimates may also be derived from a contracted engineer or your designee. The result of these estimates may affect the Associations' current funding levels. Upon your approval we will finalize the reserve study. You are responsible for the following in connection with this aspect of the engagement:

- Designating a competent employee, preferably within senior management, to oversee services;
- Evaluating the adequacy and results of the services performed;
- Accepting the responsibility for the results of the services.

