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Update "No-Site-Visit" Reserve Study



The Glen of Pacific Grove Pacific Grove, CA

Report #: 7492-7
For Period Beginning: January 1, 2020
Expires: December 31, 2020

Date Prepared: July 22, 2019



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

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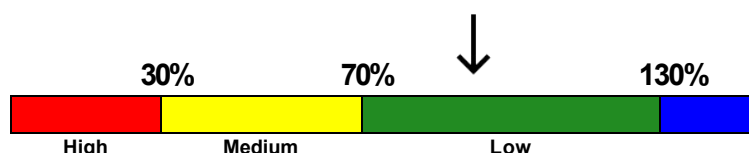
3- Minute Executive Summary

Association: The Glen of Pacific Grove **Assoc. #: 7492-7**
Location: Pacific Grove, CA **# of Units: 60**
Report Period: January 1, 2020 through December 31, 2020

Findings/Recommendations as-of: January 1, 2020

Projected Starting Reserve Balance	\$556,157
Current Fully Funded Reserve Balance	\$592,370
Average Reserve Deficit (Surplus) Per Unit	\$604
Percent Funded	93.9 %
Recommended 2020 "Monthly Fully Funding Contributions"	\$6,506
Recommended 2020 Special Assessments for Reserves	\$0
2019 Monthly Contribution Rate	\$6,220

Reserves % Funded: 93.9%



Special Assessment Risk:

Economic Assumptions:

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

- This is an Update "No-Site-Visit" Reserve Study.
- This Reserve Study was prepared by, or under the supervision of, a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 93.9 % Funded, this means the association's special assessment & deferred maintenance risk is currently Low.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is for you to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.
- We recommend that this Reserve Study be updated annually, with an on-site inspection update every three years.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Common Area Components			
103 Concrete Surfaces - Repair	10	4	\$66,950
201 Asphalt - Resurface	30	23	\$170,000
202 Asphalt - Seal/Repair	5	2	\$16,450
319 Pole Light Posts - Replace	50	22	\$46,350
320 Pole Light Fixtures - Replace	25	24	\$8,655
324 Wall Lights - Replace	25	22	\$13,900
403 Mailboxes - Replace	30	4	\$18,550
502 Chain Link Fence - Replace	30	20	\$15,950
503 Metal Fence - Replace	30	22	\$25,250
505 Wood Fence - Partial Replace	10	5	\$7,935
702 Vehicle Gates - Replace	30	6	\$18,550
704 Intercom - Replace	15	14	\$5,820
706 Gate Operators - Replace	10	8	\$13,400
1001 Backflow Device - Replace	25	10	\$9,015
1008 Trees - Removal & Replacement	10	4	\$53,550
1009 Lake - Dredge/Repair	7	2	\$58,700
1107 Metal Fence - Repaint	5	2	\$4,585
1116 Exterior Surfaces - Repaint	10	5	\$170,000
1121 Exterior Surfaces - Repair	10	5	\$27,800
1303 Comp Shingle Roof - Replace	30	19	\$510,000
1310 Gutters/Downspouts - Replace (ph.1)	30	27	\$75,200
1311 Gutters/Downspouts - Replace (ph.2)	30	15	\$37,600
1603 Tennis Court - Refurbish	10	1	\$8,910
1701 Creek Bridge - Replace	25	14	\$20,050
1703 Pond Sump Pumps - Replace	10	8	\$5,155
1811 Plumbing - Repair/Replace	10	6	\$30,950
26 Total Funded Components			

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your property as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

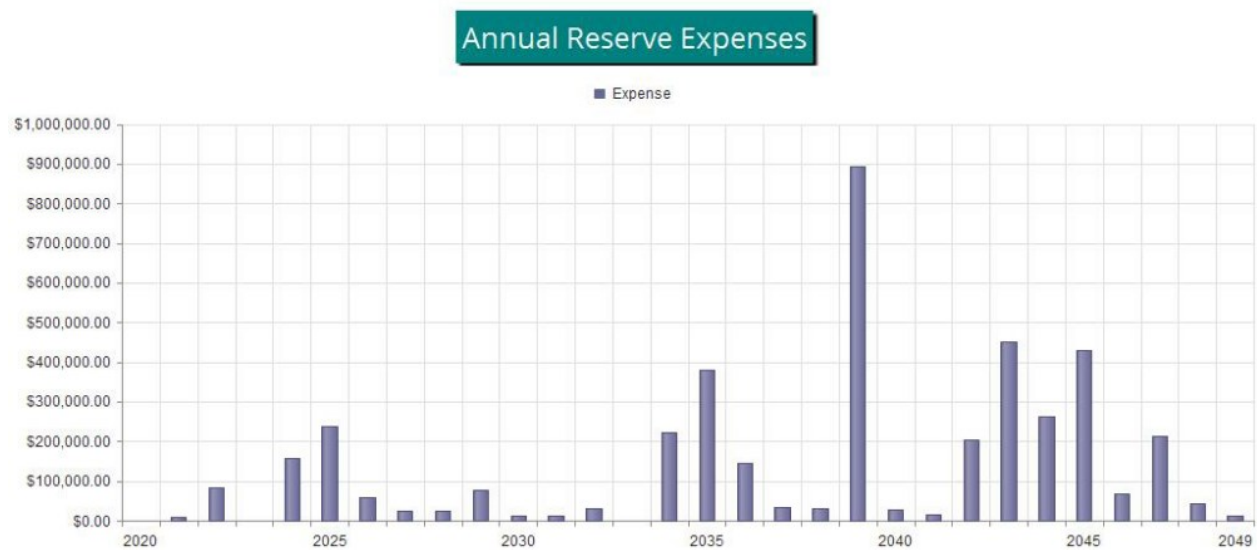


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$556,157 as-of the start of your fiscal year. This is based on your actual balance on 5/31/2019 of \$522,617 and anticipated Reserve contributions and expenses projected through the end of your Fiscal Year. As of 1/1/2020, your Fully Funded Balance is computed to be \$592,370. (see Acct/Tax Summary table). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your 93.9 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$6,506/Monthly this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

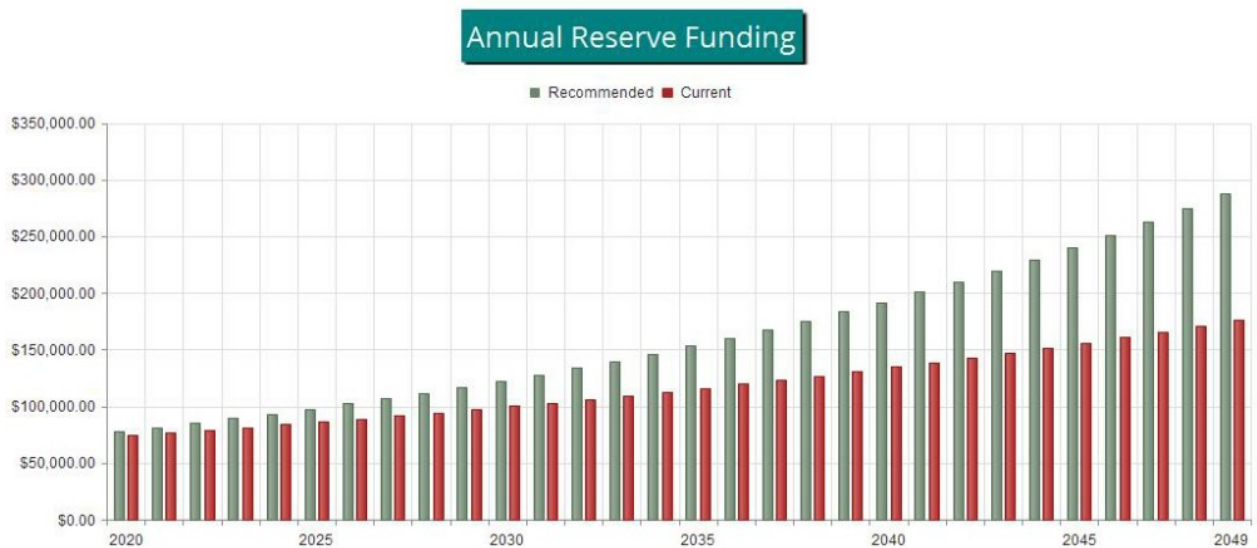


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

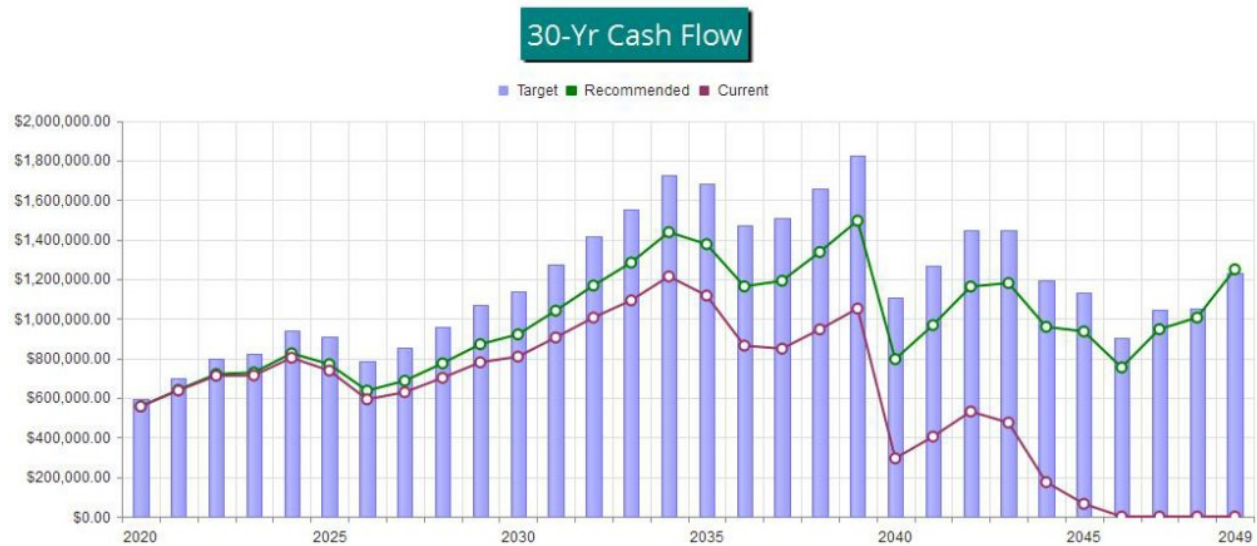


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.



Figure 4

Table Descriptions

Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the association total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Accounting-Tax Summary provides information on each Component's proportionate portion of key totals, valuable to accounting professionals primarily during tax preparation time of year.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

Reserve Component List Detail

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#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
					Best Case	Worst Case
Common Area Components						
103	Concrete Surfaces - Repair	Extensive LF	10	4	\$58,700	\$75,200
201	Asphalt - Resurface	Approx 40,960 GSF	30	23	\$144,000	\$196,000
202	Asphalt - Seal/Repair	Approx 40,960 GSF	5	2	\$14,400	\$18,500
319	Pole Light Posts - Replace	(19) Pole Posts	50	22	\$41,200	\$51,500
320	Pole Light Fixtures - Replace	(19) Fixtures	25	24	\$7,830	\$9,480
324	Wall Lights - Replace	(64) Fixtures	25	22	\$11,300	\$16,500
403	Mailboxes - Replace	(4) Kiosks	30	4	\$15,500	\$21,600
502	Chain Link Fence - Replace	Approx 560 LF	30	20	\$14,400	\$17,500
503	Metal Fence - Replace	Approx 355 LF	30	22	\$22,700	\$27,800
505	Wood Fence - Partial Replace	Approx 370 LF x 33%	10	5	\$7,110	\$8,760
702	Vehicle Gates - Replace	(2) Gates	30	6	\$15,500	\$21,600
704	Intercom - Replace	(1) Intercom	15	14	\$5,150	\$6,490
706	Gate Operators - Replace	(2) Operators	10	8	\$12,100	\$14,700
1001	Backflow Device - Replace	(4) Backflows	25	10	\$7,730	\$10,300
1008	Trees - Removal & Replacement	Numerous Trees	10	4	\$48,400	\$58,700
1009	Lake - Dredge/Repair	Approx. 12,500 GSF	7	2	\$52,500	\$64,900
1107	Metal Fence - Repaint	Approx 355 LF	5	2	\$4,120	\$5,050
1116	Exterior Surfaces - Repaint	Approx 110,880 GSF	10	5	\$155,000	\$185,000
1121	Exterior Surfaces - Repair	(60) Units	10	5	\$24,700	\$30,900
1303	Comp Shingle Roof - Replace	Approx 99,000 GSF	30	19	\$453,000	\$567,000
1310	Gutters/Downspouts - Replace (ph.1)	Approx 6,500 LF	30	27	\$67,000	\$83,400
1311	Gutters/Downspouts - Replace (ph.2)	Approx 3,250 LF	30	15	\$33,000	\$42,200
1603	Tennis Court - Refurbish	Approx 7,800 GSF	10	1	\$8,340	\$9,480
1701	Creek Bridge - Replace	Approx 120 GSF	25	14	\$18,500	\$21,600
1703	Pond Sump Pumps - Replace	(1) Pump	10	8	\$4,640	\$5,670
1811	Plumbing - Repair/Replace	Extensive LF	10	6	\$25,800	\$36,100
26	Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Common Area Components								
103	Concrete Surfaces - Repair	\$66,950	X	6	/	10	=	\$40,170
201	Asphalt - Resurface	\$170,000	X	7	/	30	=	\$39,667
202	Asphalt - Seal/Repair	\$16,450	X	3	/	5	=	\$9,870
319	Pole Light Posts - Replace	\$46,350	X	28	/	50	=	\$25,956
320	Pole Light Fixtures - Replace	\$8,655	X	1	/	25	=	\$346
324	Wall Lights - Replace	\$13,900	X	3	/	25	=	\$1,668
403	Mailboxes - Replace	\$18,550	X	26	/	30	=	\$16,077
502	Chain Link Fence - Replace	\$15,950	X	10	/	30	=	\$5,317
503	Metal Fence - Replace	\$25,250	X	8	/	30	=	\$6,733
505	Wood Fence - Partial Replace	\$7,935	X	5	/	10	=	\$3,968
702	Vehicle Gates - Replace	\$18,550	X	24	/	30	=	\$14,840
704	Intercom - Replace	\$5,820	X	1	/	15	=	\$388
706	Gate Operators - Replace	\$13,400	X	2	/	10	=	\$2,680
1001	Backflow Device - Replace	\$9,015	X	15	/	25	=	\$5,409
1008	Trees - Removal & Replacement	\$53,550	X	6	/	10	=	\$32,130
1009	Lake - Dredge/Repair	\$58,700	X	5	/	7	=	\$41,929
1107	Metal Fence - Repaint	\$4,585	X	3	/	5	=	\$2,751
1116	Exterior Surfaces - Repaint	\$170,000	X	5	/	10	=	\$85,000
1121	Exterior Surfaces - Repair	\$27,800	X	5	/	10	=	\$13,900
1303	Comp Shingle Roof - Replace	\$510,000	X	11	/	30	=	\$187,000
1310	Gutters/Downspouts - Replace (ph.1)	\$75,200	X	3	/	30	=	\$7,520
1311	Gutters/Downspouts - Replace (ph.2)	\$37,600	X	15	/	30	=	\$18,800
1603	Tennis Court - Refurbish	\$8,910	X	9	/	10	=	\$8,019
1701	Creek Bridge - Replace	\$20,050	X	11	/	25	=	\$8,822
1703	Pond Sump Pumps - Replace	\$5,155	X	2	/	10	=	\$1,031
1811	Plumbing - Repair/Replace	\$30,950	X	4	/	10	=	\$12,380
								\$592,370

Component Significance

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#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Common Area Components					
103	Concrete Surfaces - Repair	10	\$66,950	\$6,695	8.02 %
201	Asphalt - Resurface	30	\$170,000	\$5,667	6.79 %
202	Asphalt - Seal/Repair	5	\$16,450	\$3,290	3.94 %
319	Pole Light Posts - Replace	50	\$46,350	\$927	1.11 %
320	Pole Light Fixtures - Replace	25	\$8,655	\$346	0.41 %
324	Wall Lights - Replace	25	\$13,900	\$556	0.67 %
403	Mailboxes - Replace	30	\$18,550	\$618	0.74 %
502	Chain Link Fence - Replace	30	\$15,950	\$532	0.64 %
503	Metal Fence - Replace	30	\$25,250	\$842	1.01 %
505	Wood Fence - Partial Replace	10	\$7,935	\$794	0.95 %
702	Vehicle Gates - Replace	30	\$18,550	\$618	0.74 %
704	Intercom - Replace	15	\$5,820	\$388	0.46 %
706	Gate Operators - Replace	10	\$13,400	\$1,340	1.61 %
1001	Backflow Device - Replace	25	\$9,015	\$361	0.43 %
1008	Trees - Removal & Replacement	10	\$53,550	\$5,355	6.42 %
1009	Lake - Dredge/Repair	7	\$58,700	\$8,386	10.05 %
1107	Metal Fence - Repaint	5	\$4,585	\$917	1.10 %
1116	Exterior Surfaces - Repaint	10	\$170,000	\$17,000	20.37 %
1121	Exterior Surfaces - Repair	10	\$27,800	\$2,780	3.33 %
1303	Comp Shingle Roof - Replace	30	\$510,000	\$17,000	20.37 %
1310	Gutters/Downspouts - Replace (ph.1)	30	\$75,200	\$2,507	3.00 %
1311	Gutters/Downspouts - Replace (ph.2)	30	\$37,600	\$1,253	1.50 %
1603	Tennis Court - Refurbish	10	\$8,910	\$891	1.07 %
1701	Creek Bridge - Replace	25	\$20,050	\$802	0.96 %
1703	Pond Sump Pumps - Replace	10	\$5,155	\$516	0.62 %
1811	Plumbing - Repair/Replace	10	\$30,950	\$3,095	3.71 %
26	Total Funded Components			\$83,474	100.00 %

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Current Fund Balance	Proportional Reserve Contribs
Common Area Components							
103	Concrete Surfaces - Repair	10	4	\$66,950	\$40,170	\$40,170	\$521.81
201	Asphalt - Resurface	30	23	\$170,000	\$39,667	\$39,667	\$441.66
202	Asphalt - Seal/Repair	5	2	\$16,450	\$9,870	\$9,870	\$256.42
319	Pole Light Posts - Replace	50	22	\$46,350	\$25,956	\$25,956	\$72.25
320	Pole Light Fixtures - Replace	25	24	\$8,655	\$346	\$346	\$26.98
324	Wall Lights - Replace	25	22	\$13,900	\$1,668	\$1,668	\$43.33
403	Mailboxes - Replace	30	4	\$18,550	\$16,077	\$16,077	\$48.19
502	Chain Link Fence - Replace	30	20	\$15,950	\$5,317	\$5,317	\$41.44
503	Metal Fence - Replace	30	22	\$25,250	\$6,733	\$6,733	\$65.60
505	Wood Fence - Partial Replace	10	5	\$7,935	\$3,968	\$3,968	\$61.85
702	Vehicle Gates - Replace	30	6	\$18,550	\$14,840	\$14,840	\$48.19
704	Intercom - Replace	15	14	\$5,820	\$388	\$388	\$30.24
706	Gate Operators - Replace	10	8	\$13,400	\$2,680	\$2,680	\$104.44
1001	Backflow Device - Replace	25	10	\$9,015	\$5,409	\$5,409	\$28.11
1008	Trees - Removal & Replacement	10	4	\$53,550	\$32,130	\$32,130	\$417.37
1009	Lake - Dredge/Repair	7	2	\$58,700	\$41,929	\$41,929	\$653.58
1107	Metal Fence - Repaint	5	2	\$4,585	\$2,751	\$2,751	\$71.47
1116	Exterior Surfaces - Repaint	10	5	\$170,000	\$85,000	\$85,000	\$1,324.98
1121	Exterior Surfaces - Repair	10	5	\$27,800	\$13,900	\$13,900	\$216.67
1303	Comp Shingle Roof - Replace	30	19	\$510,000	\$187,000	\$187,000	\$1,324.98
1310	Gutters/Downspouts - Replace (ph.1)	30	27	\$75,200	\$7,520	\$7,520	\$195.37
1311	Gutters/Downspouts - Replace (ph.2)	30	15	\$37,600	\$18,800	\$12,839	\$97.69
1603	Tennis Court - Refurbish	10	1	\$8,910	\$8,019	\$0	\$69.44
1701	Creek Bridge - Replace	25	14	\$20,050	\$8,822	\$0	\$62.51
1703	Pond Sump Pumps - Replace	10	8	\$5,155	\$1,031	\$0	\$40.18
1811	Plumbing - Repair/Replace	10	6	\$30,950	\$12,380	\$0	\$241.23
26	Total Funded Components				\$592,370	\$556,157	\$6,506

30-Year Reserve Plan Summary

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Fiscal Year Start: 2020	Interest: 1.00 %	Inflation: 3.00 %
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes	

% Increase										
	Starting	Fully			Special	In Annual		Loan or		
Year	Reserve	Funded	Percent		Assmt	Reserve	Reserve	Special	Interest	Reserve
	Balance	Balance	Funded		Risk	Contribs.	Contribs.	Assmts	Income	Expenses
2020	\$556,157	\$592,370	93.9 %	<div></div>	Low	4.60 %	\$78,072	\$0	\$5,979	\$0
2021	\$640,208	\$696,119	92.0 %	<div></div>	Low	4.60 %	\$81,663	\$0	\$6,796	\$9,177
2022	\$719,490	\$796,108	90.4 %	<div></div>	Low	4.60 %	\$85,420	\$0	\$7,232	\$84,591
2023	\$727,551	\$824,077	88.3 %	<div></div>	Low	4.60 %	\$89,349	\$0	\$7,758	\$0
2024	\$824,658	\$942,750	87.5 %	<div></div>	Low	4.60 %	\$93,459	\$0	\$7,968	\$156,502
2025	\$769,583	\$906,605	84.9 %	<div></div>	Low	4.60 %	\$97,758	\$0	\$7,024	\$238,503
2026	\$635,862	\$787,817	80.7 %	<div></div>	Low	4.60 %	\$102,255	\$0	\$6,605	\$59,106
2027	\$685,616	\$853,236	80.4 %	<div></div>	Low	4.60 %	\$106,959	\$0	\$7,295	\$25,870
2028	\$774,000	\$957,929	80.8 %	<div></div>	Low	4.60 %	\$111,879	\$0	\$8,219	\$23,505
2029	\$870,593	\$1,071,372	81.3 %	<div></div>	Low	4.60 %	\$117,025	\$0	\$8,949	\$76,590
2030	\$919,978	\$1,136,807	80.9 %	<div></div>	Low	4.60 %	\$122,409	\$0	\$9,796	\$12,115
2031	\$1,040,067	\$1,273,980	81.6 %	<div></div>	Low	4.60 %	\$128,039	\$0	\$11,030	\$12,334
2032	\$1,166,803	\$1,418,511	82.3 %	<div></div>	Low	4.60 %	\$133,929	\$0	\$12,244	\$29,991
2033	\$1,282,985	\$1,552,760	82.6 %	<div></div>	Low	4.60 %	\$140,090	\$0	\$13,592	\$0
2034	\$1,436,667	\$1,725,605	83.3 %	<div></div>	Low	4.60 %	\$146,534	\$0	\$14,057	\$221,398
2035	\$1,375,860	\$1,679,383	81.9 %	<div></div>	Low	4.60 %	\$153,275	\$0	\$12,687	\$379,108
2036	\$1,162,715	\$1,473,235	78.9 %	<div></div>	Low	4.60 %	\$160,325	\$0	\$11,763	\$143,862
2037	\$1,190,941	\$1,507,225	79.0 %	<div></div>	Low	4.60 %	\$167,700	\$0	\$12,632	\$34,768
2038	\$1,336,506	\$1,658,740	80.6 %	<div></div>	Low	4.60 %	\$175,415	\$0	\$14,149	\$31,589
2039	\$1,494,481	\$1,822,338	82.0 %	<div></div>	Low	4.60 %	\$183,484	\$0	\$11,443	\$894,288
2040	\$795,119	\$1,106,655	71.8 %	<div></div>	Low	4.60 %	\$191,924	\$0	\$8,807	\$28,807
2041	\$967,043	\$1,265,470	76.4 %	<div></div>	Low	4.60 %	\$200,752	\$0	\$10,640	\$16,575
2042	\$1,161,860	\$1,446,307	80.3 %	<div></div>	Low	4.60 %	\$209,987	\$0	\$11,701	\$204,132
2043	\$1,179,416	\$1,444,183	81.7 %	<div></div>	Low	4.60 %	\$219,646	\$0	\$10,684	\$451,359
2044	\$958,388	\$1,192,295	80.4 %	<div></div>	Low	4.60 %	\$229,750	\$0	\$9,463	\$262,546
2045	\$935,056	\$1,132,418	82.6 %	<div></div>	Low	4.60 %	\$240,319	\$0	\$8,437	\$430,763
2046	\$753,048	\$902,724	83.4 %	<div></div>	Low	4.60 %	\$251,373	\$0	\$8,492	\$66,746
2047	\$946,167	\$1,046,477	90.4 %	<div></div>	Low	4.60 %	\$262,936	\$0	\$9,752	\$213,766
2048	\$1,005,090	\$1,048,675	95.8 %	<div></div>	Low	4.60 %	\$275,032	\$0	\$11,265	\$42,452
2049	\$1,248,934	\$1,233,122	101.3 %	<div></div>	Low	4.60 %	\$287,683	\$0	\$13,923	\$13,715

30-Year Income/Expense Detail

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Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$556,157	\$640,208	\$719,490	\$727,551	\$824,658
Annual Reserve Contribution	\$78,072	\$81,663	\$85,420	\$89,349	\$93,459
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,979	\$6,796	\$7,232	\$7,758	\$7,968
Total Income	\$640,208	\$728,667	\$812,142	\$824,658	\$926,085
# Component					
Common Area Components					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$75,353
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$17,452	\$0	\$0
319 Pole Light Posts - Replace	\$0	\$0	\$0	\$0	\$0
320 Pole Light Fixtures - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$20,878
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$60,271
1009 Lake - Dredge/Repair	\$0	\$0	\$62,275	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$4,864	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$9,177	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
1703 Pond Sump Pumps - Replace	\$0	\$0	\$0	\$0	\$0
1811 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$9,177	\$84,591	\$0	\$156,502
Ending Reserve Balance	\$640,208	\$719,490	\$727,551	\$824,658	\$769,583

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$769,583	\$635,862	\$685,616	\$774,000	\$870,593
Annual Reserve Contribution	\$97,758	\$102,255	\$106,959	\$111,879	\$117,025
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,024	\$6,605	\$7,295	\$8,219	\$8,949
Total Income	\$874,365	\$744,722	\$799,870	\$894,098	\$996,568
# Component					
Common Area Components					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$20,231	\$0	\$0
319 Pole Light Posts - Replace	\$0	\$0	\$0	\$0	\$0
320 Pole Light Fixtures - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$9,199	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$22,150	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$16,975	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$0	\$76,590
1107 Metal Fence - Repaint	\$0	\$0	\$5,639	\$0	\$0
1116 Exterior Surfaces - Repaint	\$197,077	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$32,228	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
1703 Pond Sump Pumps - Replace	\$0	\$0	\$0	\$6,530	\$0
1811 Plumbing - Repair/Replace	\$0	\$36,956	\$0	\$0	\$0
Total Expenses	\$238,503	\$59,106	\$25,870	\$23,505	\$76,590
Ending Reserve Balance	\$635,862	\$685,616	\$774,000	\$870,593	\$919,978

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$919,978	\$1,040,067	\$1,166,803	\$1,282,985	\$1,436,667
Annual Reserve Contribution	\$122,409	\$128,039	\$133,929	\$140,090	\$146,534
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$9,796	\$11,030	\$12,244	\$13,592	\$14,057
Total Income	\$1,052,182	\$1,179,136	\$1,312,976	\$1,436,667	\$1,597,258
# Component					
Common Area Components					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$101,268
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$23,454	\$0	\$0
319 Pole Light Posts - Replace	\$0	\$0	\$0	\$0	\$0
320 Pole Light Fixtures - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$8,803
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$12,115	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$80,999
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$6,537	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$12,334	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$30,327
1703 Pond Sump Pumps - Replace	\$0	\$0	\$0	\$0	\$0
1811 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$12,115	\$12,334	\$29,991	\$0	\$221,398
Ending Reserve Balance	\$1,040,067	\$1,166,803	\$1,282,985	\$1,436,667	\$1,375,860

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$1,375,860	\$1,162,715	\$1,190,941	\$1,336,506	\$1,494,481
Annual Reserve Contribution	\$153,275	\$160,325	\$167,700	\$175,415	\$183,484
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,687	\$11,763	\$12,632	\$14,149	\$11,443
Total Income	\$1,541,823	\$1,334,803	\$1,371,274	\$1,526,069	\$1,689,407
# Component					
Common Area Components					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$27,189	\$0	\$0
319 Pole Light Posts - Replace	\$0	\$0	\$0	\$0	\$0
320 Pole Light Fixtures - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$12,362	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$22,813	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$94,196	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$7,578	\$0	\$0
1116 Exterior Surfaces - Repaint	\$264,854	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$43,311	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$894,288
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$58,580	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
1703 Pond Sump Pumps - Replace	\$0	\$0	\$0	\$8,776	\$0
1811 Plumbing - Repair/Replace	\$0	\$49,666	\$0	\$0	\$0
Total Expenses	\$379,108	\$143,862	\$34,768	\$31,589	\$894,288
Ending Reserve Balance	\$1,162,715	\$1,190,941	\$1,336,506	\$1,494,481	\$795,119

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$795,119	\$967,043	\$1,161,860	\$1,179,416	\$958,388
Annual Reserve Contribution	\$191,924	\$200,752	\$209,987	\$219,646	\$229,750
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,807	\$10,640	\$11,701	\$10,684	\$9,463
Total Income	\$995,850	\$1,178,435	\$1,383,548	\$1,409,747	\$1,197,601
# Component					
Common Area Components					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$136,096
201 Asphalt - Resurface	\$0	\$0	\$0	\$335,510	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$31,520	\$0	\$0
319 Pole Light Posts - Replace	\$0	\$0	\$88,811	\$0	\$0
320 Pole Light Fixtures - Replace	\$0	\$0	\$0	\$0	\$17,594
324 Wall Lights - Replace	\$0	\$0	\$26,634	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$28,807	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$48,382	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$108,856
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$115,850	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$8,785	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$16,575	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
1703 Pond Sump Pumps - Replace	\$0	\$0	\$0	\$0	\$0
1811 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$28,807	\$16,575	\$204,132	\$451,359	\$262,546
Ending Reserve Balance	\$967,043	\$1,161,860	\$1,179,416	\$958,388	\$935,056

Fiscal Year	2045	2046	2047	2048	2049
Starting Reserve Balance	\$935,056	\$753,048	\$946,167	\$1,005,090	\$1,248,934
Annual Reserve Contribution	\$240,319	\$251,373	\$262,936	\$275,032	\$287,683
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,437	\$8,492	\$9,752	\$11,265	\$13,923
Total Income	\$1,183,811	\$1,012,914	\$1,218,856	\$1,291,387	\$1,550,540
# Component					
Common Area Components					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$36,540	\$0	\$0
319 Pole Light Posts - Replace	\$0	\$0	\$0	\$0	\$0
320 Pole Light Fixtures - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$16,614	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$13,715
706 Gate Operators - Replace	\$0	\$0	\$0	\$30,658	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$10,185	\$0	\$0
1116 Exterior Surfaces - Repaint	\$355,942	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$58,207	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$167,041	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
1703 Pond Sump Pumps - Replace	\$0	\$0	\$0	\$11,794	\$0
1811 Plumbing - Repair/Replace	\$0	\$66,746	\$0	\$0	\$0
Total Expenses	\$430,763	\$66,746	\$213,766	\$42,452	\$13,715
Ending Reserve Balance	\$753,048	\$946,167	\$1,005,090	\$1,248,934	\$1,536,825

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Where any uncertainties exist, we urge the association to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced real property attorney specializing in association law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

- 1) Common area maintenance repair & replacement responsibility
- 2) Component must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses).

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life of how often the project is expected to occur, RUL = Remaining Useful Life pr how many years from our reporting period) and representative market cost range termed “Best Cost” and “Worst Cost” below the photo. There are many factors that can result in a wide variety of potential costs, we are attempting to represent a market to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

Common Area Components

Comp #: 103 Concrete Surfaces - Repair**Quantity: Extensive LF**

Location: Walkways and driveways throughout the association

Funded?: Yes.

History: 2017 - Repairs of \$5200 for cement work involving 2 driveways that needed to be re-done because of leaking main drains. 2018 - Repairs of \$3,100.

Comments: Inspect all areas periodically to identify trip hazards or other safety issues. Repairs are frequently considered an Operating budget line item, but if a pattern of larger repairs develops, Reserve funding may be required.

Useful Life: 10 years

Remaining Life: 4 years

Best Case: \$ 58,700

Worst Case: \$75,200

Lower allowance to repair

Higher allowance to repair

Cost Source: Cost History, plus Inflation

Comp #: 201 Asphalt - Resurface**Quantity: Approx 40,960 GSF**

Location: Association streets

Funded?: Yes.

History: Last resurfaced in 2012/13.

Comments: We recommend sealing the surface every 4-5 years to prevent water intrusion and other factors that accelerate deterioration.

Useful Life: 30 years

Remaining Life: 23 years

Best Case: \$ 144,000

Worst Case: \$196,000

Lower allowance to resurface

Higher allowance to resurface

Cost Source: ARSF Cost Database

Comp #: 202 Asphalt - Seal/Repair**Quantity: Approx 40,960 GSF**

Location: Association streets

Funded?: Yes.

History:

Comments: We recommend sealing every 4-5 years to maximize the useful life of the surface.

Useful Life: 5 years

Remaining Life: 2 years

Best Case: \$ 14,400

Worst Case: \$18,500

Lower allowance to seal/repair

Higher allowance to seal/repair

Cost Source: ARSF Cost Database

Comp #: 203 Asphalt Path - Resurface/Repair**Quantity: Approx 2,300 GSF**

Location: Eastern perimeter of the property

Funded?: No. Handle repairs as an Operating expense as needed. No Reserve funding allocated.

History:

Comments: The HOA is responsible for approximately 50% of the pathway. Funding will need to be adjusted when major replacement becomes necessary. No Reserve funding necessary at this time.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 319 Pole Light Posts - Replace**Quantity: (19) Pole Posts**

Location: Perimeter of streets

Funded?: Yes.

History:

Comments: Continue to paint to maintain a positive appearance, we anticipate replacement in the interval outlined below.

Useful Life: 50 years

Remaining Life: 22 years

Best Case: \$ 41,200

Worst Case: \$51,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 320 Pole Light Fixtures - Replace**Quantity: (19) Fixtures**

Location: Perimeter of streets

Funded?: Yes.

History:

Comments: Continue to paint to maintain a positive appearance, we anticipate replacement in the interval outlined below.

Useful Life: 25 years

Remaining Life: 24 years

Best Case: \$ 7,830

Worst Case: \$9,480

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 324 Wall Lights - Replace**Quantity: (64) Fixtures**

Location: Front entry to units

Funded?: Yes.

History: Replacement projects \$12,000.

Comments: As routine maintenance, clean by wiping down with an appropriate cleaner, change bulbs and repair as needed.

Useful Life: 25 years

Remaining Life: 22 years

Best Case: \$ 11,300

Worst Case: \$16,500

Lower allowance to replace

Higher allowance to replace

Cost Source: Cost History, plus Inflation

Comp #: 403 Mailboxes - Replace**Quantity: (4) Kiosks**

Location: Throughout common area

Funded?: Yes.

History:

Comments: We recommend periodic cleaning and painting to protect against rust. This component provides funding for replacement in the interval outlined below.

Useful Life: 30 years

Remaining Life: 4 years

Best Case: \$ 15,500

Worst Case: \$21,600

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 502 Chain Link Fence - Replace**Quantity: Approx 560 LF**

Location: Perimeter of property, tennis court

Funded?: Yes.

History:

Comments: Inspect regularly to ensure stability of fence.

Useful Life: 30 years

Remaining Life: 20 years

Best Case: \$ 14,400

Worst Case: \$17,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 503 Metal Fence - Replace**Quantity: Approx 355 LF**

Location: Perimeter of the Association near the main entrance

Funded?: Yes.

History: Last replaced in the 2011/12 fiscal year.

Comments: We recommend periodic painting to maximize the useful life of the metal.

Useful Life: 30 years

Remaining Life: 22 years

Best Case: \$ 22,700

Worst Case: \$27,800

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 505 Wood Fence - Partial Replace**Quantity: Approx 370 LF x 33%**

Location: Perimeter of property in select locations

Funded?: Yes.

History:

Comments: As routine maintenance, inspect regularly for any damage, repair as needed and avoid contact with ground and surrounding vegetation wherever possible.

Useful Life: 10 years

Remaining Life: 5 years

Best Case: \$ 7,110

Worst Case: \$8,760

Lower allowance to replace (partial)

Higher allowance to replace
(partial)

Cost Source: ARSF Cost Database

Comp #: 506 Lattice Fence - Repair**Quantity: Approx 150 GSF**

Location: Around mailboxes

Funded?: No. According to the Board, the Association is handling repairs as an Operating expense. No Reserve funding necessary at this time.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 702 Vehicle Gates - Replace**Quantity: (2) Gates**

Location: Entry to the Association

Funded?: Yes.

History:

Comments: We recommend maintaining adequate paint coverage to prevent rust or rot.

Useful Life: 30 years

Remaining Life: 6 years

Best Case: \$ 15,500

Worst Case: \$21,600

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 704 Intercom - Replace**Quantity: (1) Intercom**

Location: At entrance to the association

Funded?: Yes.

History:

Comments: We recommend professional inspections and maintenance. Wipe down surfaces periodically with an appropriate cleaner for appearance, being careful to avoid control buttons.

Useful Life: 15 years

Remaining Life: 14 years

Best Case: \$ 5,150

Worst Case: \$6,490

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 706 Gate Operators - Replace**Quantity: (2) Operators**

Location: Entry to the association

Funded?: Yes.

History: Gate entry system upgraded last 10/2018.

Comments: We recommend regular professional inspections, maintenance and repairs to help extend useful life cycles.

Useful Life: 10 years

Remaining Life: 8 years

Best Case: \$ 12,100

Worst Case: \$14,700

Lower allowance to replace

Higher allowance to replace

Cost Source: Cost History, plus Inflation

Comp #: 708 Pedestrian Gate - Replace**Quantity: (1) Gate**

Location: Entry to the association

Funded?: No. Funding to replace the pedestrian gate is included in component #503. No separate Reserve funding necessary at this time.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1001 Backflow Device - Replace**Quantity: (4) Backflows**

Location: Throughout the association

Funded?: Yes.

History:

Comments: We recommend periodic inspections by a licensed professional to ensure the devices continue to function properly.

This component provides funding for replacement in the interval outlined below.

Useful Life: 25 years

Remaining Life: 10 years

Best Case: \$ 7,730

Worst Case: \$10,300

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 1003 Irrigation Controllers - Replace**Quantity: Controllers**

Location: Common area

Funded?: No. Replacement is handled as an Operating expense. Reserve funding not allocated at this time.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1005 Irrigation Valves - Replace**Quantity: Irrigation Valves**

Location: Common area

Funded?: No. Replacement is handled as an Operating expense. No Reserve funding required at this time.

History:

Comments:

Useful Life:

Best Case:

Cost Source:

Remaining Life:

Worst Case:

Comp #: 1008 Trees - Removal & Replacement**Quantity: Numerous Trees**

Location: Common area

Funded?: Yes.

History:

Comments: Due to drought and warm weather significant damage to trees has occurred. Expecting to remove and replace trees over 5 years. This is an annual funding for 5 year project.

Useful Life: 10 years

Best Case: \$ 48,400

Allowance for tree remove and replacement

Cost Source: Estimate Provided by Client, plus

Inflation

Remaining Life: 4 years

Worst Case: \$58,700

Higher allowance

Comp #: 1009 Lake - Dredge/Repair**Quantity: Approx. 12,500 GSF**

Location: Center of the association

Funded?: Yes.

History: 2017 - Incur an expense of \$6100 for chemical analysis and chemicals for Lake.

Comments: As per the client's request, this component has been set up to help maintain the appearance of the lake and potentially improve the ecology of the area. Plan on major projects being completed at the interval outlined below. This component includes repairs/maintenance to the stream as well.

Useful Life: 7 years

Best Case: \$ 52,500

Lower allowance to dredge/repair

Cost Source: Estimate Provided by Client, plus

Inflation

Remaining Life: 2 years

Worst Case: \$64,900

Higher allowance to

dredge/repair

Comp #: 1010 Landscaping - Replenishment**Quantity: Extensive GSF**

Location: Adjacent to Association entrance

Funded?: No. The Association handles landscaping as an Operating expense. No Reserve funding allocated at this time.

History: Replenishment project completed in 2015 as a one-time expense.

Comments:

Useful Life: 0 years

Best Case:

Cost Source:

Remaining Life:

Worst Case:

Comp #: 1107 Metal Fence - Repaint**Quantity: Approx 355 LF**

Location: Front perimeter of the association

Funded?: Yes.

History: Repainted along with the units in 2017.

Comments: We recommend painting metal fencing every 4-5 years to protect against corrosion and other factors that accelerate deterioration.

Useful Life: 5 years

Best Case: \$ 4,120

Lower allowance to repaint

Cost Source: ARSF Cost Database

Remaining Life: 2 years

Worst Case: \$5,050

Higher allowance to repaint

Comp #: 1116 Exterior Surfaces - Repaint**Quantity: Approx 110,880 GSF**

Location: Exterior building and garage surfaces

Funded?: Yes.

History: Repainted in 2015.

Comments: The useful life estimate was provided by the BOD. We recommend periodic inspections to ensure proper paint coverage. Adjust the timing of the next painting project as needed, the surfaces may require painting more frequently.

Useful Life: 10 years

Best Case: \$ 155,000

Lower allowance to repaint

Cost Source: Cost History, plus Inflation

Remaining Life: 5 years

Worst Case: \$185,000

Higher allowance to repaint

Comp #: 1117 Garages - Repaint**Quantity: (9) Garages**

Location: Unit garages

Funded?: No. Cost to repaint the garages is included in component #1116 Exterior Surfaces - Repaint. No Reserve funding allocated.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1121 Exterior Surfaces - Repair**Quantity: (60) Units**

Location: Exterior building and garage surfaces

Funded?: Yes.

History: Repairs completed in 2015, \$20,000.

Comments: Funding recommended for partial replacement of wood and hard board siding in the future due to potential for termite damage, wood rot and natural deterioration. Coordinate with future painting.

Useful Life: 10 years

Remaining Life: 5 years

Best Case: \$ 24,700

Worst Case: \$30,900

Lower allowance to repair

Higher allowance to repair

Cost Source: ARSF Cost Database

Comp #: 1130 Wood Bridge - Repaint**Quantity: (1) Bridge**

Location: Central common area

Funded?: No. Painting is handled as an Operating expense when needed. Reserve funding not allocated.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1303 Comp Shingle Roof - Replace**Quantity: Approx 99,000 GSF**

Location: Rooftop of buildings

Funded?: Yes.

History: Last replaced in 2008.

Comments: We recommend periodic inspections by a licensed professional to ensure the roof continues to age properly. Avoid debris buildup to maximize the useful life of the surface.

Useful Life: 30 years

Remaining Life: 19 years

Best Case: \$ 453,000

Worst Case: \$567,000

Lower allowance to replace

Higher allowance to replace

Cost Source: Estimate Provided by Client & ARSF

Cost Database

Comp #: 1310 Gutters/Downspouts - Replace (ph.1)**Quantity: Approx 6,500 LF**

Location: Perimeter of roofs

Funded?: Yes.

History: Last replaced in 2017.

Comments: Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds. Best to plan for replacement at the same intervals as roof replacement cost efficiency.

Useful Life: 30 years

Remaining Life: 27 years

Best Case: \$ 67,000

Worst Case: \$83,400

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 1311 Gutters/Downspouts - Replace (ph.2)**Quantity: Approx 3,250 LF**

Location: Perimeter of roofs

Funded?: Yes.

History:

Comments: Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds. Best to plan for replacement at the same intervals as roof replacement cost efficiency.

Useful Life: 30 years

Remaining Life: 15 years

Best Case: \$ 33,000

Worst Case: \$42,200

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 1402 Signage - Replace**Quantity: Signage**

Location: Common area

Funded?: No. The cost of individual sign replacement does not meet the minimum threshold to qualify as a Reserve component.

No Reserve funding allocated at this time.

History:

Comments:

Useful Life:

Best Case:

Cost Source:

Remaining Life:

Worst Case:

Comp #: 1603 Tennis Court - Refurbish**Quantity: Approx 7,800 GSF**

Location: South western perimeter of the property

Funded?: Yes.

History:

Comments: Plan to resurface at the approximate interval shown below in order to preserve the appearance and usefulness of the court surface.

Useful Life: 10 years

Remaining Life: 1 years

Best Case: \$ 8,340

Worst Case: \$9,480

Lower allowance to refurbish

Higher allowance to refurbish

Cost Source: Estimate Provided by Client, plus

Inflation

Comp #: 1701 Creek Bridge - Replace**Quantity: Approx 120 GSF**

Location: Central common area

Funded?: Yes.

History:

Comments: Regular inspections by engineer are prudent; factor those inspections and general repairs within operating budget.

Useful Life: 25 years

Remaining Life: 14 years

Best Case: \$ 18,500

Worst Case: \$21,600

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp #: 1703 Drainage - Repair**Quantity: Extensive LF**

Location: Common area

Funded?: No. According to the BOD, drainage has not been an issue and repairs are handled as Operating expenses when needed. Reserve funding not allocated at this time.

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1703 Pond Sump Pumps - Replace**Quantity: (1) Pump**

Location: Pond

Funded?: Yes.

History: Replaced - 2018

Comments: Under normal circumstances, well-maintained retention ponds should not require major repair/refurbishing projects.

Useful Life: 10 years

Remaining Life: 8 years

Best Case: \$ 4,640

Worst Case: \$5,670

Lower allowance to replace

Higher allowance to replace

Cost Source: Cost History, plus Inflation

Comp #: 1710 Gate Valves/Pumps - Replace**Quantity: (2) Valves**

Location: Pond area

Funded?: No. According to the BOD, repair/replacement of the gate valves and pumps is handled as an Operating expense when needed. No Reserve funding allocated.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1811 Plumbing - Repair/Replace**Quantity: Extensive LF**

Location: Association plumbing

Funded?: Yes.

History:

Comments: We recommend contacting a licensed professional to discuss replacement options.

Useful Life: 10 years

Remaining Life: 6 years

Best Case: \$ 25,800

Worst Case: \$36,100

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client, plus
Inflation

Comp #: 1812 Electrical System- Repair**Quantity: Electrical Systems**

Location: Common area

Funded?: No. According to the BOD, electrical repairs are handled as an Operating expense when needed.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1925 Reserve Study - Update**Quantity: Flat Fee Annual Update**

Location: Association Reserves (415) 694-8931

Funded?: No. The Association is on a three year annual Reserve Study update plan. Handle annual cost as an operating expense, no separate Reserve Funding necessary at this time.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source: