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**Townhomes Owners Association  
NSV Sample  
Los Altos, CA**



Report #: 36284-2  
Beginning: June 1, 2021  
Expires: May 31, 2022

**RESERVE STUDY  
Update "No-Site-Visit"**

August 4, 2021

# Welcome to your Reserve Study!

**A** Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

**R**egardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**  
Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**  
A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**  
A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

## Questions?

Please contact your Project Manager directly.



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Townhomes Owners Association - NSV Sample  
Los Altos, CA  
Level of Service: Update "No-Site-Visit"

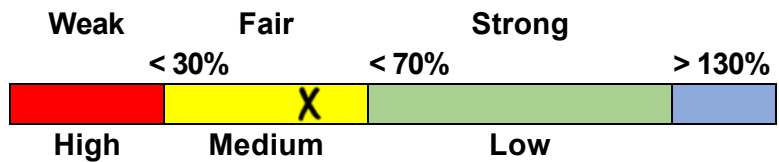
Report #: 36284-2  
# of Units: 8  
June 1, 2021 through May 31, 2022

Findings & Recommendations

as of June 1, 2021

Projected Starting Reserve Balance	\$81,290
Current Fully Funded Reserve Balance	\$135,887
Average Reserve Deficit (Surplus) Per Unit	\$6,825
Percent Funded	59.8 %
Recommended 2021/22 "Monthly Fully Funding Contributions"	\$1,375
Recommended 2021/22 Special Assessments for Reserves	\$0
2020/21 Contribution Rate	\$1,250

Reserve Fund Strength: 59.8%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	0.50 %
Annual Inflation Rate	3.00 %

- 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 59.8 % Funded, this means the association's special assessment & deferred maintenance risk is currently Medium.
- 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 to \$1,375/Monthly.
- 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
<b>Paved Surfaces</b>				
206	Concrete - Repair	30	19	\$14,650
209	Pavers - Replace	25	14	\$3,140
<b>Grounds</b>				
403	Mailboxes - Replace	20	9	\$2,595
410	Enclosures - Repair/Replace	30	19	\$15,250
416	Enclosure Gates - Replace	30	19	\$13,900
505	Wood Fence - Replace	20	9	\$7,620
1832	Sump Pumps - Replace	18	5	\$9,725
<b>Landscaping &amp; Irrigation</b>				
1001	Backflow Devices - Replace	30	19	\$2,865
1003	Irrigation Controller - Replace	14	3	\$2,160
1009	Landscaping - Replenish	10	5	\$7,570
<b>Buildings</b>				
105	Elastomeric Deck - Resurface	20	9	\$3,570
106	Wood Deck - Replace/Rebuild	20	9	\$3,245
115	Stoop & Landing - Repair/Replace	30	19	\$7,140
324	Exterior Lights - Replace	20	2	\$8,545
503	Metal Rail & Gates - Repair/Replace	32	21	\$42,200
703	Utility Doors - Replace	24	13	\$3,570
1115	Exterior Surfaces - Repaint	12	3	\$25,950
1116	Exterior Trim Surfaces - Repaint	4	2	\$11,300
1117	Exterior Surfaces - Caulk & Repair	12	3	\$8,655
1305	Tile Roof - Replace Underlayment	35	24	\$96,300
1312	Gutters/Downspouts - Replace	35	24	\$20,050
1318	Chimney Caps - Replace	35	24	\$2,865

**22 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?



RESERVE FUNDING PRINCIPLES

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.*



FUNDING OBJECTIVES

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 is shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

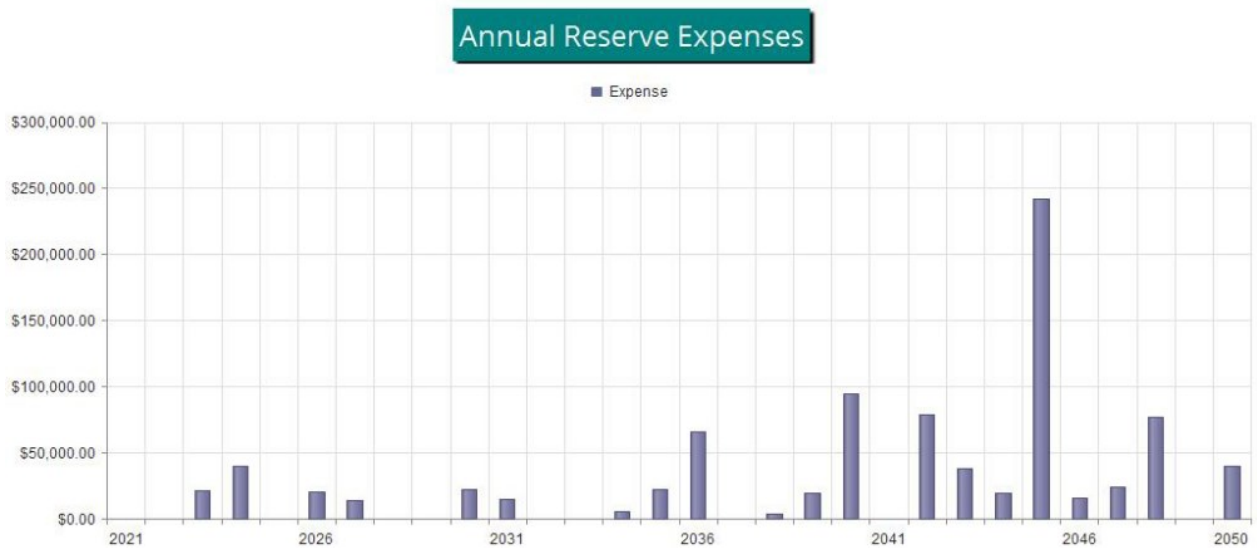


Figure 1

## Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$81,290 as-of the start of your fiscal year. This is based on your actual balance on 10/31/2020 of \$72,541 and anticipated Reserve contributions and expenses projected through the end of your Fiscal Year. As of 6/1/2021, your Fully Funded Balance is computed to be \$135,887. (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 you are 59.8 % 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 \$1,375/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.

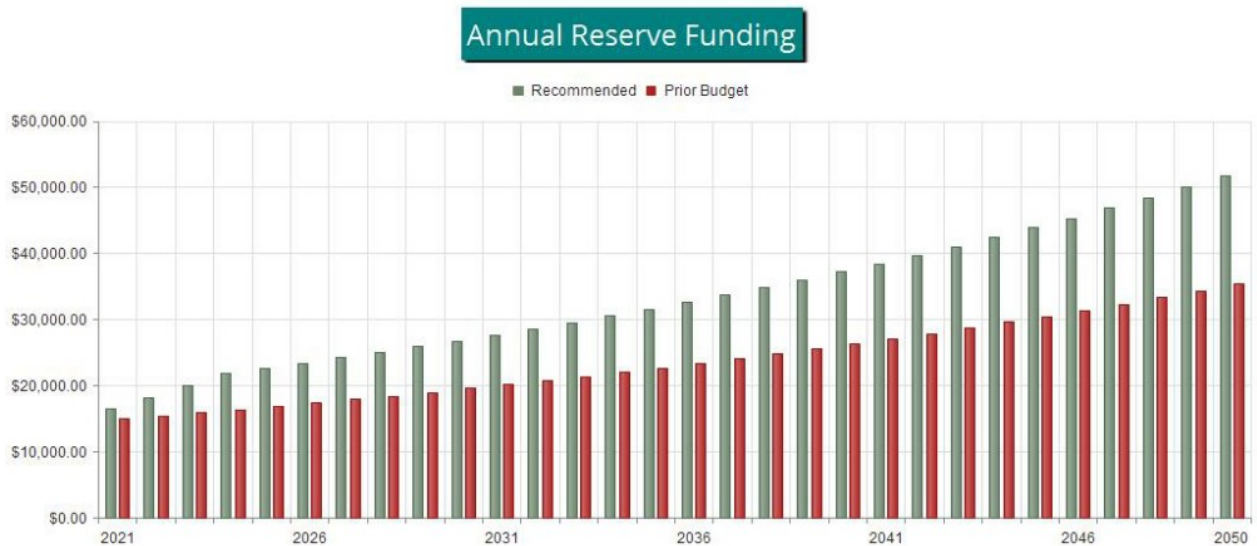


Figure 2

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.

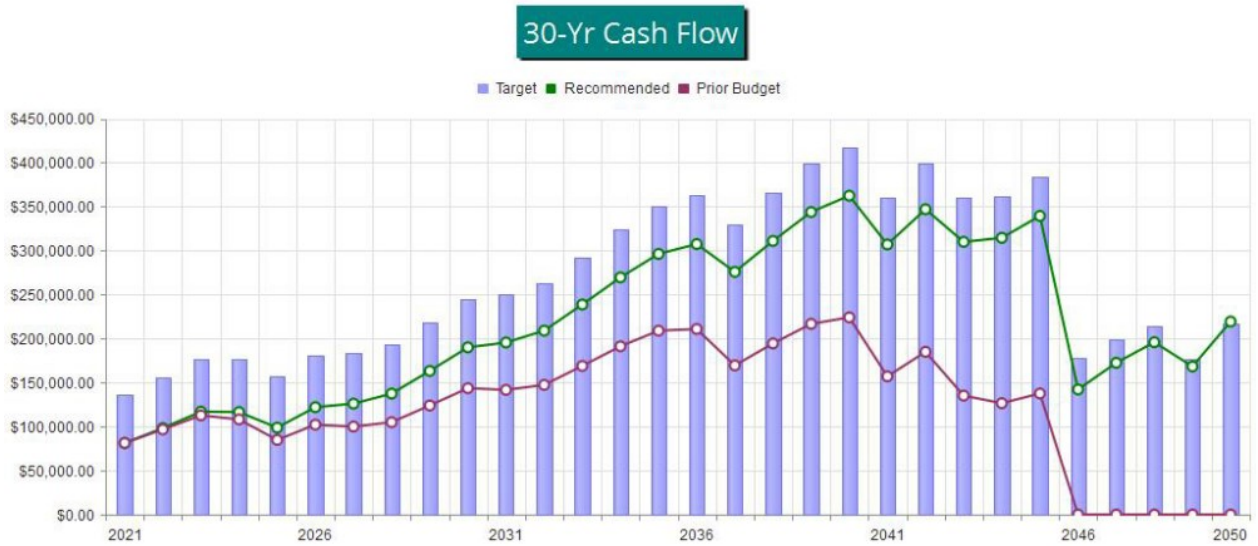


Figure 3

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.

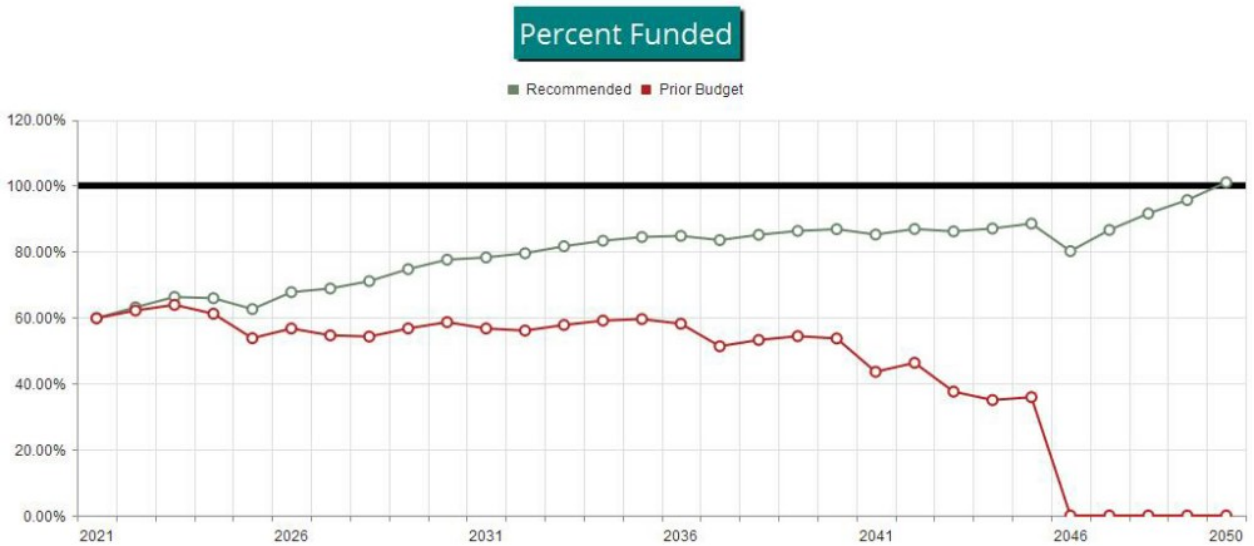


Figure 4

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings 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 property 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 property, 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 proportion of key totals. If shown, the Current Fund Balance is a re-distribution of the current Reserve total to near-term (low RUL) projects first. Any Reserve contribution shown is a portion of the total current contribution rate, assigned proportionally on the basis of that component's deterioration cost/yr. As this is a Cash Flow analysis in which no funds are assigned or restricted to particular components, all values shown are only representative and have no merit outside of tax preparation purposes. They are not useful for Reserve funding calculations.

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.

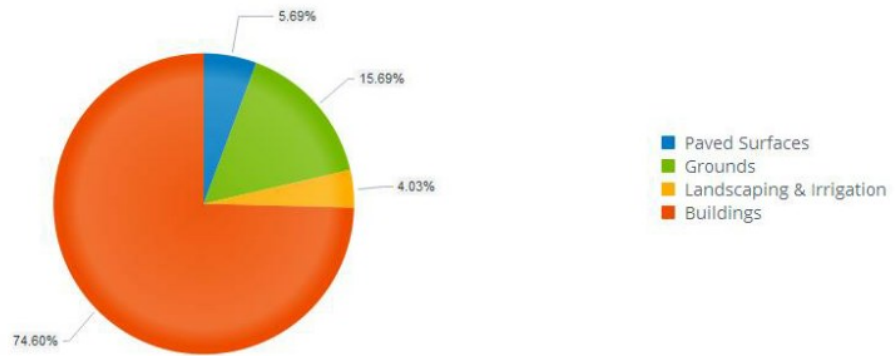


	Useful Life		2021 Rem. Useful Life		Estimated Replacement Cost in 2021	2021 Expenditures	06/01/2021	06/01/2021	Remaining Bal. to be Funded	2021 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
Paved Surfaces	25	30	14	19	\$17,790	\$0	\$6,753	\$6,753	\$11,037	\$665
Grounds	18	30	5	19	\$49,090	\$0	\$20,707	\$23,330	\$28,383	\$2,191
Landscaping & Irrigation	10	30	3	19	\$12,595	\$0	\$6,533	\$6,533	\$6,062	\$1,091
Buildings	4	35	2	24	\$233,390	\$0	\$47,297	\$99,271	\$186,093	\$12,553
					<b>\$312,865</b>	<b>\$0</b>	<b>\$81,290</b>	<b>\$135,887</b>	<b>\$231,575</b>	<b>\$16,500</b>

**Percent Funded: 59.8%**

**Budget Summary**

Percentage of Total Estimated Replacement Costs



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
<b>Paved Surfaces</b>					
206	Concrete - Repair	Approx 2,440 GSF x 25%	30	19	\$14,650
209	Pavers - Replace	Approx 500 GSF x 15%	25	14	\$3,140
<b>Grounds</b>					
403	Mailboxes - Replace	(1) Kiosk	20	9	\$2,595
410	Enclosures - Repair/Replace	(2) Enclosures	30	19	\$15,250
416	Enclosure Gates - Replace	(4) Gates	30	19	\$13,900
505	Wood Fence - Replace	Approx 130 LF	20	9	\$7,620
1832	Sump Pumps - Replace	(2) Pumps	18	5	\$9,725
<b>Landscaping &amp; Irrigation</b>					
1001	Backflow Devices - Replace	(1) Device	30	19	\$2,865
1003	Irrigation Controller - Replace	(1) Controller	14	3	\$2,160
1009	Landscaping - Replenish	Replenishment	10	5	\$7,570
<b>Buildings</b>					
105	Elastomeric Deck - Resurface	Approx 50 GSF	20	9	\$3,570
106	Wood Deck - Replace/Rebuild	Approx 50 GSF	20	9	\$3,245
115	Stoop & Landing - Repair/Replace	Approx 850 GSF x 20%	30	19	\$7,140
324	Exterior Lights - Replace	(24) Wall Lights	20	2	\$8,545
503	Metal Rail & Gates - Repair/Replace	Approx 405 LF, (5) Gates	32	21	\$42,200
703	Utility Doors - Replace	(2) Utility Doors	24	13	\$3,570
1115	Exterior Surfaces - Repaint	Approx 9,750 GSF	12	3	\$25,950
1116	Exterior Trim Surfaces - Repaint	Trim Surfaces	4	2	\$11,300
1117	Exterior Surfaces - Caulk & Repair	Approx 9,750 GSF x 10%	12	3	\$8,655
1305	Tile Roof - Replace Underlayment	Approx 9,000 GSF	35	24	\$96,300
1312	Gutters/Downspouts - Replace	Approx 1,205 LF	35	24	\$20,050
1318	Chimney Caps - Replace	(8) Chimney Caps	35	24	\$2,865
22	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
<b>Paved Surfaces</b>								
206	Concrete - Repair	\$14,650	X	11	/	30	=	\$5,372
209	Pavers - Replace	\$3,140	X	11	/	25	=	\$1,382
<b>Grounds</b>								
403	Mailboxes - Replace	\$2,595	X	11	/	20	=	\$1,427
410	Enclosures - Repair/Replace	\$15,250	X	11	/	30	=	\$5,592
416	Enclosure Gates - Replace	\$13,900	X	11	/	30	=	\$5,097
505	Wood Fence - Replace	\$7,620	X	11	/	20	=	\$4,191
1832	Sump Pumps - Replace	\$9,725	X	13	/	18	=	\$7,024
<b>Landscaping &amp; Irrigation</b>								
1001	Backflow Devices - Replace	\$2,865	X	11	/	30	=	\$1,051
1003	Irrigation Controller - Replace	\$2,160	X	11	/	14	=	\$1,697
1009	Landscaping - Replenish	\$7,570	X	5	/	10	=	\$3,785
<b>Buildings</b>								
105	Elastomeric Deck - Resurface	\$3,570	X	11	/	20	=	\$1,964
106	Wood Deck - Replace/Rebuild	\$3,245	X	11	/	20	=	\$1,785
115	Stoop & Landing - Repair/Replace	\$7,140	X	11	/	30	=	\$2,618
324	Exterior Lights - Replace	\$8,545	X	18	/	20	=	\$7,691
503	Metal Rail & Gates - Repair/Replace	\$42,200	X	11	/	32	=	\$14,506
703	Utility Doors - Replace	\$3,570	X	11	/	24	=	\$1,636
1115	Exterior Surfaces - Repaint	\$25,950	X	9	/	12	=	\$19,463
1116	Exterior Trim Surfaces - Repaint	\$11,300	X	2	/	4	=	\$5,650
1117	Exterior Surfaces - Caulk & Repair	\$8,655	X	9	/	12	=	\$6,491
1305	Tile Roof - Replace Underlayment	\$96,300	X	11	/	35	=	\$30,266
1312	Gutters/Downspouts - Replace	\$20,050	X	11	/	35	=	\$6,301
1318	Chimney Caps - Replace	\$2,865	X	11	/	35	=	\$900
								\$135,887



# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
<b>Paved Surfaces</b>				
206 Concrete - Repair	30	\$14,650	\$488	3.21 %
209 Pavers - Replace	25	\$3,140	\$126	0.82 %
<b>Grounds</b>				
403 Mailboxes - Replace	20	\$2,595	\$130	0.85 %
410 Enclosures - Repair/Replace	30	\$15,250	\$508	3.34 %
416 Enclosure Gates - Replace	30	\$13,900	\$463	3.04 %
505 Wood Fence - Replace	20	\$7,620	\$381	2.50 %
1832 Sump Pumps - Replace	18	\$9,725	\$540	3.55 %
<b>Landscaping &amp; Irrigation</b>				
1001 Backflow Devices - Replace	30	\$2,865	\$96	0.63 %
1003 Irrigation Controller - Replace	14	\$2,160	\$154	1.01 %
1009 Landscaping - Replenish	10	\$7,570	\$757	4.97 %
<b>Buildings</b>				
105 Elastomeric Deck - Resurface	20	\$3,570	\$179	1.17 %
106 Wood Deck - Replace/Rebuild	20	\$3,245	\$162	1.07 %
115 Stoop & Landing - Repair/Replace	30	\$7,140	\$238	1.56 %
324 Exterior Lights - Replace	20	\$8,545	\$427	2.80 %
503 Metal Rail & Gates - Repair/Replace	32	\$42,200	\$1,319	8.66 %
703 Utility Doors - Replace	24	\$3,570	\$149	0.98 %
1115 Exterior Surfaces - Repaint	12	\$25,950	\$2,163	14.20 %
1116 Exterior Trim Surfaces - Repaint	4	\$11,300	\$2,825	18.55 %
1117 Exterior Surfaces - Caulk & Repair	12	\$8,655	\$721	4.74 %
1305 Tile Roof - Replace Underlayment	35	\$96,300	\$2,751	18.06 %
1312 Gutters/Downspouts - Replace	35	\$20,050	\$573	3.76 %
1318 Chimney Caps - Replace	35	\$2,865	\$82	0.54 %
22 Total Funded Components			\$15,232	100.00 %

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Projected Reserve Balance	Proportional Reserve Contribs
<b>Paved Surfaces</b>							
206	Concrete - Repair	30	19	\$14,650	\$5,372	\$5,372	\$44.08
209	Pavers - Replace	25	14	\$3,140	\$1,382	\$1,382	\$11.34
<b>Grounds</b>							
403	Mailboxes - Replace	20	9	\$2,595	\$1,427	\$1,427	\$11.71
410	Enclosures - Repair/Replace	30	19	\$15,250	\$5,592	\$2,969	\$45.89
416	Enclosure Gates - Replace	30	19	\$13,900	\$5,097	\$5,097	\$41.83
505	Wood Fence - Replace	20	9	\$7,620	\$4,191	\$4,191	\$34.39
1832	Sump Pumps - Replace	18	5	\$9,725	\$7,024	\$7,024	\$48.77
<b>Landscaping &amp; Irrigation</b>							
1001	Backflow Devices - Replace	30	19	\$2,865	\$1,051	\$1,051	\$8.62
1003	Irrigation Controller - Replace	14	3	\$2,160	\$1,697	\$1,697	\$13.93
1009	Landscaping - Replenish	10	5	\$7,570	\$3,785	\$3,785	\$68.34
<b>Buildings</b>							
105	Elastomeric Deck - Resurface	20	9	\$3,570	\$1,964	\$1,964	\$16.11
106	Wood Deck - Replace/Rebuild	20	9	\$3,245	\$1,785	\$1,785	\$14.65
115	Stoop & Landing - Repair/Replace	30	19	\$7,140	\$2,618	\$2,618	\$21.48
324	Exterior Lights - Replace	20	2	\$8,545	\$7,691	\$7,691	\$38.57
503	Metal Rail & Gates - Repair/Replace	32	21	\$42,200	\$14,506	\$0	\$119.05
703	Utility Doors - Replace	24	13	\$3,570	\$1,636	\$1,636	\$13.43
1115	Exterior Surfaces - Repaint	12	3	\$25,950	\$19,463	\$19,463	\$195.21
1116	Exterior Trim Surfaces - Repaint	4	2	\$11,300	\$5,650	\$5,650	\$255.02
1117	Exterior Surfaces - Caulk & Repair	12	3	\$8,655	\$6,491	\$6,491	\$65.11
1305	Tile Roof - Replace Underlayment	35	24	\$96,300	\$30,266	\$0	\$248.38
1312	Gutters/Downspouts - Replace	35	24	\$20,050	\$6,301	\$0	\$51.71
1318	Chimney Caps - Replace	35	24	\$2,865	\$900	\$0	\$7.39
22	Total Funded Components				\$135,887	\$81,290	\$1,375

# 30-Year Reserve Plan Summary

Report # 36284-2  
No-Site-Visit

Fiscal Year Start: 2021

Interest:

0.50 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2021	\$81,290	\$135,887	59.8 %	Medium	10.01 %	\$16,500	\$0	\$449	\$0
2022	\$98,239	\$155,652	63.1 %	Medium	10.00 %	\$18,150	\$0	\$538	\$0
2023	\$116,926	\$176,481	66.3 %	Medium	10.00 %	\$19,965	\$0	\$583	\$21,054
2024	\$116,421	\$176,734	65.9 %	Medium	10.00 %	\$21,962	\$0	\$538	\$40,174
2025	\$98,746	\$157,801	62.6 %	Medium	3.35 %	\$22,697	\$0	\$552	\$0
2026	\$121,995	\$180,193	67.7 %	Medium	3.35 %	\$23,458	\$0	\$620	\$20,050
2027	\$126,023	\$183,135	68.8 %	Medium	3.35 %	\$24,243	\$0	\$658	\$13,493
2028	\$137,432	\$193,464	71.0 %	Low	3.35 %	\$25,056	\$0	\$752	\$0
2029	\$163,239	\$218,564	74.7 %	Low	3.35 %	\$25,895	\$0	\$883	\$0
2030	\$190,017	\$244,995	77.6 %	Low	3.35 %	\$26,762	\$0	\$964	\$22,220
2031	\$195,523	\$249,928	78.2 %	Low	3.35 %	\$27,659	\$0	\$1,011	\$15,186
2032	\$209,007	\$262,868	79.5 %	Low	3.35 %	\$28,586	\$0	\$1,119	\$0
2033	\$238,711	\$292,471	81.6 %	Low	3.35 %	\$29,543	\$0	\$1,270	\$0
2034	\$269,525	\$323,614	83.3 %	Low	3.35 %	\$30,533	\$0	\$1,414	\$5,243
2035	\$296,229	\$350,962	84.4 %	Low	3.35 %	\$31,556	\$0	\$1,509	\$21,842
2036	\$307,452	\$362,724	84.8 %	Low	3.35 %	\$32,613	\$0	\$1,458	\$65,707
2037	\$275,815	\$330,370	83.5 %	Low	3.35 %	\$33,705	\$0	\$1,467	\$0
2038	\$310,987	\$365,457	85.1 %	Low	3.35 %	\$34,834	\$0	\$1,637	\$3,570
2039	\$343,888	\$398,674	86.3 %	Low	3.35 %	\$36,001	\$0	\$1,765	\$19,237
2040	\$362,417	\$417,529	86.8 %	Low	3.35 %	\$37,207	\$0	\$1,673	\$94,347
2041	\$306,950	\$360,387	85.2 %	Low	3.35 %	\$38,454	\$0	\$1,635	\$0
2042	\$347,039	\$399,535	86.9 %	Low	3.35 %	\$39,742	\$0	\$1,642	\$78,504
2043	\$309,919	\$359,847	86.1 %	Low	3.35 %	\$41,073	\$0	\$1,561	\$38,025
2044	\$314,528	\$361,538	87.0 %	Low	3.35 %	\$42,449	\$0	\$1,635	\$19,193
2045	\$339,419	\$383,578	88.5 %	Low	3.35 %	\$43,871	\$0	\$1,204	\$242,340
2046	\$142,154	\$177,368	80.1 %	Low	3.35 %	\$45,341	\$0	\$786	\$15,850
2047	\$172,432	\$199,212	86.6 %	Low	3.35 %	\$46,860	\$0	\$920	\$24,369
2048	\$195,843	\$213,922	91.5 %	Low	3.35 %	\$48,430	\$0	\$910	\$76,868
2049	\$168,315	\$176,015	95.6 %	Low	3.35 %	\$50,052	\$0	\$969	\$0
2050	\$219,336	\$217,191	101.0 %	Low	3.35 %	\$51,729	\$0	\$1,128	\$40,132

Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$81,290	\$98,239	\$116,926	\$116,421	\$98,746
Annual Reserve Contribution	\$16,500	\$18,150	\$19,965	\$21,962	\$22,697
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$449	\$538	\$583	\$538	\$552
<b>Total Income</b>	<b>\$98,239</b>	<b>\$116,926</b>	<b>\$137,475</b>	<b>\$138,920</b>	<b>\$121,995</b>
# Component					
<b>Paved Surfaces</b>					
206 Concrete - Repair	\$0	\$0	\$0	\$0	\$0
209 Pavers - Replace	\$0	\$0	\$0	\$0	\$0
<b>Grounds</b>					
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
410 Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
416 Enclosure Gates - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
1832 Sump Pumps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Landscaping &amp; Irrigation</b>					
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controller - Replace	\$0	\$0	\$0	\$2,360	\$0
1009 Landscaping - Replenish	\$0	\$0	\$0	\$0	\$0
<b>Buildings</b>					
105 Elastomeric Deck - Resurface	\$0	\$0	\$0	\$0	\$0
106 Wood Deck - Replace/Rebuild	\$0	\$0	\$0	\$0	\$0
115 Stoop & Landing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Lights - Replace	\$0	\$0	\$9,065	\$0	\$0
503 Metal Rail & Gates - Repair/Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
1115 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$28,356	\$0
1116 Exterior Trim Surfaces - Repaint	\$0	\$0	\$11,988	\$0	\$0
1117 Exterior Surfaces - Caulk & Repair	\$0	\$0	\$0	\$9,458	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1318 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,054</b>	<b>\$40,174</b>	<b>\$0</b>
Ending Reserve Balance	\$98,239	\$116,926	\$116,421	\$98,746	\$121,995

<b>Fiscal Year</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Starting Reserve Balance	\$121,995	\$126,023	\$137,432	\$163,239	\$190,017
Annual Reserve Contribution	\$23,458	\$24,243	\$25,056	\$25,895	\$26,762
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$620	\$658	\$752	\$883	\$964
<b>Total Income</b>	<b>\$146,073</b>	<b>\$150,925</b>	<b>\$163,239</b>	<b>\$190,017</b>	<b>\$217,743</b>
<b># Component</b>					
<b>Paved Surfaces</b>					
206 Concrete - Repair	\$0	\$0	\$0	\$0	\$0
209 Pavers - Replace	\$0	\$0	\$0	\$0	\$0
<b>Grounds</b>					
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$3,386
410 Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
416 Enclosure Gates - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$9,942
1832 Sump Pumps - Replace	\$11,274	\$0	\$0	\$0	\$0
<b>Landscaping &amp; Irrigation</b>					
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controller - Replace	\$0	\$0	\$0	\$0	\$0
1009 Landscaping - Replenish	\$8,776	\$0	\$0	\$0	\$0
<b>Buildings</b>					
105 Elastomeric Deck - Resurface	\$0	\$0	\$0	\$0	\$4,658
106 Wood Deck - Replace/Rebuild	\$0	\$0	\$0	\$0	\$4,234
115 Stoop & Landing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Rail & Gates - Repair/Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
1115 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Exterior Trim Surfaces - Repaint	\$0	\$13,493	\$0	\$0	\$0
1117 Exterior Surfaces - Caulk & Repair	\$0	\$0	\$0	\$0	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1318 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$20,050</b>	<b>\$13,493</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,220</b>
<b>Ending Reserve Balance</b>	<b>\$126,023</b>	<b>\$137,432</b>	<b>\$163,239</b>	<b>\$190,017</b>	<b>\$195,523</b>

<b>Fiscal Year</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>
Starting Reserve Balance	\$195,523	\$209,007	\$238,711	\$269,525	\$296,229
Annual Reserve Contribution	\$27,659	\$28,586	\$29,543	\$30,533	\$31,556
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,011	\$1,119	\$1,270	\$1,414	\$1,509
<b>Total Income</b>	<b>\$224,193</b>	<b>\$238,711</b>	<b>\$269,525</b>	<b>\$301,471</b>	<b>\$329,293</b>
<b># Component</b>					
<b>Paved Surfaces</b>					
206 Concrete - Repair	\$0	\$0	\$0	\$0	\$0
209 Pavers - Replace	\$0	\$0	\$0	\$0	\$4,750
<b>Grounds</b>					
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
410 Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
416 Enclosure Gates - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
1832 Sump Pumps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Landscaping &amp; Irrigation</b>					
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controller - Replace	\$0	\$0	\$0	\$0	\$0
1009 Landscaping - Replenish	\$0	\$0	\$0	\$0	\$0
<b>Buildings</b>					
105 Elastomeric Deck - Resurface	\$0	\$0	\$0	\$0	\$0
106 Wood Deck - Replace/Rebuild	\$0	\$0	\$0	\$0	\$0
115 Stoop & Landing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Rail & Gates - Repair/Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$5,243	\$0
1115 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Exterior Trim Surfaces - Repaint	\$15,186	\$0	\$0	\$0	\$17,092
1117 Exterior Surfaces - Caulk & Repair	\$0	\$0	\$0	\$0	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1318 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$15,186</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,243</b>	<b>\$21,842</b>
<b>Ending Reserve Balance</b>	<b>\$209,007</b>	<b>\$238,711</b>	<b>\$269,525</b>	<b>\$296,229</b>	<b>\$307,452</b>

<b>Fiscal Year</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>
Starting Reserve Balance	\$307,452	\$275,815	\$310,987	\$343,888	\$362,417
Annual Reserve Contribution	\$32,613	\$33,705	\$34,834	\$36,001	\$37,207
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,458	\$1,467	\$1,637	\$1,765	\$1,673
<b>Total Income</b>	<b>\$341,522</b>	<b>\$310,987</b>	<b>\$347,458</b>	<b>\$381,655</b>	<b>\$401,298</b>
<b># Component</b>					
<b>Paved Surfaces</b>					
206 Concrete - Repair	\$0	\$0	\$0	\$0	\$25,689
209 Pavers - Replace	\$0	\$0	\$0	\$0	\$0
<b>Grounds</b>					
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
410 Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$26,741
416 Enclosure Gates - Replace	\$0	\$0	\$0	\$0	\$24,374
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
1832 Sump Pumps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Landscaping &amp; Irrigation</b>					
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$5,024
1003 Irrigation Controller - Replace	\$0	\$0	\$3,570	\$0	\$0
1009 Landscaping - Replenish	\$11,794	\$0	\$0	\$0	\$0
<b>Buildings</b>					
105 Elastomeric Deck - Resurface	\$0	\$0	\$0	\$0	\$0
106 Wood Deck - Replace/Rebuild	\$0	\$0	\$0	\$0	\$0
115 Stoop & Landing - Repair/Replace	\$0	\$0	\$0	\$0	\$12,520
324 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Rail & Gates - Repair/Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
1115 Exterior Surfaces - Repaint	\$40,429	\$0	\$0	\$0	\$0
1116 Exterior Trim Surfaces - Repaint	\$0	\$0	\$0	\$19,237	\$0
1117 Exterior Surfaces - Caulk & Repair	\$13,484	\$0	\$0	\$0	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1318 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$65,707</b>	<b>\$0</b>	<b>\$3,570</b>	<b>\$19,237</b>	<b>\$94,347</b>
Ending Reserve Balance	\$275,815	\$310,987	\$343,888	\$362,417	\$306,950

<b>Fiscal Year</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>
Starting Reserve Balance	\$306,950	\$347,039	\$309,919	\$314,528	\$339,419
Annual Reserve Contribution	\$38,454	\$39,742	\$41,073	\$42,449	\$43,871
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,635	\$1,642	\$1,561	\$1,635	\$1,204
<b>Total Income</b>	<b>\$347,039</b>	<b>\$388,423</b>	<b>\$352,553</b>	<b>\$358,612</b>	<b>\$384,494</b>
<b># Component</b>					
<b>Paved Surfaces</b>					
206 Concrete - Repair	\$0	\$0	\$0	\$0	\$0
209 Pavers - Replace	\$0	\$0	\$0	\$0	\$0
<b>Grounds</b>					
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
410 Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
416 Enclosure Gates - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
1832 Sump Pumps - Replace	\$0	\$0	\$0	\$19,193	\$0
<b>Landscaping &amp; Irrigation</b>					
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controller - Replace	\$0	\$0	\$0	\$0	\$0
1009 Landscaping - Replenish	\$0	\$0	\$0	\$0	\$0
<b>Buildings</b>					
105 Elastomeric Deck - Resurface	\$0	\$0	\$0	\$0	\$0
106 Wood Deck - Replace/Rebuild	\$0	\$0	\$0	\$0	\$0
115 Stoop & Landing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Lights - Replace	\$0	\$0	\$16,373	\$0	\$0
503 Metal Rail & Gates - Repair/Replace	\$0	\$78,504	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
1115 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Exterior Trim Surfaces - Repaint	\$0	\$0	\$21,652	\$0	\$0
1117 Exterior Surfaces - Caulk & Repair	\$0	\$0	\$0	\$0	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$195,758
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$40,758
1318 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$5,824
<b>Total Expenses</b>	<b>\$0</b>	<b>\$78,504</b>	<b>\$38,025</b>	<b>\$19,193</b>	<b>\$242,340</b>
Ending Reserve Balance	\$347,039	\$309,919	\$314,528	\$339,419	\$142,154



<b>Fiscal Year</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>
Starting Reserve Balance	\$142,154	\$172,432	\$195,843	\$168,315	\$219,336
Annual Reserve Contribution	\$45,341	\$46,860	\$48,430	\$50,052	\$51,729
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$786	\$920	\$910	\$969	\$1,128
<b>Total Income</b>	<b>\$188,282</b>	<b>\$220,212</b>	<b>\$245,183</b>	<b>\$219,336</b>	<b>\$272,194</b>
# Component					
<b>Paved Surfaces</b>					
206 Concrete - Repair	\$0	\$0	\$0	\$0	\$0
209 Pavers - Replace	\$0	\$0	\$0	\$0	\$0
<b>Grounds</b>					
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$6,115
410 Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
416 Enclosure Gates - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$17,957
1832 Sump Pumps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Landscaping &amp; Irrigation</b>					
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controller - Replace	\$0	\$0	\$0	\$0	\$0
1009 Landscaping - Replenish	\$15,850	\$0	\$0	\$0	\$0
<b>Buildings</b>					
105 Elastomeric Deck - Resurface	\$0	\$0	\$0	\$0	\$8,413
106 Wood Deck - Replace/Rebuild	\$0	\$0	\$0	\$0	\$7,647
115 Stoop & Landing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Rail & Gates - Repair/Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
1115 Exterior Surfaces - Repaint	\$0	\$0	\$57,642	\$0	\$0
1116 Exterior Trim Surfaces - Repaint	\$0	\$24,369	\$0	\$0	\$0
1117 Exterior Surfaces - Caulk & Repair	\$0	\$0	\$19,225	\$0	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1318 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$15,850</b>	<b>\$24,369</b>	<b>\$76,868</b>	<b>\$0</b>	<b>\$40,132</b>
Ending Reserve Balance	\$172,432	\$195,843	\$168,315	\$219,336	\$232,061



## 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

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area). Equivalent to Square Feet
<b>GSY</b>	Gross Square Yards (area). Equivalent to Square Yards
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)
<b>Effective Age</b>	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
<b>Fully Funded Balance (FFB)</b>	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.
<b>Inflation</b>	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.
<b>Interest</b>	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.
<b>Percent Funded</b>	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.
<b>Remaining Useful Life (RUL)</b>	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
<b>Useful Life (UL)</b>	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 Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The Component Details 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) The 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 (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”. 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.

## Paved Surfaces

**Comp #: 202 Asphalt - Remove & Replace****Quantity: Approx 2,600 GSF**

Location: Entrance drive

Funded?: No. We were informed by the Management that the asphalt is the responsibility of the City. No Reserve funding allocated.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 203 Asphalt - Seal/Repair****Quantity: Approx 2,600 GSF**

Location: Entrance drive

Funded?: No. We were informed by the Management that the asphalt is the responsibility of the City. No Reserve funding allocated.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 206 Concrete - Repair****Quantity: Approx 2,440 GSF x 25%**

Location: Concrete driveway and walkways

Funded?: Yes.

History:

Comments: Inspect all areas periodically to identify any areas of major damage or safety issues.

Useful Life: 30 years

Remaining Life: 19 years

Best Case: \$ 13,000

Worst Case: \$16,300

Lower allowance to repair

Higher allowance to repair

Cost Source: ARSF Cost Database

**Comp #: 209 Pavers - Replace****Quantity: Approx 500 GSF x 15%**

Location: South perimeter walkway

Funded?: Yes.

History:

Comments: Inspect the paver system regularly to identify any physical issues such as lifting, cracking, and excessive surface wear.

Useful Life: 25 years

Remaining Life: 14 years

Best Case: \$ 2,810

Worst Case: \$3,470

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

## Grounds

**Comp #: 403 Mailboxes - Replace****Quantity: (1) Kiosk**

Location: Corner of Cuesta Drive and Tyndall Street

Funded?: Yes.

History: Manufacture Date - 2010

Comments: As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget.

Useful Life: 20 years

Remaining Life: 9 years

Best Case: \$ 2,380

Worst Case: \$2,810

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 410 Enclosures - Repair/Replace****Quantity: (2) Enclosures**

Location: Trash and gas meter enclosures

Funded?: Yes.

History:

Comments: We recommend periodic cleaning of trash enclosure surfaces to help maintain an overall appearance and functionality.

Useful Life: 30 years

Remaining Life: 19 years

Best Case: \$ 13,900

Worst Case: \$16,600

Lower allowance to repair/replace

Higher allowance to repair/replace

Cost Source: ARSF Cost Database

**Comp #: 416 Enclosure Gates - Replace****Quantity: (4) Gates**

Location: Trash and gas meter enclosures

Funded?: Yes.

History:

Comments: Trash gates should be cleaned and inspected regularly, and repaired as needed to ensure safety and good function. Due to exposed location and occasional damage from garbage trucks, trash gates generally require replacement at the interval shown here.

Useful Life: 30 years

Remaining Life: 19 years

Best Case: \$ 12,400

Worst Case: \$15,400

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 505 Wood Fence - Replace****Quantity: Approx 130 LF**

Location: South perimeter of the association

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. Regular cycles of uniform, professional sealing/painting will help to maintain appearance and maximize life. Plan to replace at roughly the time frame below with funding included here for similar wood fence replacement.

Useful Life: 20 years

Remaining Life: 9 years

Best Case: \$ 6,810

Worst Case: \$8,430

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 1832 Sump Pumps - Replace****Quantity: (2) Pumps**

Location: Panel located in utility closet and pumps in driveway

Funded?: Yes.

History:

Comments: Should be inspected regularly and repaired as-needed by serving vendor or maintenance staff to ensure proper function and optimal performance.

Useful Life: 18 years

Remaining Life: 5 years

Best Case: \$ 8,650

Worst Case: \$10,800

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

## Landscaping & Irrigation

**Comp #: 1001 Backflow Devices - Replace****Quantity: (1) Device**

Location: Corner of Cuesta Drive and Tyndall Street

Funded?: Yes.

History:

Comments: We recommend periodic inspection by a licensed professional to ensure the device is functioning properly.

Useful Life: 30 years

Remaining Life: 19 years

Best Case: \$ 2,590

Worst Case: \$3,140

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp #: 1003 Irrigation Controller - Replace****Quantity: (1) Controller**

Location: Utility closet adjacent to trash enclosure

Funded?: Yes.

History:

Comments: We recommend regular inspection and testing by a professional landscape vendor to help ensure the irrigation system continues to function properly. Funding for replacement at the interval below.

Useful Life: 14 years

Remaining Life: 3 years

Best Case: \$ 1,940

Worst Case: \$2,380

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

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**Comp #: 1008 Trees - Trim/Remove****Quantity: Tree Trimming/Removal**

Location: Common area landscaping

Funded?: No. Trimming handled out of the Operating budget. No Reserve funding allocated.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

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**Comp #: 1009 Landscaping - Replenish****Quantity: Replenishment**

Location: Common area landscaping

Funded?: Yes.

History: Bark replenishment was done recently in 2021.

Comments: Although typically funded as ongoing maintenance item, this component may be utilized for setting aside funds for larger expenses that do not occur on an annual basis, such as large scale plantings, resodding lawn areas, bark/mulch replenishment, etc. Adjust as conditions, actual expense patterns dictate within future reserve study updates.

Useful Life: 10 years

Remaining Life: 5 years

Best Case: \$ 6,490

Worst Case: \$8,650

Lower allowance to replenish

Higher allowance to replenish

Cost Source: ARSF Cost Database

## Buildings

**Comp #: 104 Elastomeric Deck - Seal/Repair****Quantity: Approx 50 GSF**

Location: Building exterior surfaces

Funded?: No. The project cost estimate is below a minimum threshold. No Reserve funding allocated.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

---

**Comp #: 105 Elastomeric Deck - Resurface****Quantity: Approx 50 GSF**

Location: Building exterior surfaces

Funded?: Yes.

History:

Comments: As part of ongoing maintenance program, inspect regularly for any damage/deterioration. We recommend ongoing evaluations of all elevated decks by a qualified decking or waterproofing contractor to assess overall condition and performance of system components.

Useful Life: 20 years

Remaining Life: 9 years

Best Case: \$ 3,240

Worst Case: \$3,900

Lower allowance to resurface

Higher allowance to resurface

Cost Source: ARSF Cost Database

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**Comp #: 106 Wood Deck - Replace/Rebuild****Quantity: Approx 50 GSF**

Location: Building exterior surfaces

Funded?: Yes.

History:

Comments: As part of ongoing maintenance program, inspect regularly for any damage/deterioration. We recommend ongoing evaluations of all elevated decks by a qualified decking or waterproofing contractor to assess overall condition and performance of system components.

Useful Life: 20 years

Remaining Life: 9 years

Best Case: \$ 2,920

Worst Case: \$3,570

Lower allowance to replace/rebuild

Higher allowance to  
replace/rebuild

Cost Source: ARSF Cost Database

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**Comp #: 115 Stoop & Landing - Repair/Replace****Quantity: Approx 850 GSF x 20%**

Location: Unit entrance stoop and landings

Funded?: Yes.

History:

Comments: We recommended inspection and evaluations by a licensed professional contractor to help ensure stairs and landings are aging properly and structurally intact.

Useful Life: 30 years

Remaining Life: 19 years

Best Case: \$ 6,490

Worst Case: \$7,790

Lower allowance to repair/replace

Higher allowance to  
repair/replace

Cost Source: ARSF Cost Database

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**Comp #: 324 Exterior Lights - Replace****Quantity: (24) Wall Lights**

Location: Building exterior surfaces

Funded?: Yes.

History:

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

Useful Life: 20 years

Remaining Life: 2 years

Best Case: \$ 7,790

Worst Case: \$9,300

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database



**Comp #: 503 Metal Rail & Gates - Repair/Replace****Quantity: Approx 405 LF, (5) Gates**

Location: Building exterior surfaces; patio railing, balcony railing and ADA walkway hand railing

Funded?: Yes.

History:

Comments: Inspect regularly to ensure stability of fencing. Durable and typically long lived component with ordinary care and maintenance, however, we recommend setting aside

Useful Life: 32 years

Remaining Life: 21 years

Best Case: \$ 37,900

Worst Case: \$46,500

Lower allowance to repair/replace

Higher allowance to repair/replace

Cost Source: ARSF Cost Database

**Comp #: 701 Unit Doors - Replace****Quantity: (29) Doors**

Location: Building exterior surfaces; entrance, garage, patios and balconies

Funded?: No. This is the responsibility of the unit owner. No Reserve funding allocated.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 703 Utility Doors - Replace****Quantity: (2) Utility Doors**

Location: Building exterior surfaces adjacent to trash enclosure

Funded?: Yes.

History:

Comments: Inspect regularly, repair hardware as needed from maintenance budget. Clean and paint along with other building surfaces.

Useful Life: 24 years

Remaining Life: 13 years

Best Case: \$ 3,240

Worst Case: \$3,900

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 1115 Exterior Surfaces - Repaint****Quantity: Approx 9,750 GSF**

Location: Building exterior surfaces

Funded?: Yes.

History:

Comments: Painting is recommended every 10-12 years to preserve the exterior building surfaces and maintain appearance.

Useful Life: 12 years

Remaining Life: 3 years

Best Case: \$ 23,800

Worst Case: \$28,100

Lower allowance to repaint

Higher allowance to repaint

Cost Source: ARSF Cost Database

**Comp #: 1116 Exterior Trim Surfaces - Repaint****Quantity: Trim Surfaces**

Location: Building exterior surfaces; wood and metal surfaces

Funded?: Yes.

History: Repainted - 2018

Comments: We recommend painting wood surfaces every 4-6 years to prevent rot and natural deterioration.

Useful Life: 4 years

Remaining Life: 2 years

Best Case: \$ 10,200

Worst Case: \$12,400

Lower allowance to repaint

Higher allowance to repaint

Cost Source: Cost History, plus Inflation

**Comp #: 1117 Exterior Surfaces - Caulk & Repair****Quantity: Approx 9,750 GSF x 10%**

Location: Building exterior surfaces

Funded?: Yes.

History:

Comments: Funding is recommended for partial replacement of wood due to potential for termite damage, wood rot, and natural deterioration. Coordinate with painting for cost efficiency purposes.

Useful Life: 12 years

Remaining Life: 3 years

Best Case: \$ 7,900

Worst Case: \$9,410

Lower allowance to caulk &amp; repair

Higher allowance to caulk &amp; repair

Cost Source: ARSF Cost Database

**Comp #: 1305 Tile Roof - Replace Underlayment****Quantity: Approx 9,000 GSF**

Location: Building roofs

Funded?: Yes.

History:

Comments: We recommend periodic inspection by a licensed professional to ensure the roof is aging properly.

Useful Life: 35 years

Remaining Life: 24 years

Best Case: \$ 87,600

Worst Case: \$105,000

Lower allowance to replace underlayment

Higher allowance to replace underlayment

Cost Source: ARSF Cost Database

**Comp #: 1312 Gutters/Downspouts - Replace****Quantity: Approx 1,205 LF**

Location: Perimeter of buildings

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: 35 years

Remaining Life: 24 years

Best Case: \$ 18,300

Worst Case: \$21,800

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 1318 Chimney Caps - Replace****Quantity: (8) Chimney Caps**

Location: Building roof

Funded?: Yes.

History:

Comments: As routine maintenance, inspect and clean during roof maintenance. Repair locally as needed. Assuming proactive maintenance, plan for total replacement at roughly the time frame indicated below.

Useful Life: 35 years

Remaining Life: 24 years

Best Case: \$ 2,590

Worst Case: \$3,140

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database