



ASSOCIATION  
RESERVES®

*Planning For The Inevitable*

## Reserve Studies for Community Associations



# About Us

[www.reservestudy.com](http://www.reservestudy.com)

Each Year,  
Thousands of Managers,  
Board Members,  
and Facility Directors  
Trust us to Create their  
Reserve Funding Plans

**38+**

YEARS  
EXPERIENCE

**90,000**

RESERVE STUDIES  
COMPLETED

**\$14.2**

BILLION FUNDING  
GUIDANCE PROVIDED

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# INTRODUCTION

Association Reserves is the nationwide leader in Reserve Study preparation. Established in 1986, Association Reserves has been instrumental in defining and advocating the National Reserve Study Standards endorsed by the Community Associations Institute (CAI). In our 38 plus years in business, our firm has completed over 90,000 Reserve Studies for properties of all types, including condominium and homeowners associations, community development districts, timeshare and resort properties, commercial facilities, camps, retreat centers, schools, worship facilities, municipalities and more. Our clients range from small, boutique condo properties to large master associations representing tens of thousands of owners.



Each Reserve Study is conducted with special consideration for the unique characteristics of the client property, including age, regional weather patterns, local pricing factors, and input from the Manager and Board of Directors. Our time-tested approach involves thorough research of all key factors, especially project history, projected useful life and cost data, and aesthetic standards in the local area.



Founder and CEO Robert M. Nordlund is a Professional Engineer, CAI Reserve Specialist® (#5), and former board president of his own 71-unit homeowners association. He obtained his bachelor's degree from the University of Washington in Mechanical Engineering, and is a member of the prestigious engineering honor society Tau Beta Pi. In addition, he is a past Chairman of CAI's Reserve Professionals Committee, past President of the Association of Professional Reserve Analysts (APRA), past President of CAI's Greater Los Angeles Chapter, and a frequent speaker in industry-sponsored seminars and presentations throughout the United States.

Association Reserves serves the reserve planning needs of Association-governed communities from nineteen regional offices located throughout the United States. Staffed with credentialed Reserve Specialists, we carry worker's compensation, automobile liability and general liability insurance, and will gladly provide certificates upon request.







# OUR TEAM



**Robert Nordlund, PE, RS**  
Founder and CEO



**Cathy Schrader, PE**  
CMO/CFO



**Paige Schauermann**  
Director of Marketing



**David Whann**  
Director of Operations



**DJ Vlaming, RS**  
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Serving Arizona & Mexico



**Sean Kargari, RS**  
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Serving California - LA County,  
Hawaii & Nevada



**Sean Andersen, RS**  
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Serving California - Orange County,  
Inland Empire & Coachella Valley



**Matthew Swain, RS**  
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**Will Simons, RS**  
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**Mark Bradley**  
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**Chip Munday, LSM, PCAM**  
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**Co-Lee Grev, AMS, PCAM, RS**  
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President  
Serving Texas, Arkansas,  
& Oklahoma



**Brian Weaver, PCAM**  
President  
Serving the Tri-State Area



**Jim Talaga, RS**  
President  
Serving Washington & the  
Pacific Northwest

# FREQUENTLY ASKED QUESTIONS

## WHAT'S A RESERVE STUDY?

A Reserve Study is a tool used by Association-governed communities to help plan financially for major common area repair & replacement projects.

We offer three levels of professional Reserve Study Services:



All of our studies cover a one year period, corresponding to the Association's current or upcoming fiscal year. Every study contains three key results:

**1. A RESERVE COMPONENT LIST**  
detailing the scope & schedule of all repair & replacement projects

**2. A CALCULATION OF RESERVE FUND STRENGTH (% FUNDED)**  
that measures how well the Reserve Fund has kept pace with ongoing common area deterioration

**3. A CUSTOM 30-YEAR RESERVE FUNDING PLAN**  
that allows for timely repairs & replacements, with an emphasis on avoiding Special Assessments

# FREQUENTLY ASKED QUESTIONS

## WHAT TYPES OF PROJECTS OR COMPONENTS ARE INCLUDED IN A RESERVE STUDY?

Our firm helped establish the National Reserve Study Standards, which specify the following four-part test for whether a certain project qualifies for reserve funding:

- #1. MUST BE THE ASSOCIATION’S RESPONSIBILITY
- #2. THE PROJECT'S NEED AND SCHEDULE CAN BE REASONABLY ANTICIPATED
- #3. THE TOTAL COST FOR THE PROJECT IS MATERIAL IN SIZE AND CAN BE REASONABLY ESTIMATED (AND IS TO INCLUDE ALL DIRECT AND RELATED COSTS)

We typically recommend reserve funding for projects such as: asphalt resurfacing, deck sealing and restoration, elevator modernization, interior/amenity area remodeling, major mechanical systems (fire alarm, hot water, HVAC, etc.), painting/waterproofing, pool and spa expenses, roof replacement, and many more. Since every property is unique, every Component List will be different.

## HOW LONG DOES THE PROCESS TAKE?

Turnaround times vary by office, but in general we offer three options: Rush (2-weeks), Standard (5-weeks), and Economy (8-weeks). The timeframe begins when we receive your signed Agreement, 50% deposit, and other documents of significance.





## FREQUENTLY ASKED QUESTIONS



### ARE RESERVE STUDIES REALLY THAT IMPORTANT?

Absolutely. It's fairly easy to plan and prepare for recurring operating costs like management fees, insurance premiums, landscaping contracts, and utilities, but what about the projects and expenses that DON'T happen every year? That's our specialty...identifying and forecasting reserve projects that are certain to occur, but are often overlooked or underestimated. There's no question that setting aside Reserve funds over a long period of time is the simplest, most cost-effective, and most responsible way to plan for major repair & replacement projects. The work will need to be done in a timely manner; it's up to the association to plan accordingly.

Without adequate Reserves, associations will face the unpleasant consequence of taking out costly loans, or passing special assessments, or worst, accept a drop in home values due to deteriorating conditions, deferred maintenance, and reduced curb appeal. A current, reliable Reserve Study is the first step toward long-term financial strength for every association. The absence of a current Reserve Study has serious consequences for every stakeholder:

- Managers are unable to lead the association to a better future.
- Boardmembers are unprepared and open to liability
- Homeowners are caught off guard with surprise Special Assessments

A current, reliable Reserve Study is a hallmark of well-managed associations, and an important part of a the Board's fiduciary duty to act in the best interest of their association members.



# WHAT'S THE PROCESS?

## 1. PRELIMINARY RESEARCH AND SCHEDULING

- Project Manager is assigned to the job
- Background information is collected
- Site inspection is scheduled (if necessary)

## 2. SITE INSPECTION (AS NECESSARY)

- Project Manager meets with a representative of the association to ask preliminary questions
- Physical inspection of the property that includes photographing, measuring, and taking notes on all common area assets or areas that need to be included
- Time on site is dependent on size of association and amount of common area assets
- "Full" Reserve Studies will require more time on-site due to first time measurements

## 3. FOLLOW UP RESEARCH

- Your Project Manager organizes and interprets the raw data gathered during the site inspection, reviews measurements, notes and photographs
- The component list is established, along with life and cost estimates
  - We use historical information provided by the clients\*, review any bids or estimates for upcoming work, contact current vendors if necessary, reference a construction estimating software and use our database of "actual" client projects in your area

\*Including other available reports (structural, electrical, plumbing, etc.)

## 4. REPORT PREPARATION & DELIVERY

- Your Project Manager reviews the current financials to calculate Reserve Fund Strength and create a Funding Plan recommendation
- The final Reserve Study is completed.
- All Reserve Study related files are posted online for password-protected 24/7 access throughout the duration of your fiscal year
- Client is given access to our online funding software, uPlanIt for the remainder of the budget season to evaluate various "What if?" scenarios.



## THE OAKS AT CALABASAS

- Reserves dropped \$400,000 in 2006 to \$40,000 at the end of 2007
- The board had dipped into Reserves for operating purposes without paying back the Reserves
- The previous HOA president misallocated funds, overpaid for service contracts, and approved inappropriate deals within the HOA
- The association worked with Association Reserves to create a plan to get them back on track that included a raise in assessments
- Robert Nordlund assisted the homeowners in a lawsuit against the HOA that supported the financial decisions moving forward
- Facts, analysis, and explanations provided by Association Reserves helped The Oaks at Calabasas rebuild trust with it's homeowners



## MATER DOLOROSA RETREAT CENTER



- Like many institutions, Mater Dolorosa took a casual approach to maintenance funding with no plan in place
- Management & board decided to invest in a Reserve Study conducted by Association Reserves
- After outlining all of Mater Dolorosa's components, it was found that the retreat center was hundreds of thousands behind in what was needed to successfully repair and replace on time
- Mater Dolorosa has now been fully funded for years, thanks to a clear plan laid out by their Reserve Study

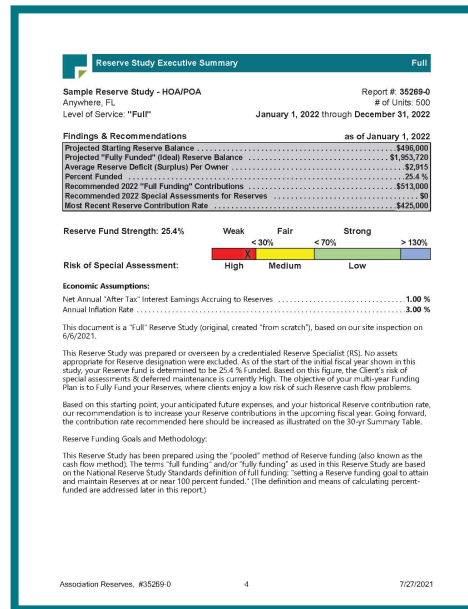
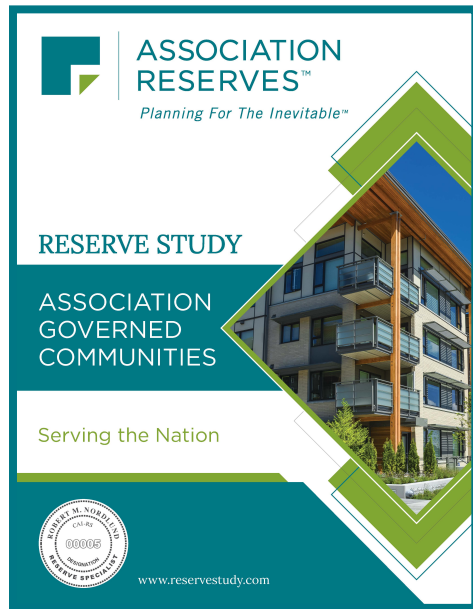
## MISSION DEL ORO HOA

- Mission Del Oro was in the unfortunate situation of being involved with a builder lawsuit and needing structural fixes
- Some funds were received from the lawsuit, but the association used existing Reserve funds to cover the costs not reimbursed by the lawsuit
- The 2008 recession hit the association hard and a special assessment was looming - the association was barely over 30% funded
- Armed with an Association Reserves Reserve Study, the board was able to prioritize projects and complete money saving upgrades
- Since 2008, Mission Del Oro has steadily increased to levels consistently over 70% funded with low risk of special assessments



# WHAT CAN I EXPECT TO SEE IN MY RESERVE STUDY?

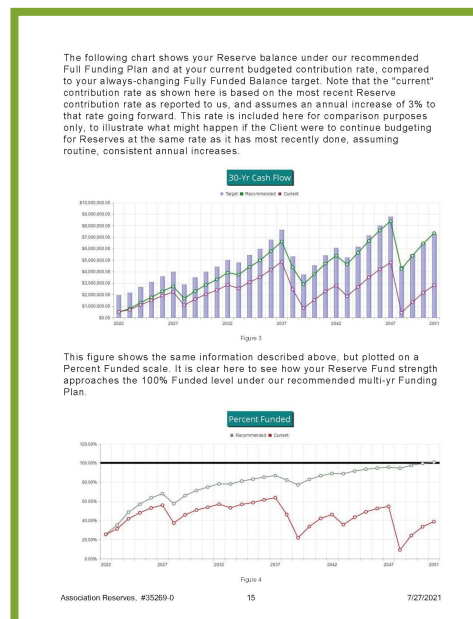
Simple, easy-to-read summary of recommendations, with a clear,  
organized listing of Reserve components.



Executive Summary Table Report # 35289-0 Full

| # Component                             | Useful Life (yrs) | Rem. Useful Life (yrs) | Current Average Cost |
|-----------------------------------------|-------------------|------------------------|----------------------|
| <b>Site and Grounds</b>                 |                   |                        |                      |
| 2107 Concrete Schedules - Repair        | 4                 | 0                      | \$20,200             |
| 2110 Pavers (Roadways) - Replace        | 40                | 35                     | \$175,500            |
| 2120 Pavers (Walkways) - Replace        | 40                | 35                     | \$33,250             |
| 2123 Asphalt - Seal/Repair              | 4                 | 5                      | \$125,500            |
| 2125 Asphalt - Resurfacing              | 20                | 18                     | \$1,220,000          |
| 2137 Site Fencing (Metal) - Replace     | 25                | 20                     | \$23,100             |
| 2145 Entry/Exit Gates - Replace         | 25                | 20                     | \$19,950             |
| 2150 Fountain/Water Feature - Refurbish | 10                | 5                      | \$137,000            |
| 2157 Planter/Planters - Repair/Plant    | 7                 | 2                      | \$84,168             |
| 2168 Mailboxes (Wood) - Replace         | 20                | 15                     | \$95,300             |
| 2169 Sign/Monument - Refurbish/Replace  | 20                | 15                     | \$40,450             |
| 2175 Site Pole Lights - Replace         | 25                | 20                     | \$174,000            |
| 2181 Outdoor Site Furniture - Replace   | 15                | 10                     | \$30,250             |
| <b>Building Exterior</b>                |                   |                        |                      |
| 2307 Awnings (Door/Entry) - Replace     | 10                | 5                      | \$4,370              |
| 2308 Shade/Canopy - Replace             | 10                | 5                      | \$171,500            |
| 2343 Building Exterior - Seal/Paint     | 7                 | 1                      | \$15,700             |
| 2367 Windows & Doors (Common) - Replace | 40                | 35                     | \$44,000             |
| 2377 Roofs (Mod. Shingles) - Replace    | 20                | 15                     | \$34,150             |
| 2383 Roofs (Flat) - Replace             | 25                | 20                     | \$420,500            |
| <b>Mechanical/Electrical/Plumbing</b>   |                   |                        |                      |
| 2501 Intercom/Entry Systems - Replace   | 10                | 5                      | \$3,825              |
| 2507 Barcode Readers - Replace          | 10                | 5                      | \$20,250             |
| 2508 Gate Operators - Replace           | 10                | 5                      | \$14,800             |
| 2511 Barrier Arm Operators - Replace    | 10                | 5                      | \$41,800             |
| 2519 Vibration/Lift - Replace           | 30                | 25                     | \$11,470             |
| 2522 HVAC System (Clubhouse) - Replace  | 15                | 10                     | \$445,900            |
| 2522 HVAC System (Gardhouse) - Replace  | 15                | 9                      | \$2,405              |
| 2522 HVAC System (Pro Shop) - Replace   | 15                | 9                      | \$3,170              |
| 2543 Security Cameras - Upgrade/Replace | 10                | 5                      | \$28,450             |
| 2549 Generator - Replace                | 40                | 35                     | \$114,850            |
| 2557 Fire Alarm System - Modernize      | 20                | 15                     | \$28,450             |
| 2585 Irrigation Pump Stations - Replace | 20                | 15                     | \$339,000            |
| 2587 Irrigation Controllers - Replace   | 15                | 10                     | \$18,950             |
| 2595 Pond Fountains - Replace           | 10                | 5                      | \$31,700             |
| 2598 Golf Carts - Replace               | 10                | 5                      | \$14,200             |

Clubhouse  
Association Reserves, #35289-0 6 7/27/2021



Large, color-coded  
charts and tables to  
illustrate long-term  
implications

## HERE'S A SAMPLE OF OUR INVENTORY APPENDIX PAGES.

We devote a half-page summary to every single component included in your Reserve Study.

Useful Life & Remaining Useful Life Estimates

Full Color Photographs

Descriptive, detailed commentary

Accurate cost estimates, and description of information source

**Comp #: 2787 Pool Equipment - Maintain/Replace** **Quantity: Numerous Components**

Location: Enclosures adjacent to pool deck  
Funded?: Yes.  
History:  
Comments: Includes (2) 1.5-HP pumps, (4) 7.5-HP pumps, (3) 1-HP pumps, (1) 3-HP pump, (1) 2-HP pump, and numerous standard grid filters. Pool and spa pumps, filters and other miscellaneous equipment can be repaired or replaced for relatively low cost in most cases. However, if multiple repairs or replacements are required at the same time, then it may be warranted to use Reserve funds for these expenses. An allowance for ongoing projects is recommended here based on our experience with other properties.

Useful Life:  
5 years

Remaining Life:  
0 years



Best Case: \$ 3,280

Worst Case: \$ 5,460

Lower allowance to repair/replace equipment Higher allowance

Cost Source: AR Cost Database

**Comp #: 2812 Tennis Courts (Har-Tru) - Resurface** **Quantity: (8) Courts**

Location: Tennis courts  
Funded?: Yes.  
History:  
Comments: Har-Tru (sometimes called "American clay") courts must be resurfaced periodically to restore adequate slope and depth of playing surface. Recommended project involves the use of grading equipment to remove excess material from downslope areas and addition of material to upslope areas. Project also includes removal and replacement of playing lines. Ideal surface depth is 1", with a 1" in 30' slope to allow for proper drainage. Costs can vary depending on amount of re-sloping required, along with any other repairs needed to restore good playing surface. If done on a regular, recommended interval, there should be no need for more substantial projects. Maintenance and repair costs for court irrigation systems should be considered an Operating expense.

Useful Life:  
5 years

Remaining Life:  
0 years



Best Case: \$ 43,700

Worst Case: \$ 52,400

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Association Reserves, #35269-0

85

7/27/2021



## WHY SHOULD WE CHOOSE ASSOCIATION RESERVES?

We started in this business in 1986, and have since conducted over 80,000 Reserve Studies nationwide, as well as many international projects. In that time, we've inspected properties of all shapes and sizes, from small, boutique condo associations to sprawling CDDs and HOAs. Our staff members earn and maintain the Reserve Specialist® credential administered by the Community Associations Institute (CAI), the international authority on all aspects of community association living. We don't take a one-size-fits-all approach to our work, because we know that every association is different, and we take the time and care to ensure our results will help you to make wise decisions regarding the long-term care of your physical and financial assets. From our first phone call to final delivery of your study, we hold ourselves to the highest standards of professionalism. We pride ourselves on delivering a first-rate product, because we know you're putting your trust in our hands. That's why the vast majority of our clients come back to us year after year for updates, building a relationship that lasts for decades.

1986

YEAR  
STARTED

90,000+

RESERVE STUDIES  
COMPLETED

\$ 14.2

BILLION FUNDING  
GUIDANCE PROVIDED

## WHAT'S THE NEXT STEP?

You can request a Reserve Study Proposal online and expect to receive a bid letter and agreement within 2-3 days .

If you'd like us to get started, just sign the Agreement and return it to us by mail, fax, or email, along with your 50% deposit. We'll let you know what else we need to get started on your study and (if necessary) contact you to schedule your site inspection.

## IF YOU HAVE ANY OTHER QUESTIONS, DON'T HESITATE TO CONTACT US ANYTIME!

**RESERVESTUDY.COM**

 <https://www.reservestudy.com/>

 Office: (800) 733-1365

 Fax: (800) 733-1581



## REFERENCES AND TESTIMONIALS

You don't get to be in business for over 37 years without building a great reputation. Here's what some of our clients have had to say about us recently:

"As the owner of a fairly large property management company, I have been using Association Reserves since the firm was founded. Excellent staff, timely responses, easy to understand reports, and changing reports has never been problematic! I cannot recommend Association Reserves highly enough."

"Association Reserves provides incredible service, knowledge and professionalism. "

"Until now, I had yet to see a Reserve Study whose overview so "user" friendly. Any novice may pick it up and understand the concepts behind a Reserve Study. Very impressive. To add to that, our Project Manager could not be more responsive in answering any of our questions and bending over backwards to work with us."

"I have been in this business since 1998 and not everyone understands how HOAs and Boards work. Association Reserves employees do, which makes my job easier."



## REFERENCES AND TESTIMONIALS

"Our Board could not be more pleased with the report we have received and the manner in which the study was conducted. We highly recommend Association Reserves to prepare your Reserve Study."

"We have worked with Association Reserves for several years. This is a process which can be very cumbersome to say the least, but Association Reserves has streamlined the process and with their help it has been painless and very successful."

"The Association Reserves representatives have been very friendly and professional and have been very responsive to our needs."

"Association Reserves far exceeded my expectations in terms of ease of access to our Reserve Study report on the internet, and quality of service."

Client references provided upon request.