

CYPRESS CREEK HOME OWNERS
ASSOCIATION

EL SALIDO FENCE COMMITTEE PROGRESS REPORT

DECEMBER 4, 2003

Active Members: Curt Aydelotte

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El Salido Fence Committee

Progress Report

COMMITTEE CHARTER

Cypress Creek Home Owners Association (CCHOA) is legally bound by the Association's covenants to maintain the common fence along El Salido Avenue. Given that painting contractors contacted to paint the fence have refused because of the poor condition of the fence and that the existing fence has not been maintained for over 9 years, a fence committee has been formed to take the action of either eliminating or replacing the existing common fence along El Salido Avenue in accordance with CCHOA's covenants.

The CCHOA Board of Directors has directed the Fence Committee to explore options for the fencing issues and to make a recommendation for replacement or repairs, including cost estimates. The committee has met regularly over the last few months to fulfill its obligation. The following is a summary and recommendation of those meetings.

BACKGROUND INFORMATION

The common fence along El Salido Avenue is a 6" tall 2"x2" wood picket fence with stone masonry columns that is approximately **3000** feet long and runs along both sides of El Salido Avenue near the intersection of Cypress Creek and El Salido.

Some sections of the fence have an inner privacy fence attached to the runners/poles of the common fence, while other sections have a separate inner privacy fence or no inner privacy at all. One homeowner has modified the common fence to include a large gate for access to El Salido from their backyard. A small section of the common fence has an irrigation system for the landscaping at the entrance of the subdivision.

CCHOA is an Association with only 185 lots and limited financial ability, in comparison to adjoining or nearby neighboring Municipal Utility Districts (**MUD's**) with over 1000 lots and the powers of a Municipal Utility District. This limitation severely affects the options open to CCHOA for replacing and/or maintaining any fence. Homeowners in recent Annual General Meetings have expressed their desire to replace the existing structure, rather than do any further maintaining or renovations to it. In addition, informal polling responses of the Cypress Creek homeowners regarding the common fence along El Salido indicated rough estimate of \$400 budget (plus or minus) per household as an estimate of willingness of the Cypress Creek homeowners for fence replacement.

The committee's first goal was to have all available options defined and ready for a late fall vote of the CCHOA homeowners and/or board on the options.

EL SALIDO FENCE OPTIONS

The El Salido Fence Committee is currently evaluating the following options:

- Repair/replace the existing wood portions of the fence.
- Replace the entire fence with a Cement Masonry Unit fence or a Composite/Precast Concrete fence.
- Remove the fence entirely.

WOOD REPAIR/REPLACEMENT OF THE EXISTING FENCE

Three well-known local fence contractors were contacted with regards to repairing/replacing the existing common fence along El Salido. All three fence contractors physically walked the fence and two of the contractors provided written budgetary quotes. The third contractor provided a verbal recommendation and budgetary quote.

A summary of the recommendations & quotes for the wood repair/replacement option are as follows:

- Refurbishment of the existing fence by replacing damaged 2"x2" wood pickets, posts and repair of improper modifications is feasible, and would cost **~\$1200 plus materials** (from a local wholesale deck supplier). It was recommended that the fence then be power washed and sealed to restore the fence's look.
- Replacement of the existing 6' 2x2 fence with more traditional 6' 1x6 fence will cost roughly **\$45,000 to \$52,500**. This includes removal of the existing fence and hard digging (jack hammer) costs for post replacement. Both fence contractors, with written quotes, recommended galvanized steel posts with either Select Cedar or pressure treated pickets and Cedar rails.

Life of a replacement wood fence is estimated at 10 – 15 years.

COMPOSITE/PRECAST CONCRETE REPLACEMENT OF THE EXISTING FENCE

Three contractors were contacted regarding replacement of the existing fence with a composite/precast concrete fence similar to the one on display at the last CCHOA meeting.

Because of the wide range of options available with composite/precast concrete fencing, pricing varied widely from **\$64,000 to \$175,000** (or \$23 - \$55/linear ft). ConcreTex provided the best quote for materials.

Life of a Composite fence is estimated at 30+ years. Maintenance ranged from very little to moderate costs for annual (or every 3-5 years) for painting or staining the fence material to keep a fresh look or touch-up possible wear-and-tear, vandalism, etc. quoted at a current rate of about \$.20 per square foot of fence.

CONCRETE MASONRY UNIT (CMU) REPLACEMENT OF EXISTING FENCE

Budgetary estimates for a CMU replacement fence were explored and discussed. A consensus was reached between the committee members involved in professional building and contracting. The estimate for a CMU fence was \$8 - \$10 per **square foot** for the fence and \$2 - \$5 per linear foot for the footer to support the CMU fence. Given a 6' fence and ~3000 linear feet, this put the CMU fence cost at **\$180,000 to \$250,000** for a fence similar to the neighboring MUD.

Life of a CMU fence is dependent on the materials used. Lifespan estimates for a 4-inch wide unit were considerably less than that of a 6-inch wide unit. It should be noted here that the fencing for the neighboring MUD is a 4-inch wide unit and has already had multiple instances of repair needed. Average lifespan of a CMU fence are estimated in a range of 20 – 50 years.

FENCE REMOVAL

On July 3rd, the CCHOA Board passed a motion that the option for the complete removal of the existing fence without a replacement fence should not be considered as an option for the committee, as it would not benefit the homeowners property values and would not be consistent with the current governing rules and regulations of the association. At this point in time, the Board believes that it is in the best interest of the neighborhood to have a complete, consistent and attractive fence – no matter what the composition of that fence turns out to be.

COMMITTEE RECOMMENDATION

After review of the available options, the fence committee has decided that the most cost effective solution is to replace the existing wooden fence with a wood pattern composite/precast concrete fence with caps, and recommends that option to the CCHOA Board. Based upon the quotes received, we have also decided to recommend that CCHOA should purchase the fence materials from ConcreTex, hire a contractor to install it and hire a third to paint/stain it.

For the CCHOA homeowners to better see what this recommendation will look like, we recommend that a mockup of composite fence similar to the recommended fence be setup beside the existing fence. Vicki Parrish has volunteered to allow the install of the mockup on her property

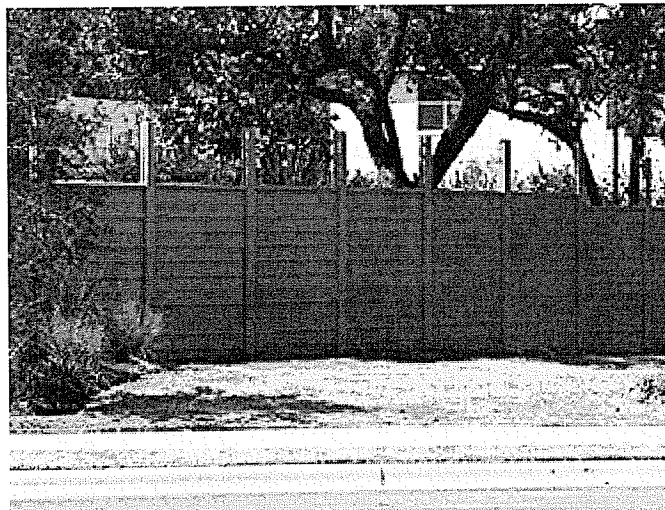
COMPOSITE FENCE DETAILS

Given that the cost of integrally painted and installed composite/precast fence by a single contractor had been quoted as high as \$175,000, the El Salido fence committee decided to research a more cost effective solution. And with the industry contacts of Geoff Meiten and Curt Aydelotte, we believe that we have come up with a solution. Instead of an integrally painted fence (@ \$5-6 per linear foot), we can save between \$11,000 and \$14,000 by applying a paint/stain to the exterior of the fence. And by using local contract help to install the fence, we will be able to save additional funds with the net result of reducing the composite fence cost from ~\$175,000 to **~\$73,000**

The following table is a breakdown of our estimated costs:

Item	6' Standard Posts	6' Textured Posts
Supply Panels & Posts	\$33750	\$38760
Delivery	3450	
Panel Caps (Smooth)	2250	
Sub Total	39450	44460
Tax (8.25%)	2970	3383
Total for Materials	\$42420	\$47843
Installation estimate	25500	
Concrete/Mortar/Epoxy	3500	
Dismantle and disposal of existing fence	3000	
Painting/Stain	4000	
Est. Grand Total	\$78,520	\$83,843

ConcreTex estimates that we will need 3800 panels and 620 posts for the entire fence.



Example of a wood pattern composite fence
(located @ Cypress Creek and Anderson Mill)

Delivery Date: To be determined at the time the order is placed. Estimated lead time for delivery is 6 months from commitment to ConcreTex.

Payment Terms: ConcreTex requires a 20% deposit on placing of the order, 20% within 7 days of the completed production of 50% of the order, 20% within 7 days of completion of production, 30% within 7 days of delivery of the complete order, 10% within 45 days of delivery of the complete order.

Installation Time: estimated at 3-4 weeks, given adequate weather.

FINANCIAL ANALYSIS

As of December, 2003 the CCHOA has approximately \$21,000 in its Reserve account. Much of these funds have been intended for the fencing project. In addition to this, the Association has another \$400 per month in regular contributions to this Reserve that could be used as available funds for the project.

Financing for the fence project can be obtained through the Association's present bank, as it specializes in servicing home-owners associations across the country. Several negative factors impact the use of this option for CCHOA. First, there is a minimum origination fee of at least a \$1000 up front and then there will be additional closing costs for the loan of \$60,000 to \$65,000. Second, the term of the loan would be only two to three years in length. This would increase the amount of the monthly cash requirement to more than just the \$400 per month available.

Another option available to the Association is a Special Assessment. If approved by the Board, an assessment can be imposed in 2004 and collected (or mostly) prior to beginning the actual construction of the fence. For 185 homes, an assessment of \$350 - \$400 per household would produce funds totaling \$64,000 to \$73,000. Also, a one-time assessment would eliminate the need for financing and incurring that additional cost. Assessments could be declared late this year or early next year. Collection of that assessment could be offered to the home-owners in a single, lump-sum payment or in 2-3 installments.

There would be a cost associated with a special assessment according to our contract with Alliance. We would have the billing costs, any statements and collection costs involved. If payments are collected over 2-3 months, the expense should be passed through to the home-owner. For example, a \$400 assessment would be paid as \$400 in a lump sum, while being paid as a total of \$450 (\$133.33 per month base, plus fee of \$16.67 per month). This option aides those home-owners with budget constraints while still allowing the Association to collect the needed base amount.

EXISTING FENCE MAP

The following drawing shows where homeowners have attached inner privacy fences to the existing fence.

