RESERVE STUDY UPDATE

FOR

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION

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June 15, 2021

EXECUTIVE SUMMARY

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION

June 15, 2021

Starting Reserve Balance 1/1/2021	$57,523
Projected Fully Funded Reserve Balance 1/1/2021	$266,028
Percent Fully Funded 1/1/2021	22%
Annual Reserve Contribution	$44,798

This study is an update to a previous study performed by Reserve Data Analysis Inc. dated June 1, 2016. This update was performed with a field visit.

This study is based on the cash flow method of funding. This reserve analysis is based on an observation and assessment of the condition of the reserve fund based on a field assessment of the condition of the assets of the association, a projection of the useful life and remaining useful life of those assets, and the replacement costs for those assets. The general guideline used in our studies to determine whether the cost to replace or maintain an asset is paid from reserves or operations is if the replacement cost exceeds $500 it is included in reserves. That can be modified at the direction of the Board.

Following are some key points relative to your study:

1. The study has a fiscal year beginning date of January 1, 2021.

2. The study reflects a beginning balance for the reserve fund of $57,523 and an annual contribution of $44,798. The financial information was provided by the association and was not audited. As reflected by the Current Assessment Funding Model Projection on pages 2-1 and 2-2, the reserve fund is underfunded. Reserve funds are generally considered to be in a healthy condition if the reserve balance is at or above 70% of the fully funded balance.

2. Because of the underfunded condition based on the current funding, an Alternate Funding Model was prepared and included on pages 2-3 and 2-4 for consideration by the Association. The model suggests increasing the contribution to the reserve fund in 2022 to $60,000, in 2023 to $80,000 and then reducing to $70,000 in 2026 followed by a 12% annual increase in 2038 thru 2045. Other funding alternatives can be prepared if desired by the Board.

3. Note that the study includes a 3% inflation on costs based on current construction cost indexes so some increase in funding over time is recommended to stay even with cost

increase from inflation.

4. This study should be compared with the operating budget to make sure there are no overlaps or gaps of items in this study and in the operating budget.

5. The physical assessment of components was based on field reviews conducted on November 25, 2020. The field review consisted of on-site observations of common areas and facilities. No sampling or destructive testing was performed. The on-site observation is not a comprehensive quality inspection. Quantification of assets was accomplished with a combination of on-site measurements, aerial photos and information provided by the association.

6. The consultant has no other involvement with the association that could be considered a conflict of interest. To our knowledge, there are no material issues that have not been disclosed that would cause a distortion of the association's reserve fund.

Report was prepared by:

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PART I INFORMATION ABOUT YOUR RESERVE STUDY

PART II RESERVE STUDY

Important Information

The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors and vendors and our own experience with local costs. We also may rely on various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional, if needed.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

This reserve analysis study is a reflection of information provided to or assembled by the consultant for the association's use, not for the purpose of performing an audit, quality/forensic analyses or background checks of historical records. Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues is deemed reliable by the consultant.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

FDReserve Studies would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis is prepared under the supervision of William A. Schlimgen PE, a registered professional engineer in Arizona with more than 10 years of experience in preparation of reserve studies and more than 40 years of engineering management, design, inspection and construction management experience.

Part I

Document

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a $150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively

new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan".

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the "fund status and "funding plan."

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the "fund status" and "funding plan."

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next.

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance.

Budgeting is Normally Excluded

For expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Threshold and the Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the

two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age** divided by **Useful Life** the results multiplied by **Current Replacement Cost**

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The **Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

The **Threshold Funding Model.** This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than $0).

The **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be

allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can "fix" the accumulated reserve balance within the program on the individual asset's detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of $50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to "replenish" the account. If the $50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the "Monthly Reserve Assessment Required", the "Average Net Monthly Interest Earned" contribution and the "Total Monthly Allocation

to Reserves." The association should allocate the "Monthly Reserve Assessment Required" amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Total Monthly Allocation" to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users' Guide to your Reserve Analysis Study

Part II of your report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report.

The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.
Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending
The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases
If applicable, the number of units and/or phases included in this version of the report.

Inflation
This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase
This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate $10,000 in 10 years, you could set aside $1,000 per year. As an alternative, you could set aside $795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield
The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance
The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded
The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age
Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment
The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)
The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation
The sum of the monthly assessment and interest contribution figures.

Group and Category
The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs
In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date
The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life
The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life
Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life
This calculation is completed internally based upon the report's fiscal year date and the date the asset was

placed-in-service.

Replacement Year
The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves
An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment
An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value
The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement
Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost
The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost
The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory
The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your reserve study serves a variety of useful purposes:

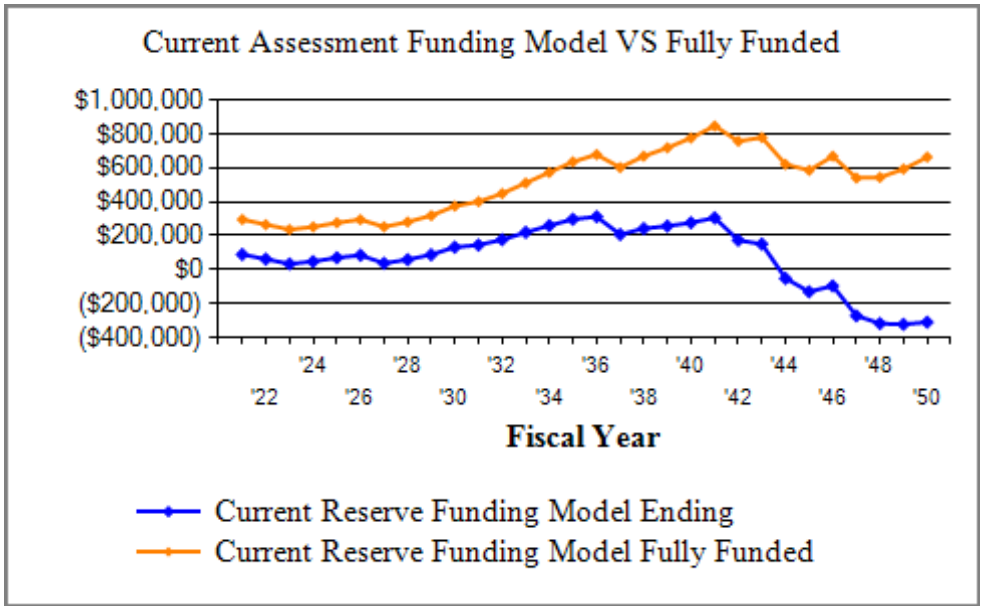
- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Current Reserve Funding Model Summary

Report Date	June 15, 2021
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	88

Report Parameters

Inflation	3.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
2021 Beginning Balance	$57,523



Current Reserve Funding Model Summary of Calculations

Required Month Contribution	$3,733.17
$42.42 per unit monthly	
Average Net Month Interest Earned	$39.73
Total Month Allocation to Reserves	$3,772.89
$42.87 per unit monthly	

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Current Reserve Funding Model Projection

Beginning Balance: $57,523

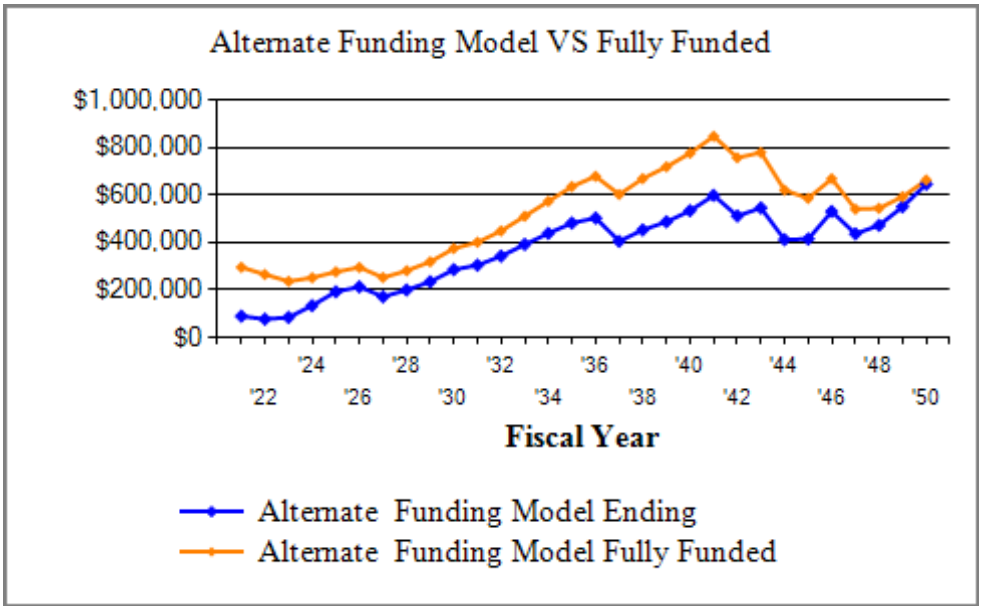
Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	613,394	44,798	477	13,880	88,918	294,938	30%
2022	631,796	44,798	282	73,054	60,944	264,844	23%
2023	650,750	44,798	86	72,990	32,837	235,749	14%
2024	670,272	44,798	187	30,487	47,335	251,002	19%
2025	690,380	44,798	341	23,032	69,441	275,578	25%
2026	711,092	44,798	443	30,611	84,072	294,567	29%
2027	732,425	44,798	111	92,539	36,441	251,668	14%
2028	754,397	44,798	264	23,077	58,426	280,335	21%
2029	777,029	44,798	466	16,259	87,431	318,231	27%
2030	800,340	44,798	777	1,044	131,962	374,323	35%
2031	824,350	44,798	864	33,146	144,478	400,461	36%
2032	849,081	44,798	1,084	14,327	176,034	448,239	39%
2033	874,553	44,798	1,384	3,137	219,079	510,491	43%
2034	900,790	44,798	1,666	6,115	259,428	573,104	45%
2035	927,813	44,798	1,923	9,832	296,317	635,376	47%
2036	955,648	44,798	2,027	31,848	311,295	678,495	46%
2037	984,317	44,798	1,297	150,822	206,568	602,070	34%
2038	1,013,847	44,798	1,541	11,322	241,586	668,795	36%
2039	1,044,262	44,798	1,646	31,452	256,577	718,596	36%
2040	1,075,590	44,798	1,780	27,292	275,864	776,041	36%
2041	1,107,858	44,798	1,983	17,700	304,945	847,009	36%
2042	1,141,093	44,798	1,060	178,216	172,587	756,752	23%
2043	1,175,326	44,798	902	68,403	149,884	778,931	19%
2044	1,210,586	44,798		246,896	-52,213	620,027	
2045	1,246,904	44,798		123,594	-131,009	585,517	
2046	1,284,311	44,798		10,812	-97,024	668,362	
2047	1,322,840	44,798		220,727	-272,953	539,773	
2048	1,362,525	44,798		90,629	-318,783	543,689	
2049	1,403,401	44,798		49,337	-323,322	592,685	
2050	1,445,503	44,798		32,313	-310,837	663,191	

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Alternate Funding Model Summary

Report Date	June 15, 2021
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	88

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
2021 Beginning Balance	$57,523



Alternate Funding Model based on the following:

- Annual contributions to the reserve fund of $60,000 in 2022, $80,000 in 2023 thru 2025, reducing to $70,000 in 2026 thru 2041 and a 12% annual increase in 2038 thru 2045.

Alternate Funding Model Summary of Calculations

Required Month Contribution	$3,733.17
$42.42 per unit monthly	
Average Net Month Interest Earned	$39.73
Total Month Allocation to Reserves	$3,772.89
$42.87 per unit monthly	

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Alternate Funding Model Projection

Beginning Balance: $57,523

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	613,394	44,798	477	13,880	88,918	294,938	30%
2022	631,796	60,000	339	73,054	76,203	264,844	29%
2023	650,750	80,000	327	72,990	83,540	235,749	35%
2024	670,272	80,000	677	30,487	133,729	251,002	53%
2025	690,380	80,000	1,081	23,032	191,778	275,578	70%
2026	711,092	50,000	1,322	30,611	212,490	294,567	72%
2027	732,425	50,000	1,032	92,539	170,983	251,668	68%
2028	754,397	50,000	1,229	23,077	199,134	280,335	71%
2029	777,029	50,000	1,474	16,259	234,349	318,231	74%
2030	800,340	50,000	1,828	1,044	285,134	374,323	76%
2031	824,350	50,000	1,960	33,146	303,947	400,461	76%
2032	849,081	50,000	2,224	14,327	341,844	448,239	76%
2033	874,553	50,000	2,569	3,137	391,276	510,491	77%
2034	900,790	50,000	2,895	6,115	438,056	573,104	76%
2035	927,813	50,000	3,197	9,832	481,421	635,376	76%
2036	955,648	50,000	3,347	31,848	502,920	678,495	74%
2037	984,317	50,000	2,663	150,822	404,761	602,070	67%
2038	1,013,847	56,000	2,976	11,322	452,415	668,795	68%
2039	1,044,262	62,720	3,195	31,452	486,877	718,596	68%
2040	1,075,590	70,246	3,494	27,292	533,326	776,041	69%
2041	1,107,858	78,676	3,920	17,700	598,222	847,009	71%
2042	1,141,093	88,117	3,284	178,216	511,408	756,752	68%
2043	1,175,326	98,691	3,486	68,403	545,182	778,931	70%
2044	1,210,586	110,534	2,515	246,896	411,335	620,027	66%
2045	1,246,904	123,798	2,491	123,594	414,030	585,517	71%
2046	1,284,311	123,798	3,302	10,812	530,318	668,362	79%
2047	1,322,840	123,798	2,645	220,727	436,034	539,773	81%
2048	1,362,525	123,798	2,896	90,629	472,099	543,689	87%
2049	1,403,401	123,798	3,439	49,337	550,000	592,685	93%
2050	1,445,503	123,798	4,106	32,313	645,591	663,191	97%

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Date In Service	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Asphalt - Crack Seal Asset ID: 1004	2019	2022	2,264	3	0	1	2,332	56600 @	0.04
Asphalt - Overlay Asset ID: 1003	*1003*	*Unfunded*							
Asphalt - Repairs/Surface Treatment Asset ID: 1002	2019	2025	16,000	6	0	4	18,008	1 @	16,000.00
Awnings - Fabric Replacement Asset ID: 1027	2021	2021	800	1	0	0	800	1 @	800.00
Carport Facia - Repair/Replace Asset ID: 1006	1986	2026	4,000	35	5	5	4,637	1 @	4,000.00
Community - Paint Asset ID: 1008	2017	2027	66,000	10	0	6	78,807	1 @	66,000.00
Community Center - Remodel Asset ID: 1019	*1019*	*Unfunded*							
Concrete Components - Repair Asset ID: 1001	2017	2022	5,000	5	0	1	5,150	1 @	5,000.00
Downspouts & Gutters - Refurbish Asset ID: 1032	*1032*	*Unfunded*							
Irrigation Controller - Replace Asset ID: 1029	2017	2032	550	15	0	11	761	1 @	550.00
Irrigation System - Replace - Phase 1 Asset ID: 1030	1986	2022	26,000	30	6	1	26,780	1 @	78,000.00
Irrigation System - Replace - Phase 2 Asset ID: 1030	1986	2023	26,000	30	7	2	27,583	1 @	78,000.00
Irrigation System - Replace - Phase 3 Asset ID: 1030	1986	2024	26,000	30	8	3	28,411	1 @	78,000.00
Mailboxes - Replace Asset ID: 1031	2017	2037	3,923	20	0	16	6,295	1 @	3,923.00
Metal Fencing/Gates - Repair Asset ID: 1010	2017	2027	2,000	8	2	6	2,388	1 @	2,000.00
Monuments - Paint/Repairs Asset ID: 1009	2017	2025	1,400	8	0	4	1,576	1 @	1,400.00
Pole Lights - Replace Asset ID: 1012	1986	2026	13,455	25	15	5	15,598	45 @	299.00
Pool - Resurface Asset ID: 1018	2014	2039	16,575	25	0	18	28,218	1 @	16,575.00
Pool Deck - Coat Asset ID: 1013	2015	2022	6,862	7	0	1	7,068	1 @	6,862.00
Pool Deck - Resurface Asset ID: 1014	2015	2029	10,935	14	0	8	13,852	2430 @	4.50
Pool Filter - Replace Asset ID: 1015	2005	2023	2,000	18	0	2	2,122	1 @	2,000.00
Pool Furnishings - Repair/Replace Asset ID: 1016	2010	2021	3,500	10	0	0	3,500	1 @	3,500.00
Pool Heat Pumps - Replace Asset ID: 1017	2016	2028	11,000	12	0	7	13,529	2 @	5,500.00

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Asset Summary Report

Description	Date In Service	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Pool Heater - Replace Asset ID: 1025	2019	2027	3,700	8	0	6	4,418	1 @	3,700.00
Pool Pump & Motor - Replace Asset ID: 1022	2016	2024	1,100	5	3	3	1,202	1 @	1,100.00
Porch Lights - Replace Asset ID: 1038	2006	2021	7,480	15	0	0	7,480	88 @	85.00
Roofs (Bldg C) - Replace Asset ID: 1041	1986	2022	30,000	25	11	1	30,900	1 @	30,000.00
Roofs (Bldg E & Clubhouse) - Replace Asset ID: 1042	1986	2023	40,000	25	12	2	42,436	1 @	40,000.00
Roofs (Bldg F) - Replace Asset ID: 1037	2019	2044	30,000	25	0	23	59,208	1 @	30,000.00
Roofs (Bldgs A, B & H) - Replace Asset ID: 1034	2017	2042	90,000	25	0	21	167,427	3 @	30,000.00
Roofs (Bldgs D, G & K) - Replace Asset ID: 1039	2019	2044	90,000	25	0	23	177,623	3 @	30,000.00
Roofs (Bldgs I & J) - Replace Asset ID: 1040	2020	2045	60,000	25	0	24	121,968	2 @	30,000.00
Spa - Resurface Asset ID: 1026	2014	2026	6,050	12	0	5	7,014	1 @	6,050.00
Spa Filter - Replace Asset ID: 1023	2016	2028	1,500	12	0	7	1,845	1 @	1,500.00
Spa Heater - Replace Asset ID: 1024	2020	2028	3,200	8	0	7	3,936	1 @	3,200.00
Spa Pump & Motors - Replace Asset ID: 1021	2016	2021	2,100	5	0	0	2,100	1 @	2,100.00
Trash Enclosure Gates - Replace Asset ID: 1011	2007	2032	4,000	25	0	11	5,537	8 @	500.00

Asphalt - Crack Seal

		56,600 SF	@ $0.04
Asset ID	1004	Asset Actual Cost	$2,264.00
	Streets/Parking	Percent Replacement	100%
	Asphalt	Future Cost	$2,331.92
Placed in Service	August 2019		
Useful Life	3		
Replacement Year	2022		
Remaining Life	1		

Good condition. Crack sealing should be anticipated on a 3 year recurring cycle.

Asphalt - Overlay

		56,600 SF	
Asset ID	1003	Asset Actual Cost	
	Streets/Parking	Percent Replacement	100%
	Asphalt	Future Cost	
Placed in Service	January 2006		
No Useful Life			

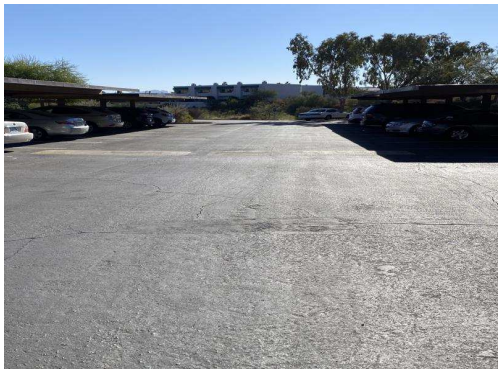
Good condition. According to prior study an overlay was installed in 2006. Pavement is in

Asphalt - Overlay continued...

good structural condition

Asphalt - Repairs/Surface Treatment

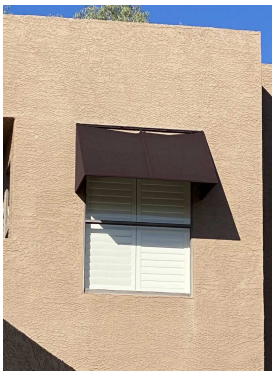
		1 LS	@ $16,000.00
Asset ID	1002	Asset Actual Cost	$16,000.00
	Streets/Parking	Percent Replacement	100%
	Asphalt	Future Cost	$18,008.14
Placed in Service	August 2019		
Useful Life	6		
Replacement Year	2025		
Remaining Life	4		



Good condition. HA5 applied with stripping and some repairs in 8/2019 for $15,415. According to prior study a slurry seal was applied in 2014 followed by a seal coat in 2015. This budget anticipates some repairs will be needed based on past requirements.

Awnings - Fabric Replacement

		1 LS	@ $800.00
Asset ID	1027	Asset Actual Cost	$800.00
	Residential Buildings	Percent Replacement	100%
	Building Components	Future Cost	$800.00
Placed in Service	January 2021		
Useful Life	1		
Replacement Year	2021		
Remaining Life	0		




Association indicates they have ongoing cost for repairs so this component budgets $800 per year for repairs.

Community Center - Remodel

Asset ID	1019	Asset Actual Cost	
	Community Center	Percent Replacement	100%
	Building Components	Future Cost	
Placed in Service	January 2006		
No Useful Life			

Unfunded. Good condition. Association has no plans to remodel the communtiy center.

Irrigation Controller - Replace

		1 EA	@ $550.00
Asset ID	1029	Asset Actual Cost	$550.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$761.33
Placed in Service	September 2017		
Useful Life	15		
Replacement Year	2032		
Remaining Life	11		

Working condition. (1) RD-900 Controller located on pool building near mailboxes.

Irrigation System - Replace - Phase 1

		1 LS	@ $78,000.00
Asset ID	1030	Asset Actual Cost	$26,000.00
	Grounds	Percent Replacement	33.33%
	Equipment	Future Cost	$26,780.00
Placed in Service	July 1986		
Useful Life	30		
Adjustment	6		
Replacement Year	2022		
Remaining Life	1		

Repairs were made to the system in 2017. The Association received an estimate of $78,000 to replace the system. The association desires to do the work in 3 phases beginning in 2022.

Irrigation System - Replace - Phase 2

		1 LS	@ $78,000.00
Asset ID	1030	Asset Actual Cost	$26,000.00
	Grounds	Percent Replacement	33.33%
	Equipment	Future Cost	$27,583.40
Placed in Service	July 1986		
Useful Life	30		
Adjustment	7		
Replacement Year	2023		
Remaining Life	2		

Repairs were made to the system in 2017. The Association received an estimate of $78,000 to replace the system. The association desires to do the work in 3 phases beginning in 2022.

Irrigation System - Replace - Phase 3

		1 LS	@ $78,000.00
Asset ID	1030	Asset Actual Cost	$26,000.00
	Grounds	Percent Replacement	33.33%
	Equipment	Future Cost	$28,410.90
Placed in Service	July 1986		
Useful Life	30		
Adjustment	8		
Replacement Year	2024		
Remaining Life	3		

Repairs were made to the system in 2017. The Association received an estimate of $78,000 to replace the system. The association desires to do the work in 3 phases beginning in 2022.

Pool Filter - Replace

		1 EA	@ $2,000.00
Asset ID	1015	Asset Actual Cost	$2,000.00
	Recreation/Pool	Percent Replacement	100%
	Equipment	Future Cost	$2,121.80
Placed in Service	January 2005		
Useful Life	18		
Replacement Year	2023		
Remaining Life	2		

Pool Filter - Replace continued...

Working condition. Pentair Triton II TR-140 7.06 sq. ft. sand filter mfg date 1/2005.

Pool Heat Pumps - Replace

		2 EA	@ $5,500.00
Asset ID	1017	Asset Actual Cost	$11,000.00
	Recreation/Pool Equipment	Percent Replacement	100%
		Future Cost	$13,528.61
Placed in Service	January 2016		
Useful Life	12		
Replacement Year	2028		
Remaining Life	7		

(2) Gulf Stream single phase heat pumps.

Pool Heater - Replace

		1 EA	@ $3,700.00
Asset ID	1025	Asset Actual Cost	$3,700.00
	Recreation/Pool Equipment	Percent Replacement	100%
		Future Cost	$4,417.99
Placed in Service	November 2019		
Useful Life	8		
Replacement Year	2027		
Remaining Life	6		

New condition. Pentair Mastertemp 400, 400,000 BTU.

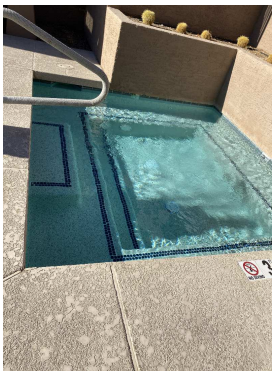
Pool Pump & Motor - Replace

		1 EA	@ $1,100.00
Asset ID	1022	Asset Actual Cost	$1,100.00
	Recreation/Pool Equipment	Percent Replacement	100%
		Future Cost	$1,202.00
Placed in Service	January 2016		
Useful Life	5		
Adjustment	3		
Replacement Year	2024		
Remaining Life	3		

Working condition. (1) 1 1/2 HP mfg date 2016.

Spa - Resurface

		1 LS	@ $6,050.00
Asset ID	1026	Asset Actual Cost	$6,050.00
	Recreation/Pool Equipment	Percent Replacement	100%
		Future Cost	$7,013.61
Placed in Service	January 2014		
Useful Life	12		
Replacement Year	2026		
Remaining Life	5		



Good to fair condition. Noted missing tiles on site visit. Approximately 10' x 10' square pebble finish tile.

1 - 10' x 10' square spa	@	$5,000.00	$5,000.00
40 - lin. ft. of trim tile	@	$15.00	$600.00
45 - lin. ft. of bench tile	@	$10.00	$450.00
		Total =	$6,050.00

Spa Filter - Replace

		1 EA	@ $1,500.00
Asset ID	1023	Asset Actual Cost	$1,500.00
	Recreation/Pool Equipment	Percent Replacement	100%
		Future Cost	$1,844.81
Placed in Service	January 2016		
Useful Life	12		
Replacement Year	2028		
Remaining Life	7		

Spa Filter - Replace continued...

Working condition. Pentair Triton II TR-60, 3.14 sq. ft. sand filter mfg date 2016.

Spa Heater - Replace

		1 EA	@ $3,200.00
Asset ID	1024	Asset Actual Cost	$3,200.00
	Recreation/Pool Equipment	Percent Replacement	100%
		Future Cost	$3,935.60
Placed in Service	May 2020		
Useful Life	8		
Replacement Year	2028		
Remaining Life	7		

New condition. Pentair Mastertemp 250, 266K BTU.

Spa Pump & Motors - Replace

		1 LS	@ $2,100.00
Asset ID	1021	Asset Actual Cost	$2,100.00
	Recreation/Pool Equipment	Percent Replacement	100%
		Future Cost	$2,100.00
Placed in Service	January 2016		
Useful Life	5		
Replacement Year	2021		
Remaining Life	0		

Working condition.

1 - 1 1/2 HP (older)	@	$1,100.00	$1,100.00
1 - 1 HP	@	$1,000.00	$1,000.00
		Total =	$2,100.00

Carport Facia - Repair/Replace

		1 LS	@ $4,000.00
Asset ID	1006	Asset Actual Cost	$4,000.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	$4,637.10
Placed in Service	January 1986		
Useful Life	35		
Adjustment	5		
Replacement Year	2026		
Remaining Life	5		

The roofs and structure of the carports are in good condition and should last indefinitely. The facia is damaged on several carports. This componet provides a budget for repairing/replacing the facia.

Concrete Components - Repair

		1 LS	@ $5,000.00
Asset ID	1001	Asset Actual Cost	$5,000.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	$5,150.00
Placed in Service	May 2017		
Useful Life	5		
Replacement Year	2022		
Remaining Life	1		

Concrete Components - Repair continued...

Good condition. Includes sidewalks and entryways. Repairs were made in 2017 at a cost of $2580. This component budgets $3,000 for repairs on a 5 year recurring cycle to address settlement and trip hazards.

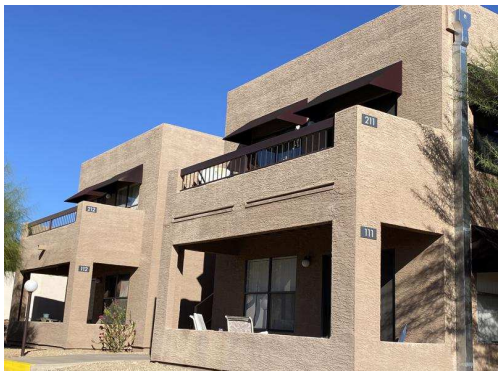
Trash Enclosure Gates - Replace

		8 EA	@ $500.00
Asset ID	1011	Asset Actual Cost	$4,000.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	$5,536.93
Placed in Service	January 2007		
Useful Life	25		
Replacement Year	2032		
Remaining Life	11		

Good condition. (8) approximately 5'6" x 4'4" corrugated metal gates.

Downspouts & Gutters - Refurbish

Asset ID	1032	Asset Actual Cost	
	Residential Buildings	Percent Replacement	100%
	Gutters and Downspouts	Future Cost	
Placed in Service	May 2017		
No Useful Life			



Good condition. Anticipate any repairs required will be done in conjunction with roof replacement work.

Pole Lights - Replace

		45 EA	@ $299.00
Asset ID	1012	Asset Actual Cost	$13,455.00
	Grounds	Percent Replacement	100%
	Lighting	Future Cost	$15,598.03
Placed in Service	January 1986		
Useful Life	25		
Adjustment	15		
Replacement Year	2026		
Remaining Life	5		

Fair condition. (45) 6' pole lights with globe fixtures located throughout community.

Porch Lights - Replace

		88 EA	@ $85.00
Asset ID	1038	Asset Actual Cost	$7,480.00
	Residential Buildings	Percent Replacement	100%
	Lighting	Future Cost	$7,480.00
Placed in Service	January 2006		
Useful Life	15		
Replacement Year	2021		
Remaining Life	0		

Porch lights on each building.

Mailboxes - Replace

		1 LS	@ $3,923.00
Asset ID	1031	Asset Actual Cost	$3,923.00
	Grounds	Percent Replacement	100%
	Mailboxes	Future Cost	$6,295.26
Placed in Service	January 2017		
Useful Life	20		
Replacement Year	2037		
Remaining Life	16		

Good condition. (3) 5 x 7 cluster box sets covered. Replaced in 2017.

Community - Paint

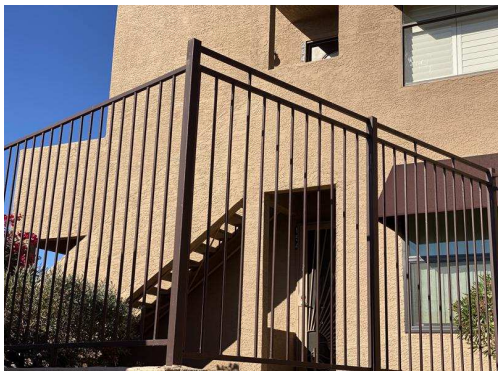
		1 LS	@ $66,000.00
Asset ID	1008	Asset Actual Cost	$66,000.00
	Residential Buildings	Percent Replacement	100%
	Painting	Future Cost	$78,807.45
Placed in Service	January 2017		
Useful Life	10		
Replacement Year	2027		
Remaining Life	6		

Fair to good condition depending on sun exposure. Some areas appear to be fading. This asset includes residential buildings, walls, shed, community building, metal fencing, carports and light poles. Painted in 2017 at a cost of $60,700.

Metal Fencing/Gates - Repair

		1 LS	@ $2,000.00
Asset ID	1010	Asset Actual Cost	$2,000.00
	Recreation/Pool	Percent Replacement	100%
	Painting	Future Cost	$2,388.10
Placed in Service	January 2017		
Useful Life	8		
Adjustment	2		
Replacement Year	2027		
Remaining Life	6		

Metal Fencing/Gates - Repair continued...



Good condition. Noted needing minor repairs (paint good) on site visit. Location recreation/pool area. Includes: 233 lin. ft. of 4'8" fenicng, (1) 4'8" x 3'8" gate, (1) 5' x 2'8" gate, (1) 5'4" x 3' gate and (1) 6'8" x 3'8" gate. It is not anticipated that the entire fence will need to be replaced but some repairs will be needed in conjunction with each painting cycle.

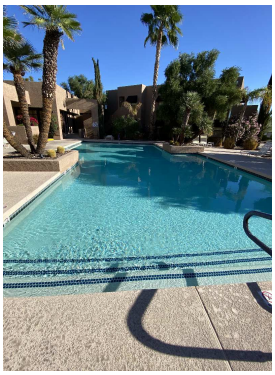
Monuments - Paint/Repairs

		1 LS	@ $1,400.00
Asset ID	1009	Asset Actual Cost	$1,400.00
	Grounds	Percent Replacement	100%
	Painting	Future Cost	$1,575.71
Placed in Service	January 2017		
Useful Life	8		
Replacement Year	2025		
Remaining Life	4		

Fair to good condition. This asset includes stucco repair, block repair and paint.

Pool - Resurface

		1 LS	@ $16,575.00
Asset ID	1018	Asset Actual Cost	$16,575.00
	Recreation/Pool	Percent Replacement	100%
	Recreation/Pool	Future Cost	$28,217.83
Placed in Service	January 2014		
Useful Life	25		
Replacement Year	2039		
Remaining Life	18		



Good condition. Approximately 1,815 sq. ft. of pebble finish pool surface.

1815 - sq. ft. of pebble finish pool surface	@	$7.00	$12,705.00
158 - lin. ft. of trim tile	@	$15.00	$2,370.00
150 - lin. ft. of bench tile	@	$10.00	$1,500.00
		Total =	$16,575.00

Pool Deck - Coat

		1 LS	@ $6,862.00
Asset ID	1013	Asset Actual Cost	$6,862.00
	Recreation/Pool	Percent Replacement	100%
	Recreation/Pool	Future Cost	$7,067.86
Placed in Service	January 2015		
Useful Life	7		
Replacement Year	2022		
Remaining Life	1		

Pool Deck - Coat continued...

Fair to good condition. Noted minor cracking and discoloration on site visit. Association has a proposal to coat the deck for $6.862.

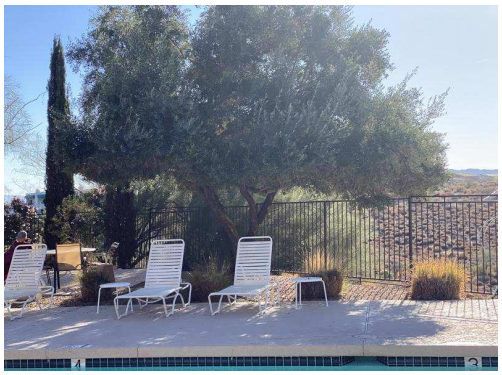
Pool Deck - Resurface

		2,430 SF	@ $4.50
Asset ID	1014	Asset Actual Cost	$10,935.00
	Recreation/Pool	Percent Replacement	100%
	Recreation/Pool	Future Cost	$13,852.13
Placed in Service	January 2015		
Useful Life	14		
Replacement Year	2029		
Remaining Life	8		

Fair to good condition. Noted minor cracking and discoloration on site visit.

Pool Furnishings - Repair/Replace

		1 LS	@ $3,500.00
Asset ID	1016	Asset Actual Cost	$3,500.00
	Recreation/Pool	Percent Replacement	100%
	Recreation/Pool	Future Cost	$3,500.00
Placed in Service	January 2010		
Useful Life	10		
Replacement Year	2021		
Remaining Life	0		



Fair to poor condition. This asset is for but not limited to: (10) strapped chaise lounges, (1) melamine top table, (3) tea tables, (2) aluminum club chairs with cushions, (1) aluminum sofa, love seat with cushions, (6) side chairs and (1) strap chair to be used "as needed" for re-strapping and/or replacement. Recommend re-strapping in year 2021.

Roofs (Bldg C) - Replace

		1 Bldgs	@ $30,000.00
Asset ID	1041	Asset Actual Cost	$30,000.00
	Residential Buildings	Percent Replacement	100%
	Roofing	Future Cost	$30,900.00
Placed in Service	July 1986		
Useful Life	25		
Adjustment	11		
Replacement Year	2022		
Remaining Life	1		

Association indicates that the roof on Bldg C will be replaced in 2022. Component assumes that the same material will be applied as other roofs with a 20 yr warranty. Material does not require coating during the 20 year warranty.

Roofs (Bldg E & Clubhouse) - Replace

		1 LS	@ $40,000.00
Asset ID	1042	Asset Actual Cost	$40,000.00
	Residential Buildings	Percent Replacement	100%
	Roofing	Future Cost	$42,436.00
Placed in Service	July 1986		
Useful Life	25		
Adjustment	12		
Replacement Year	2023		
Remaining Life	2		

Association indicates that the roof on Bldg E & Clubhouse will be replaced in 2023. Component assumes that the same material will be applied as other roofs with a 20 yr warranty. Material does not require coating during the 20 year warranty.

Roofs (Bldg F) - Replace

		1 Bldgs	@ $30,000.00
Asset ID	1037	Asset Actual Cost	$30,000.00
	Residential Buildings	Percent Replacement	100%
	Roofing	Future Cost	$59,207.59
Placed in Service	July 2019		
Useful Life	25		
Replacement Year	2044		
Remaining Life	23		

Association indicates roof on Bldg F were replaced in 2019. Association has a 20 yr warranty. Material does not require coating during the 20 year warranty.

Roofs (Bldgs A, B & H) - Replace

		3 Bldgs	@ $30,000.00
Asset ID	1034	Asset Actual Cost	$90,000.00
	Residential Buildings	Percent Replacement	100%
	Roofing	Future Cost	$167,426.51
Placed in Service	July 2017		
Useful Life	25		
Replacement Year	2042		
Remaining Life	21		

Association indicates roofs on Bldgs A, B & H were replaced in 2017. Association has a 20 yr warranty. Material does not require coating during the 20 year warranty.

Roofs (Bldgs D, G & K) - Replace

		3 Bldgs	@ $30,000.00
Asset ID	1039	Asset Actual Cost	$90,000.00
	Residential Buildings	Percent Replacement	100%
	Roofing	Future Cost	$177,622.78
Placed in Service	July 2019		
Useful Life	25		
Replacement Year	2044		
Remaining Life	23		

Association indicates roof on Bldgs D, G & K were replaced in 2019. Association has a 20 yr warranty. Material does not require coating during the 20 year warranty.

Roofs (Bldgs I & J) - Replace

		2 Bldgs	@ $30,000.00
Asset ID	1040	Asset Actual Cost	$60,000.00
	Residential Buildings	Percent Replacement	100%
	Roofing	Future Cost	$121,967.64
Placed in Service	July 2020		
Useful Life	25		
Replacement Year	2045		
Remaining Life	24		

Association indicates roof on Bldgs I & J were replaced in 2020. Association has a 20 yr warranty. Material does not require coating during the 20 year warranty.

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QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Category Detail Index

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description		Expenditures
Replacement Year 2021		
Building Components		
1027	Awnings - Fabric Replacement	800
Equipment		
1021	Spa Pump & Motors - Replace	2,100
Lighting		
1038	Porch Lights - Replace	7,480
Recreation/Pool		
1016	Pool Furnishings - Repair/Replace	3,500
Total for 2021		**$13,880**
Replacement Year 2022		
Asphalt		
1004	Asphalt - Crack Seal	2,332
Building Components		
1027	Awnings - Fabric Replacement	824
Equipment		
1030	Irrigation System - Replace - Phase 1	26,780
Grounds Components		
1001	Concrete Components - Repair	5,150
Recreation/Pool		
1013	Pool Deck - Coat	7,068
Roofing		
1041	Roofs (Bldg C) - Replace	30,900
Total for 2022		**$73,054**
Replacement Year 2023		
Building Components		
1027	Awnings - Fabric Replacement	849
Equipment		
1030	Irrigation System - Replace - Phase 2	27,583
1015	Pool Filter - Replace	2,122
Roofing		
1042	Roofs (Bldg E & Clubhouse) - Replace	42,436
Total for 2023		**$72,990**

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

	Description	Expenditures
Replacement Year 2024		
Building Components		
1027	Awnings - Fabric Replacement	874
Equipment		
1030	Irrigation System - Replace - Phase 3	28,411
1022	Pool Pump & Motor - Replace	1,202
Total for 2024		**$30,487**
Replacement Year 2025		
Asphalt		
1004	Asphalt - Crack Seal	2,548
1002	Asphalt - Repairs/Surface Treatment	18,008
Building Components		
1027	Awnings - Fabric Replacement	900
Painting		
1009	Monuments - Paint/Repairs	1,576
Total for 2025		**$23,032**
Replacement Year 2026		
Building Components		
1027	Awnings - Fabric Replacement	927
Equipment		
1026	Spa - Resurface	7,014
1021	Spa Pump & Motors - Replace	2,434
Grounds Components		
1006	Carport Facia - Repair/Replace	4,637
Lighting		
1012	Pole Lights - Replace	15,598
Total for 2026		**$30,611**
Replacement Year 2027		
Building Components		
1027	Awnings - Fabric Replacement	955
Equipment		
1025	Pool Heater - Replace	4,418

Description		Expenditures
Replacement Year 2027 continued...		
Grounds Components		
1001	Concrete Components - Repair	5,970
Painting		
1008	Community - Paint	78,807
1010	Metal Fencing/Gates - Repair	2,388
Total for 2027		**$92,539**
Replacement Year 2028		
Asphalt		
1004	Asphalt - Crack Seal	2,784
Building Components		
1027	Awnings - Fabric Replacement	984
Equipment		
1017	Pool Heat Pumps - Replace	13,529
1023	Spa Filter - Replace	1,845
1024	Spa Heater - Replace	3,936
Total for 2028		**$23,077**
Replacement Year 2029		
Building Components		
1027	Awnings - Fabric Replacement	1,013
Equipment		
1022	Pool Pump & Motor - Replace	1,393
Recreation/Pool		
1014	Pool Deck - Resurface	13,852
Total for 2029		**$16,259**
Replacement Year 2030		
Building Components		
1027	Awnings - Fabric Replacement	1,044
Total for 2030		**$1,044**
Replacement Year 2031		
Asphalt		
1004	Asphalt - Crack Seal	3,043

Description		Expenditures
Replacement Year 2031 continued...		
1002	Asphalt - Repairs/Surface Treatment	21,503
Building Components		
1027	Awnings - Fabric Replacement	1,075
Equipment		
1021	Spa Pump & Motors - Replace	2,822
Recreation/Pool		
1016	Pool Furnishings - Repair/Replace	4,704
Total for 2031		**$33,146**
Replacement Year 2032		
Building Components		
1027	Awnings - Fabric Replacement	1,107
Equipment		
1029	Irrigation Controller - Replace	761
Grounds Components		
1001	Concrete Components - Repair	6,921
1011	Trash Enclosure Gates - Replace	5,537
Total for 2032		**$14,327**
Replacement Year 2033		
Building Components		
1027	Awnings - Fabric Replacement	1,141
Painting		
1009	Monuments - Paint/Repairs	1,996
Total for 2033		**$3,137**
Replacement Year 2034		
Asphalt		
1004	Asphalt - Crack Seal	3,325
Building Components		
1027	Awnings - Fabric Replacement	1,175
Equipment		
1022	Pool Pump & Motor - Replace	1,615
Total for 2034		**$6,115**

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description		Expenditures
Replacement Year 2035		
Building Components		
1027	Awnings - Fabric Replacement	1,210
Equipment		
1025	Pool Heater - Replace	5,597
Painting		
1010	Metal Fencing/Gates - Repair	3,025
Total for 2035		**$9,832**
Replacement Year 2036		
Building Components		
1027	Awnings - Fabric Replacement	1,246
Equipment		
1024	Spa Heater - Replace	4,985
1021	Spa Pump & Motors - Replace	3,272
Lighting		
1038	Porch Lights - Replace	11,654
Recreation/Pool		
1013	Pool Deck - Coat	10,691
Total for 2036		**$31,848**
Replacement Year 2037		
Asphalt		
1004	Asphalt - Crack Seal	3,633
1002	Asphalt - Repairs/Surface Treatment	25,675
Building Components		
1027	Awnings - Fabric Replacement	1,284
Grounds Components		
1001	Concrete Components - Repair	8,024
Mailboxes		
1031	Mailboxes - Replace	6,295
Painting		
1008	Community - Paint	105,911
Total for 2037		**$150,822**

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description		Expenditures
Replacement Year 2038		
Building Components		
1027	Awnings - Fabric Replacement	1,322
Equipment		
1026	Spa - Resurface	10,000
Total for 2038		**$11,322**
Replacement Year 2039		
Building Components		
1027	Awnings - Fabric Replacement	1,362
Equipment		
1022	Pool Pump & Motor - Replace	1,873
Recreation/Pool		
1018	Pool - Resurface	28,218
Total for 2039		**$31,452**
Replacement Year 2040		
Asphalt		
1004	Asphalt - Crack Seal	3,970
Building Components		
1027	Awnings - Fabric Replacement	1,403
Equipment		
1017	Pool Heat Pumps - Replace	19,289
1023	Spa Filter - Replace	2,630
Total for 2040		**$27,292**
Replacement Year 2041		
Building Components		
1027	Awnings - Fabric Replacement	1,445
Equipment		
1015	Pool Filter - Replace	3,612
1021	Spa Pump & Motors - Replace	3,793
Painting		
1009	Monuments - Paint/Repairs	2,529
Recreation/Pool		
1016	Pool Furnishings - Repair/Replace	6,321
Total for 2041		**$17,700**

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

	Description	Expenditures
Replacement Year 2042		
Building Components		
1027	Awnings - Fabric Replacement	1,488
Grounds Components		
1001	Concrete Components - Repair	9,301
Roofing		
1034	Roofs (Bldgs A, B & H) - Replace	167,427
Total for 2042		**$178,216**
Replacement Year 2043		
Asphalt		
1004	Asphalt - Crack Seal	4,338
1002	Asphalt - Repairs/Surface Treatment	30,658
Building Components		
1027	Awnings - Fabric Replacement	1,533
Equipment		
1025	Pool Heater - Replace	7,090
Painting		
1010	Metal Fencing/Gates - Repair	3,832
Recreation/Pool		
1014	Pool Deck - Resurface	20,953
Total for 2043		**$68,403**
Replacement Year 2044		
Building Components		
1027	Awnings - Fabric Replacement	1,579
Equipment		
1022	Pool Pump & Motor - Replace	2,171
1024	Spa Heater - Replace	6,315
Roofing		
1037	Roofs (Bldg F) - Replace	59,208
1039	Roofs (Bldgs D, G & K) - Replace	177,623
Total for 2044		**$246,896**
Replacement Year 2045		
Building Components		
1027	Awnings - Fabric Replacement	1,626

Description		Expenditures
Replacement Year 2045 continued...		
Roofing		
1040	Roofs (Bldgs I & J) - Replace	121,968
Total for 2045		**$123,594**
Replacement Year 2046		
Asphalt		
1004	Asphalt - Crack Seal	4,740
Building Components		
1027	Awnings - Fabric Replacement	1,675
Equipment		
1021	Spa Pump & Motors - Replace	4,397
Total for 2046		**$10,812**
Replacement Year 2047		
Building Components		
1027	Awnings - Fabric Replacement	1,725
Equipment		
1029	Irrigation Controller - Replace	1,186
Grounds Components		
1001	Concrete Components - Repair	10,783
Painting		
1008	Community - Paint	142,335
Roofing		
1041	Roofs (Bldg C) - Replace	64,698
Total for 2047		**$220,727**
Replacement Year 2048		
Building Components		
1027	Awnings - Fabric Replacement	1,777
Roofing		
1042	Roofs (Bldg E & Clubhouse) - Replace	88,852
Total for 2048		**$90,629**

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description		Expenditures
Replacement Year 2049		
Asphalt		
1004	Asphalt - Crack Seal	5,180
1002	Asphalt - Repairs/Surface Treatment	36,607
Building Components		
1027	Awnings - Fabric Replacement	1,830
Equipment		
1022	Pool Pump & Motor - Replace	2,517
Painting		
1009	Monuments - Paint/Repairs	3,203
Total for 2049		**$49,337**
Replacement Year 2050		
Building Components		
1027	Awnings - Fabric Replacement	1,885
Equipment		
1026	Spa - Resurface	14,257
Recreation/Pool		
1013	Pool Deck - Coat	16,171
Total for 2050		**$32,313**

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Asphalt											
1004	Asphalt - Crack Seal		2,332			2,548			2,784		
1003	Asphalt - Overlay	*Unfunded*									
1002	Asphalt - Repairs/Surface Treatment					18,008					
Asphalt Total:			**2,332**			**20,556**			**2,784**		
Building Components											
1027	Awnings - Fabric Replacement	800	824	849	874	900	927	955	984	1,013	1,044
1019	Community Center - Remodel	*Unfunded*									
Building Components Total:		**800**	**824**	**849**	**874**	**900**	**927**	**955**	**984**	**1,013**	**1,044**
Equipment											
1029	Irrigation Controller - Replace										
1030	Irrigation System - Replace - Phase 1		26,780								
1030	Irrigation System - Replace - Phase 2			27,583							
1030	Irrigation System - Replace - Phase 3				28,411						
1015	Pool Filter - Replace			2,122							
1017	Pool Heat Pumps - Replace								13,529		
1025	Pool Heater - Replace							4,418			
1022	Pool Pump & Motor - Replace				1,202					1,393	
1026	Spa - Resurface						7,014				
1023	Spa Filter - Replace								1,845		
1024	Spa Heater - Replace								3,936		
1021	Spa Pump & Motors - Replace	2,100					2,434				
Equipment Total:		**2,100**	**26,780**	**29,705**	**29,613**		**9,448**	**4,418**	**19,309**	**1,393**	
Grounds Components											
1006	Carport Facia - Repair/Replace						4,637				
1001	Concrete Components - Repair		5,150					5,970			
1011	Trash Enclosure Gates - Replace										
Grounds Components Total:			**5,150**				**4,637**	**5,970**			
Gutters and Downspouts											
1032	Downspouts & Gutters - Refurbish	*Unfunded*									

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Lighting											
1012	Pole Lights - Replace						15,598				
1038	Porch Lights - Replace	7,480									
Lighting Total:		**7,480**					**15,598**				
Mailboxes											
1031	Mailboxes - Replace										
Mailboxes Total:											
Painting											
1008	Community - Paint							78,807			
1010	Metal Fencing/Gates - Repair							2,388			
1009	Monuments - Paint/Repairs					1,576					
Painting Total:						**1,576**		**81,196**			
Recreation/Pool											
1018	Pool - Resurface										
1013	Pool Deck - Coat		7,068								
1014	Pool Deck - Resurface									13,852	
1016	Pool Furnishings - Repair/Replace	3,500									
Recreation/Pool Total:		**3,500**	**7,068**							**13,852**	
Roofing											
1041	Roofs (Bldg C) - Replace		30,900								
1042	Roofs (Bldg E & Clubhouse) - Replace			42,436							
1037	Roofs (Bldg F) - Replace										
1034	Roofs (Bldgs A, B & H) - Replace										
1039	Roofs (Bldgs D, G & K) - Replace										
1040	Roofs (Bldgs I & J) - Replace										
Roofing Total:			**30,900**	**42,436**							
Year Total:		**13,880**	**73,054**	**72,990**	**30,487**	**23,032**	**30,611**	**92,539**	**23,077**	**16,259**	**1,044**

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID	Description	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Asphalt											
1004	Asphalt - Crack Seal	3,043			3,325			3,633			3,970
1003	Asphalt - Overlay	*Unfunded*									
1002	Asphalt - Repairs/Surface Treatment	21,503						25,675			
Asphalt Total:		**24,545**			**3,325**			**29,308**			**3,970**
Building Components											
1027	Awnings - Fabric Replacement	1,075	1,107	1,141	1,175	1,210	1,246	1,284	1,322	1,362	1,403
1019	Community Center - Remodel	*Unfunded*									
Building Components Total:		**1,075**	**1,107**	**1,141**	**1,175**	**1,210**	**1,246**	**1,284**	**1,322**	**1,362**	**1,403**
Equipment											
1029	Irrigation Controller - Replace		761								
1030	Irrigation System - Replace - Phase 1										
1030	Irrigation System - Replace - Phase 2										
1030	Irrigation System - Replace - Phase 3										
1015	Pool Filter - Replace										
1017	Pool Heat Pumps - Replace										19,289
1025	Pool Heater - Replace					5,597					
1022	Pool Pump & Motor - Replace				1,615					1,873	
1026	Spa - Resurface								10,000		
1023	Spa Filter - Replace										2,630
1024	Spa Heater - Replace						4,985				
1021	Spa Pump & Motors - Replace	2,822					3,272				
Equipment Total:		**2,822**	**761**		**1,615**	**5,597**	**8,257**		**10,000**	**1,873**	**21,919**
Grounds Components											
1006	Carport Facia - Repair/Replace										
1001	Concrete Components - Repair		6,921					8,024			
1011	Trash Enclosure Gates - Replace		5,537								
Grounds Components Total:			**12,458**					**8,024**			
Gutters and Downspouts											
1032	Downspouts & Gutters - Refurbish	*Unfunded*									

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID	Description	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Lighting											
1012	Pole Lights - Replace										
1038	Porch Lights - Replace						11,654				
Lighting Total:							**11,654**				
Mailboxes											
1031	Mailboxes - Replace							6,295			
Mailboxes Total:								**6,295**			
Painting											
1008	Community - Paint							105,911			
1010	Metal Fencing/Gates - Repair					3,025					
1009	Monuments - Paint/Repairs			1,996							
Painting Total:				**1,996**		**3,025**		**105,911**			
Recreation/Pool											
1018	Pool - Resurface									28,218	
1013	Pool Deck - Coat						10,691				
1014	Pool Deck - Resurface										
1016	Pool Furnishings - Repair/Replace	4,704									
Recreation/Pool Total:		**4,704**					**10,691**			**28,218**	
Roofing											
1041	Roofs (Bldg C) - Replace										
1042	Roofs (Bldg E & Clubhouse) - Replace										
1037	Roofs (Bldg F) - Replace										
1034	Roofs (Bldgs A, B & H) - Replace										
1039	Roofs (Bldgs D, G & K) - Replace										
1040	Roofs (Bldgs I & J) - Replace										
Roofing Total:											
Year Total:		**33,146**	**14,327**	**3,137**	**6,115**	**9,832**	**31,848**	**150,822**	**11,322**	**31,452**	**27,292**

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID	Description	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Asphalt											
1004	Asphalt - Crack Seal			4,338			4,740			5,180	
1003	Asphalt - Overlay	*Unfunded*									
1002	Asphalt - Repairs/Surface Treatment			30,658						36,607	
Asphalt Total:				**34,996**			**4,740**			**41,787**	
Building Components											
1027	Awnings - Fabric Replacement	1,445	1,488	1,533	1,579	1,626	1,675	1,725	1,777	1,830	1,885
1019	Community Center - Remodel	*Unfunded*									
Building Components Total:		**1,445**	**1,488**	**1,533**	**1,579**	**1,626**	**1,675**	**1,725**	**1,777**	**1,830**	**1,885**
Equipment											
1029	Irrigation Controller - Replace							1,186			
1030	Irrigation System - Replace - Phase 1										
1030	Irrigation System - Replace - Phase 2										
1030	Irrigation System - Replace - Phase 3										
1015	Pool Filter - Replace	3,612									
1017	Pool Heat Pumps - Replace										
1025	Pool Heater - Replace			7,090							
1022	Pool Pump & Motor - Replace				2,171					2,517	
1026	Spa - Resurface										14,257
1023	Spa Filter - Replace										
1024	Spa Heater - Replace				6,315						
1021	Spa Pump & Motors - Replace	3,793					4,397				
Equipment Total:		**7,405**		**7,090**	**8,486**		**4,397**	**1,186**		**2,517**	**14,257**
Grounds Components											
1006	Carport Facia - Repair/Replace										
1001	Concrete Components - Repair		9,301					10,783			
1011	Trash Enclosure Gates - Replace										
Grounds Components Total:			**9,301**					**10,783**			
Gutters and Downspouts											
1032	Downspouts & Gutters - Refurbish	*Unfunded*									

QUAIL RUN CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID	Description	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Lighting											
1012	Pole Lights - Replace										
1038	Porch Lights - Replace										
Lighting Total:											
Mailboxes											
1031	Mailboxes - Replace										
Mailboxes Total:											
Painting											
1008	Community - Paint							142,335			
1010	Metal Fencing/Gates - Repair			3,832							
1009	Monuments - Paint/Repairs	2,529								3,203	
Painting Total:		**2,529**		**3,832**				**142,335**		**3,203**	
Recreation/Pool											
1018	Pool - Resurface										
1013	Pool Deck - Coat										16,171
1014	Pool Deck - Resurface			20,953							
1016	Pool Furnishings - Repair/Replace	6,321									
Recreation/Pool Total:		**6,321**		**20,953**							**16,171**
Roofing											
1041	Roofs (Bldg C) - Replace							64,698			
1042	Roofs (Bldg E & Clubhouse) - Replace								88,852		
1037	Roofs (Bldg F) - Replace				59,208						
1034	Roofs (Bldgs A, B & H) - Replace		167,427								
1039	Roofs (Bldgs D, G & K) - Replace				177,623						
1040	Roofs (Bldgs I & J) - Replace					121,968					
Roofing Total:			**167,427**		**236,830**	**121,968**		**64,698**	**88,852**		
Year Total:		**17,700**	**178,216**	**68,403**	**246,896**	**123,594**	**10,812**	**220,727**	**90,629**	**49,337**	**32,313**