

# RDA REPORT

**Thunderbird Paseo**  
Glendale, Arizona  
Account 2335 - Version 003  
October 17, 2011

## RESERVE DATA ANALYSIS, INC.

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## Please Note

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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, assorted vendors, specialist and independent contractors, the Community Associations Institute, 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 the McGraw Hill Book Company. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and preparation of reserve analysis studies.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and each estimated useful life will approximate that of the norm per industry standards and/or manufacture specifications used. 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.

**We recommend that your reserve analysis study be updated every two to three years 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 subsequent computations made in preparing this reserve analysis study are retained in our computer files. Therefore, updates can typically be completed in a more timely manner than the original study.**

Reserve Data Analysis, Inc. would like to thank you for using our services, and we invite you to call us at any time should you have any questions or 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 you with a revised study.

**RESERVE DATA ANALYSIS, INC.**

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## PART I - INTRODUCTION

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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.

### ■ 1. Funding Options

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

The first option is to pass a "special assessment" to the membership in an amount required to cover the expenditure. Although not commonplace, there have been special assessments in the amount of \$10,000 per member assessed in associations in Virginia and southern California. 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 operating on a special assessment basis cannot guarantee that an assessment, when needed, will be passed. Consequently, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated to maintain 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, can be devastating to an association's overall budget.

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 money to an association using "future homeowner assessments" as collateral for the loan. With this method, not only is the current board of directors pledging the future assets of an association, they are also required to pay interest fees on the loan payback in addition to the original principal. 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; 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 in order 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 third option, too often used, is simply to defer the required repair or replacement. This option can create an environment of declining property values due to the increasing deferred maintenance 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, many lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association, a prospective purchaser, or for an individual within such association.

The fourth, and only logical means that the board of directors has to ensure its ability to maintain the assets for which it is obligated, uniformly distributing the costs of the replacements over the entire membership, is by assessing an adequate level of reserves as part of the regular membership assessment. 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.

## ■ 2. The Reserve Study

There are two components of a reserve study – a physical analysis and a financial analysis. During the physical analysis, a reserve 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. A financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent funded) to determine a recommendation for an appropriate reserve contribution rate in the future known as the "funding plan."

Reserve studies fit into one of three categories: 1) Full Study; 2) Update - with site inspection; and 3) 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), a condition assessment (based on 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.”

### ■ 3. Developing a Component List

The budget process begins with an accurate 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 effectively budgeted for 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. Examples of Operational Expenses include:

**Utilities:**

- Electricity
- Gas
- Water
- Telephone
- Cable TV

**Services:**

- Landscaping
- Pool Maintenance
- Street Sweeping
- Accounting
- Reserve Study

**Administrative:**

- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees

**Repair Expenses:**

- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

**RESERVE EXPENSES** are major expenses that occur other than annually and which must be budgeted for in advance in order to provide the necessary funds in time

for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets which have an indeterminable but potential liability which may be demonstrated as a likely occurrence. They are expenses that when incurred would have a significant affect on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance. Examples of Reserve Expenses include:

- Roof Replacements
- Painting
- Deck Resurfacing
- Fencing Replacement
- Street Seal/Slurry Coatings
- Asphalt Overlays
- Pool Re-plastering
- Pool Equipment Replacement
- Pool Furniture Replacement
- Tennis Court Resurfacing
- Park & Play Equipment
- Equipment Replacement
- Interior Furnishings
- Lighting Replacement

**BUDGETING IS NORMALLY EXCLUDED FOR** repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses which may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Costs which are caused by acts of God, accidents or other occurrences which are more properly insured for, rather than reserved for, are also excluded.

#### ■ 4. 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, manufacture 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 every two to three years 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.

## ■ 5. Funding Methods

From the simplest to 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 on the individual lives of the components under consideration.

The component method develops a reserve-funding plan where the total contribution is based on 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 reserves over time. This method also allows for computations on individual components in the analysis. The RDA Summary and RDA Projection Reports are based upon the component methodology.

## ■ 6. Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are two basic strategies widely used by associations. 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 two funding plans and descriptions of both are detailed below.

- 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 that 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. The formula is based on current replacement cost, and is a measure in time, independent of future inflationary or investment factors:

$$\text{Fully Funded Reserves} = \frac{\text{Age of Component}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

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

- **Threshold Funding (RDA Modified Cash Flow Reports)** — There are two goals of this funding method. The first goal is to make sure that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period. The second goal is to reach and maintain a 100% fully funded reserve balance during the projected period. Depending on the association's current percent funded, it may take the entire projected period (typically 30 years) before the 100% fully funded level is achieved.

Reaching and maintaining a 100% fully funded reserve balance by uniformly distributing the costs of the replacements over time benefits both current and future members of an association, and is the best approach the board of directors can take to fulfill its fiduciary responsibility. The modified cash flow method creates a funding strategy that gives the membership the lowest reserve funding recommendation as possible over time, while approaching the 100% fully funded level.

Another advantage of the modified cash flow method is that in most cases several strategies can be manually tested by Reserve Data Analysis, Inc. (the strategy is not based strictly on each components current funding status) until the best funding strategy is created – one that has consistent, incremental contribution increases from year to year. This very important aspect of the reserve study will aid the board of directors during the annual budgeting process.

## ■ 7. Distribution of Accumulated Reserves

The first 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:

$$\text{Fully Funded Reserves} = \frac{\text{Age of Component}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The RDA RESERVE MANAGEMENT SOFTWARE™ program performs the above calculations to the very month the component was placed-in-service. It also allows for the accumulation of the necessary reserves for the replacement to be available on the first day of the fiscal year it is scheduled to be replaced.

After identifying the ideal level of reserves for each asset, the beginning reserve balance must be allocated to each of the individual components identified in the analysis.

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 are depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (schedule for replacement this 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 item to 1 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 which 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 initially, but are then considered to be available reserves in the report funding computations.

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

If the reserves are underfunded, the monthly contribution requirements as outlined in this report may be higher than normal depending on the calculation method that is used. 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 which may be under consideration.

## ■ 8. Funding Reserves

Two contribution numbers are provided in the report, the "Monthly Membership Contribution" and the "Net Monthly Allocation." The association should contribute to reserves each month the "Monthly Membership Contribution" figure, when the interest earned on the reserves is left in the reserve accounts as part of the contribution. When interest is earned on the reserves, that interest must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Net Monthly Allocation" to reserves (this is the member contribution 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.

## ■ 9. Users' Guide to Your Reserve Analysis Study

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

### REPORT SUMMARY

The **Report Summary** lists all of the parameters which were used in calculating the report as well as the summary of your reserve analysis study.

### INDEX REPORTS

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves which should have accumulated for the association as well as the actual reserves available.

### 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.

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

The **Detail Report Index** is an alphabetical listing of all assets together with the page number of the asset's detail report and asset number.

### PROJECTIONS AND CHARTS

**Thirty-year Projections** of projected data add to the usefulness of your reserve analysis study.

## ■ 10. Definitions

**REPORT I.D.** - Includes the REPORT DATE (ex. November 15, 1992), VERSION (ex. 001), and ACCOUNT NUMBER (ex. 9773). Please use this information when referencing your report. (Displayed on the summary page.)

**BUDGET YEAR BEGINNING/ENDING** - The budgetary year for which the report is prepared. For associations with fiscal years ending December 31, the monthly contribution figures indicated are for the 12 month period beginning 1/1/2X and ending 12/31/2X.

**NUMBER OF UNITS/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 which will be necessary in order to accumulate the required funds in time for replacement.

**ANNUAL CONTRIBUTION INCREASE** - The percentage rate at which the association will increase its contribution to reserves at the end of each year until the year in which the asset is replaced. 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 aid those associations that have not set aside appropriate reserves in the past by making the initial year's allocation less formidable.

**INVESTMENT YIELD** - The average interest rate anticipated by the association based upon its current investment practices.

**TAXES ON YIELD** - The estimated percentage of interest income which will be set aside for taxes.

**ACCUMULATED RESERVE BALANCE** - The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. 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/AGE** - Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

**MONTHLY CONTRIBUTION** - The contribution to reserves required by the association each month.

**INTEREST CONTRIBUTION** - 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.

**NET MONTHLY ALLOCATION** - The sum of the monthly contribution and interest contribution figures.

**GROUP OR FACILITY NUMBER/CATEGORY NUMBER** - The report may be prepared and sorted either by group or facility (location, building, phase, etc.) or by category (roofing, painting, etc.). Standard report printing format is by category.

**PERCENTAGE OF REPLACEMENT** - 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** - 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 +/- 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.

**FIXED ACCUMULATED RESERVES** - An optional figure which, if used, will override the normal process of allocating reserves to each asset.

**FIXED MONTHLY CONTRIBUTION** - An optional figure which, if used, will override all calculations and set the contribution at this amount.

**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 as of 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 quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents and discussion with appropriate association representative(s).

## ■ 11. A Multi-Purpose Tool

Your RDA 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 RDA 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.
- A 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 RDA 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 RDA REPORT is a tool which 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 which the association is obligated to maintain.
- Since the RDA reserve analysis study includes precise 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.

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**Thunderbird Paseo**  
 Glendale, Arizona  
CFS Reserve Analysis Report Summary

Report Date	October 17, 2011	Parameters:	
Version	003	Inflation	3.00%
Account Number	2335	Annual Contribution Increase	2.00%
Budget Year Beginning	1/ 1/12	Investment Yield	0.50%
Ending	12/31/12	Taxes on Yield	0.00%
		Contingency	3.00%
Total Units Included	252	Reserve Fund Balance as of	
Phase Development	1 of 1	1/ 1/12:	\$75,468.32

Project Profile & Introduction

Unless otherwise indicated in this report, we have used 1986 as the basis for aging the original components examined in this analysis, and August 2005 as the basis for aging the components that were refurbished during the conversion process.

The January 1, 2012 reserve balance was estimated and provided by the Board of Directors.

Calculation Method: Modified Cash Flow      Funding Strategy: Threshold  
 RDA Reports: 5/05 (rev. 6/05). Updated w/site visit 3/08, 10/11.

Cash Flow Specific Summary of Calculations

Monthly Contribution to Reserves Required:	\$7,755.00
( \$30.77 per unit per month)	
Average Net Monthly Interest Contribution This Year:	41.90
Net Monthly Allocation to Reserves 1/ 1/12 to 12/31/12:	<u>\$7,796.90</u>
( \$30.94 per unit per month)	

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**Thunderbird Paseo**  
Distribution of Accumulated Reserves

REPORT DATE:           October 17, 2011  
 VERSION:                003  
 ACCOUNT NUMBER:        2335

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Concrete Components - Unfunded	0	0.00	0.00
Granite Replenishment (Unfunded)	0	0.00	0.00
Irrigation System (Unfunded)	0	0.00	0.00
Lighting - Pole/Globes (Unfunded)	0	0.00	0.00
Roofs - Metal, Carports, Unfunded	0	0.00	0.00
Streets - Repair & Seal Coat (2012)	0	17,751.00	17,751.00
Tennis Court - R & R (Unfunded)	0	0.00	0.00
Tree Trimming (Unfunded)	0	0.00	0.00
Clubhouse - HVAC (A)	1	3,851.85	3,851.85
Maintenance Bldg - HVAC	1	1,400.00	1,400.00
Pool - Heater	1	2,769.23	2,769.23
Spa - Heater	1	2,272.73	2,272.73
Pool - Filter	2	1,114.29	1,114.29
Pool/Spa - Pumps & Motors	2	990.00	990.00
Irrigation Controllers	3	1,720.00	1,720.00
Mailboxes - Wall Mounted	4	10,257.00	10,257.00
Pool - Furniture (Lounges & Chairs)	4	2,871.43	2,871.43
Roofs - Tile, Underlayment	4	126,316.67	28,272.68
Streets - Pulverize & Repave	4	192,302.93	0.00
Tennis Court - Resurface	5	0.00	0.00
Clubhouse - Cardio Equipment	6	6,000.00	0.00
Clubhouse - Carpet	6	3,056.00	0.00
Streets - Seal Coat (Ongoing)	6	0.00	0.00
Pool - Deck Recoat	7	0.00	0.00
Sewer Lift Station Pumps	7	1,806.39	0.00
Paint - Carport Support Structures	8	0.00	0.00
Pool - BBQ Islands & Grills	8	4,895.95	0.00
Spa - Filter	8	444.44	0.00
Tennis Court - Chain Link Fencing	8	7,150.00	0.00
Tennis Court - Light Fixtures	8	2,982.35	0.00
Roofs - Flat, Foam, Recoat	9	4,616.58	0.00
Paint - Building Exteriors	10	0.00	0.00

**Thunderbird Paseo**  
Distribution of Accumulated Reserves

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Clubhouse - Strength Equipment	11	1,575.00	0.00
Pool - Furniture (Tables)	12	620.00	0.00
Spa - Retile	12	1,400.00	0.00
Pool - Deck Resurface	14	0.00	0.00
Monument Sign	17	375.00	0.00
Clubhouse - HVAC (B)	19	375.72	0.00
Clubhouse - Remodel	19	16,800.00	0.00
Fencing - Wrought Iron (Pool)	24	242.67	0.00
Pool - Resurface (Quartz Plaster)	25	0.00	0.00
Total Asset Summary:		415,957.23	73,270.21
Contingency @ 3.00%:		12,478.72	2,198.11
Grand Total:		428,435.95	75,468.32
Excess Reserves Not Used:			0.00
Percent Fully Funded:	18%		

**Thunderbird Paseo**  
**Funding Status Report**

REPORT DATE: October 17, 2011  
VERSION: 003  
ACCOUNT NUMBER: 2335

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Concrete Components - Unfunded	0	0	0	0	0	0
Streets - Pulverize & Repave	25	+5	4	221,888	192,303	0
Streets - Repair & Seal Coat (2012)	4	0	0	17,751	17,751	17,751
Streets - Seal Coat (Ongoing)	4	+2	6	11,834	0	0
*** CATEGORY SUMMARY:				251,473	210,054	17,751
Roofs - Flat, Foam, Recoat	5	+5	9	87,715	4,617	0
Roofs - Metal, Carports, Unfunded	0	0	0	0	0	0
Roofs - Tile, Underlayment	30	0	4	145,750	126,317	28,273
*** CATEGORY SUMMARY:				233,465	130,933	28,273
Paint - Building Exteriors	10	0	10	113,038	0	0
Paint - Carport Support Structures	8	0	8	11,280	0	0
*** CATEGORY SUMMARY:				124,318	0	0
Fencing - Wrought Iron (Pool)	25	0	24	8,008	243	0
*** CATEGORY SUMMARY:				8,008	243	0
Lighting - Pole/Globes (Unfunded)	0	0	0	0	0	0
*** CATEGORY SUMMARY:				0	0	0
Pool - BBQ Islands & Grills	15	0	8	11,000	4,896	0
Pool - Deck Recoat	14	-7	7	6,598	0	0
Pool - Deck Resurface	14	0	14	21,208	0	0
Pool - Filter	18	+10	2	1,200	1,114	1,114
Pool - Furniture (Lounges & Chairs)	7	0	4	6,700	2,871	2,871
Pool - Furniture (Tables)	15	0	12	3,100	620	0
Pool - Heater	8	+5	1	3,000	2,769	2,769
Pool - Resurface (Quartz Plaster)	25	0	25	13,629	0	0
Pool/Spa - Pumps & Motors	5	0	2	1,650	990	990
Spa - Filter	18	0	8	800	444	0
Spa - Heater	8	+3	1	2,500	2,273	2,273
Spa - Retile	20	0	12	3,500	1,400	0
*** CATEGORY SUMMARY:				74,885	17,378	10,018
Tennis Court - Chain Link Fencing	35	-1	8	9,350	7,150	0
Tennis Court - Light Fixtures	30	+4	8	3,900	2,982	0
Tennis Court - R & R (Unfunded)	0	0	0	0	0	0
Tennis Court - Resurface	5	0	5	6,000	0	0
*** CATEGORY SUMMARY:				19,250	10,132	0
Clubhouse - Carpet	12	0	6	6,112	3,056	0
Clubhouse - HVAC (A)	20	+7	1	4,000	3,852	3,852

**Thunderbird Paseo**  
Funding Status Report

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Clubhouse - HVAC (B)	20	0	19	14,653	376	0
Clubhouse - Remodel	25	0	19	70,000	16,800	0
*** CATEGORY SUMMARY:				94,765	24,084	3,852
Clubhouse - Cardio Equipment	15	0	6	10,000	6,000	0
Clubhouse - Strength Equipment	20	0	11	3,500	1,575	0
*** CATEGORY SUMMARY:				13,500	7,575	0
Maintenance Bldg - HVAC	15	0	1	1,500	1,400	1,400
*** CATEGORY SUMMARY:				1,500	1,400	1,400
Sewer Lift Station Pumps	8	0	7	18,666	1,806	0
*** CATEGORY SUMMARY:				18,666	1,806	0
Granite Replenishment (Unfunded)	0	0	0	0	0	0
Irrigation Controllers	15	0	3	2,150	1,720	1,720
Irrigation System (Unfunded)	0	0	0	0	0	0
Mailboxes - Wall Mounted	30	0	4	11,835	10,257	10,257
Monument Sign	20	0	17	2,500	375	0
Tree Trimming (Unfunded)	0	0	0	0	0	0
*** CATEGORY SUMMARY:				16,485	12,352	11,977
TOTAL ASSET SUMMARY:				856,315	415,957	73,270
CONTINGENCY @ 3.00%:					12,479	2,198
GRAND TOTAL:					428,436	75,468

Percent Fully Funded: 18%

**Thunderbird Paseo**  
Cash Flow Specific Projections

REPORT DATE:           October 17, 2011  
 VERSION:                003  
 ACCOUNT NUMBER:       2335

Beginning Accumulated Reserves:       \$75,468

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'12	856,315	93,060	503	17,751	151,280	476,044	32%
'13	863,720	94,921	919	11,330	235,791	536,138	44%
'14	889,632	96,820	1,389	3,024	330,975	608,610	54%
'15	916,321	98,756	1,874	2,349	429,255	685,759	63%
'16	943,811	100,731	231	434,641	95,577	310,212	31%
'17	972,125	102,746	680	6,956	192,047	377,603	51%
'18	994,124	104,801	1,036	33,369	264,514	421,758	63%
'19	1,023,948	106,897	1,405	33,100	339,716	468,856	72%
'20	1,054,667	109,035	1,722	46,022	404,450	505,715	80%
'21	1,086,307	111,215	1,673	121,624	395,714	477,124	83%
'22	1,118,896	113,440	1,402	167,818	342,738	401,228	85%
'23	1,152,463	115,708	1,912	14,119	446,240	488,748	91%
'24	1,187,036	118,023	2,448	11,763	554,948	584,107	95%
'25	1,222,648	120,383	3,057	0	678,389	697,602	97%
'26	1,259,327	122,791	2,766	182,656	621,290	623,601	100%
'27	1,297,107	125,247	3,255	29,081	720,711	713,273	101%
'28	1,336,020	127,751	3,802	20,508	831,756	817,785	102%
'29	1,376,101	130,306	4,387	15,950	950,500	933,414	102%
'30	1,417,384	132,913	4,840	45,618	1,042,634	1,024,277	102%
'31	1,459,905	135,571	4,022	302,248	879,978	848,910	104%
'32	1,503,702	138,282	3,693	206,327	815,627	773,482	105%
'33	1,548,813	141,048	4,219	38,317	922,577	877,572	105%
'34	1,595,278	143,869	4,824	25,837	1,045,433	1,001,672	104%
'35	1,643,136	146,746	5,283	58,548	1,138,913	1,098,546	104%
'36	1,692,430	149,681	4,961	217,515	1,076,041	1,033,540	104%
'37	1,743,203	152,675	5,472	54,080	1,180,107	1,143,956	103%
'38	1,795,499	155,728	6,135	27,246	1,314,724	1,290,256	102%
'39	1,849,364	158,843	6,900	10,551	1,469,916	1,462,883	100%
'40	1,904,845	162,020	7,495	48,522	1,590,908	1,604,759	99%
'41	1,961,990	165,260	4,696	729,600	1,031,264	1,032,820	100%

**Thunderbird Paseo**  
Annual Expenditure Detail

REPORT DATE: October 17, 2011  
VERSION: 003  
ACCOUNT NUMBER: 2335

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DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2012	
Streets - Repair & Seal Coat (2012)	17,751.00
*** ANNUAL TOTAL:	<hr/> 17,751.00
REPLACEMENT YEAR 2013	
Clubhouse - HVAC (A)	4,120.00
Maintenance Bldg - HVAC	1,545.00
Pool - Heater	3,090.00
Spa - Heater	2,575.00
*** ANNUAL TOTAL:	<hr/> 11,330.00
REPLACEMENT YEAR 2014	
Pool - Filter	1,273.08
Pool/Spa - Pumps & Motors	1,750.49
*** ANNUAL TOTAL:	<hr/> 3,023.57
REPLACEMENT YEAR 2015	
Irrigation Controllers	2,349.37
*** ANNUAL TOTAL:	<hr/> 2,349.37
REPLACEMENT YEAR 2016	
Mailboxes - Wall Mounted	13,320.39
Pool - Furniture (Lounges & Chairs)	7,540.91
Roofs - Tile, Underlayment	164,042.92
Streets - Pulverize & Repave	249,736.90
*** ANNUAL TOTAL:	<hr/> 434,641.12
REPLACEMENT YEAR 2017	
Tennis Court - Resurface	6,955.64
*** ANNUAL TOTAL:	<hr/> 6,955.64

**Thunderbird Paseo**  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2018	
Clubhouse - Cardio Equipment	11,940.52
Clubhouse - Carpet	7,298.04
Streets - Seal Coat (Ongoing)	14,130.42
*** ANNUAL TOTAL:	33,368.98
REPLACEMENT YEAR 2019	
Pool - Deck Recoat	8,114.10
Pool/Spa - Pumps & Motors	2,029.29
Sewer Lift Station Pumps	22,956.83
*** ANNUAL TOTAL:	33,100.22
REPLACEMENT YEAR 2020	
Paint - Carport Support Structures	14,289.17
Pool - BBQ Islands & Grills	13,934.48
Spa - Filter	1,013.42
Tennis Court - Chain Link Fencing	11,844.31
Tennis Court - Light Fixtures	4,940.41
*** ANNUAL TOTAL:	46,021.79
REPLACEMENT YEAR 2021	
Pool - Heater	3,914.32
Roofs - Flat, Foam, Recoat	114,448.18
Spa - Heater	3,261.93
*** ANNUAL TOTAL:	121,624.43
REPLACEMENT YEAR 2022	
Paint - Building Exteriors	151,913.61
Streets - Seal Coat (Ongoing)	15,903.91
*** ANNUAL TOTAL:	167,817.52
REPLACEMENT YEAR 2023	
Clubhouse - Strength Equipment	4,844.82
Pool - Furniture (Lounges & Chairs)	9,274.36
*** ANNUAL TOTAL:	14,119.18



**Thunderbird Paseo**  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2024	
Pool - Furniture (Tables)	4,419.84
Pool/Spa - Pumps & Motors	2,352.51
Spa - Retile	4,990.16
*** ANNUAL TOTAL:	11,762.51
REPLACEMENT YEAR 2025	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2026	
Pool - Deck Resurface	32,079.02
Roofs - Flat, Foam, Recoat	132,676.81
Streets - Seal Coat (Ongoing)	17,899.99
*** ANNUAL TOTAL:	182,655.82
REPLACEMENT YEAR 2027	
Sewer Lift Station Pumps	29,081.03
*** ANNUAL TOTAL:	29,081.03
REPLACEMENT YEAR 2028	
Maintenance Bldg - HVAC	2,407.05
Paint - Carport Support Structures	18,101.11
*** ANNUAL TOTAL:	20,508.16
REPLACEMENT YEAR 2029	
Monument Sign	4,132.11
Pool - Heater	4,958.54
Pool/Spa - Pumps & Motors	2,727.20
Spa - Heater	4,132.11
*** ANNUAL TOTAL:	15,949.96
REPLACEMENT YEAR 2030	
Clubhouse - Carpet	10,405.26
Irrigation Controllers	3,660.24
Pool - Furniture (Lounges & Chairs)	11,406.30
Streets - Seal Coat (Ongoing)	20,146.59
*** ANNUAL TOTAL:	45,618.39

**Thunderbird Paseo**  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2031	
Clubhouse - HVAC (B)	25,694.13
Clubhouse - Remodel	122,745.43
Roofs - Flat, Foam, Recoat	153,808.78
*** ANNUAL TOTAL:	302,248.34
REPLACEMENT YEAR 2032	
Paint - Building Exteriors	204,159.18
Pool - Filter	2,167.34
*** ANNUAL TOTAL:	206,326.52
REPLACEMENT YEAR 2033	
Clubhouse - Cardio Equipment	18,602.93
Clubhouse - HVAC (A)	7,441.17
Pool - Deck Recoat	12,273.30
*** ANNUAL TOTAL:	38,317.40
REPLACEMENT YEAR 2034	
Pool/Spa - Pumps & Motors	3,161.57
Streets - Seal Coat (Ongoing)	22,675.17
*** ANNUAL TOTAL:	25,836.74
REPLACEMENT YEAR 2035	
Pool - BBQ Islands & Grills	21,709.47
Sewer Lift Station Pumps	36,838.98
*** ANNUAL TOTAL:	58,548.45
REPLACEMENT YEAR 2036	
Fencing - Wrought Iron (Pool)	16,278.59
Paint - Carport Support Structures	22,929.93
Roofs - Flat, Foam, Recoat	178,306.52
*** ANNUAL TOTAL:	217,515.04
REPLACEMENT YEAR 2037	
Pool - Furniture (Lounges & Chairs)	14,028.31
Pool - Heater	6,281.34
Pool - Resurface (Quartz Plaster)	28,536.10

**Thunderbird Paseo**  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
Spa - Heater	5,234.43
*** ANNUAL TOTAL:	<hr/> 54,080.18
REPLACEMENT YEAR 2038	
Spa - Filter	1,725.27
Streets - Seal Coat (Ongoing)	25,521.10
*** ANNUAL TOTAL:	<hr/> 27,246.37
REPLACEMENT YEAR 2039	
Pool - Furniture (Tables)	6,885.98
Pool/Spa - Pumps & Motors	3,665.12
*** ANNUAL TOTAL:	<hr/> 10,551.10
REPLACEMENT YEAR 2040	
Pool - Deck Resurface	48,522.40
*** ANNUAL TOTAL:	<hr/> 48,522.40
REPLACEMENT YEAR 2041	
Roofs - Flat, Foam, Recoat	206,706.13
Streets - Pulverize & Repave	522,893.63
*** ANNUAL TOTAL:	<hr/> 729,599.76

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

REPORT DATE: October 17, 2011  
 VERSION: 003  
 ACCOUNT NUMBER: 2335

**Concrete Components - Unfunded**

ASSET ID 1002 GROUP/FACILITY 0 CATEGORY 10  PLACED IN SERVICE 0/ 0 0 YEAR USEFUL LIFE +0 YEAR ADJUSTMENT REPLACEMENT YEAR 2012 0 YEAR REM LIFE	QUANTITY UNIT COST PERCENT REPL CURRENT COST FUTURE COST SALVAGE VALUE	1 comment 0.000 0.00% 0.00 0.00 0.00
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REMARKS:

The following comment also applies to the concrete picnic tables and benches located at the ramadas throughout the community:

We are not budgeting for repair or replacement of concrete decks, pads, sidewalks, or driveways as a reserve component. It is anticipated that any repairs required will be addressed immediately due to safety concerns. Good maintenance practice won't allow the need for repairs to accumulate to a point of major expense. We recommend that the client includes a line item in the annual operating budget for repairs and/or replacements on an "as needed" basis. However, should the client wish to include budgeting for concrete components, we will do so at their request (cost and useful life to be provided by client).

**Streets - Pulverize & Repave**

ASSET ID 1004 GROUP/FACILITY 0 CATEGORY 10  PLACED IN SERVICE 1/86 25 YEAR USEFUL LIFE +5 YEAR ADJUSTMENT REPLACEMENT YEAR 2016 4 YEAR REM LIFE	QUANTITY UNIT COST PERCENT REPL CURRENT COST FUTURE COST SALVAGE VALUE	1 total 221,888.000 100.00% 221,888.00 249,736.90 0.00
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**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Streets - Pulverize & Repave, Continued ...

REMARKS:

147,925 - sq. ft. of resurfacing @ \$ 1.50 = \$ 221,888.00  
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TOTAL = \$ 221,888.00

This is a provision to pulverize and repave the asphalt driving lanes and parking areas in 2016. At the time of our September 2011 site inspection it was noted that there is significant cracking throughout the community, and there a number of areas where the asphalt surface has worn away revealing loose aggregate and in some cases the base.

**Streets - Repair & Seal Coat (2012)**

ASSET ID 1071  
 GROUP/FACILITY 0  
 CATEGORY 10

QUANTITY	147,925 sq. ft.
UNIT COST	0.120
PERCENT REPL	100.00%
CURRENT COST	17,751.00
FUTURE COST	17,751.00
SALVAGE VALUE	0.00

PLACED IN SERVICE 3/08  
 4 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2012  
 0 YEAR REM LIFE (One Time Repl)

REMARKS:

This is a one time expense to repair and seal coat the community asphalt in 2012. This is the last scheduled maintenance prior to the rehabilitation scheduled for 2016 (see Asset ID #1004). Please refer to Asset ID #1073 for future seal coating applications.

**Streets - Seal Coat (Ongoing)**

ASSET ID 1073  
 GROUP/FACILITY 0  
 CATEGORY 10

QUANTITY	147,925 sq. ft.
UNIT COST	0.080
PERCENT REPL	100.00%
CURRENT COST	11,834.00
FUTURE COST	14,130.41
SALVAGE VALUE	0.00

PLACED IN SERVICE 12/12  
 4 YEAR USEFUL LIFE  
 +2 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2018  
 6 YEAR REM LIFE

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

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Streets - Seal Coat (Ongoing), Continued ...

REMARKS:

This component is for a continuous four year seal coating cycle, beginning in 2018, two years after the rehabilitation project is scheduled to occur.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Roofs - Flat, Foam, Recoat	QUANTITY	87,715 sq. ft.
	UNIT COST	1.000
ASSET ID 1082	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	87,715.00
CATEGORY 20	FUTURE COST	114,448.18
	SALVAGE VALUE	0.00
PLACED IN SERVICE 7/11		
5 YEAR USEFUL LIFE		
+5 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2021		
9 YEAR REM LIFE		

REMARKS:

This component is for an elastomeric recoat to the foam roofs. The first recoat is scheduled for 2021, 10 years after the initial installation of the roofs. Subsequent recoats are scheduled on a continuous five (5) year cycle. We recommend that the client includes a line item in the operating budget for inspections, debris removal & repairs on an "as needed" basis.

\*\* NOTE: The cost for roof recoating can vary significantly from roofing company to roofing company. Be sure to solicit several comparative bids to obtain the best possible pricing. For budgeting purposes we have used \$1.00/sq. ft. to recoat (5 year warranty).

We have been advised (per a letter from Brown Management to the Association members dated August 3, 2011) that all of the roofs were replaced and have a 10-year no leak warranty. The total cost of the roof replacement project was \$405,145. At the time of our September 2011 site visit we got up on a couple roofs and identified that the new roofs are foam. RDA was not provided a copy of the Gorman Roofing proposal showing the total scope of work for this project.

Approximate Roof Square Footages (measured by RDA on site in May 2005):

Buildings 1, 5, 6, 9, 12:	5,020 sq. ft.
Buildings 2, 7:	4,600 sq. ft.
Buildings 3, 10, 13, 16:	6,150 sq. ft.
Buildings 4, 8, 14, 15:	5,375 sq. ft.
Building 11:	3,735 sq. ft.
Clubhouse:	3,370 sq. ft.
Maintenance Building:	210 sq. ft.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Roofs - Metal, Carports, Unfunded		QUANTITY	1 comment
ASSET ID	1010	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	20	CURRENT COST	0.00
		FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0/ 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2012		
0 YEAR REM LIFE			

REMARKS:

We are not budgeting to replace the corrugated metal carport roofs because they have an extremely long useful life. However, the condition of these roofs should be monitored over time, and if future replacements are anticipated, we will include them in a future update to this report. Should the client want a reserve planned for this asset, we will revise the report to include these roofs. We have listed for informational purposes only.

Any minor repairs should be handled on an "as needed" basis, and the expense paid for out of the operating budget, the operating contingency, or the reserve contingency.

Roofs - Tile, Underlayment		QUANTITY	53,000 sq. ft.
ASSET ID	1074	UNIT COST	2.750
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	20	CURRENT COST	145,750.00
		FUTURE COST	164,042.91
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/86		
30 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2016		
4 YEAR REM LIFE			

REMARKS:

The following comments apply to the concrete tile roofs atop the 16 residential buildings, the clubhouse and the maintenance building. The cost used above is based on cost information provided to us by Jason Payne of Payne & Sons Roofing related to roof work at another property that is similar in style to Thunderbird Paseo.

Tile roof systems are designed to last for the life of the project. However, the integrity of a tile roof is totally dependent on the roof underlayment. The tile can last forever, but will not keep the building watertight unless the underlayment is intact.



**Thunderbird Paseo**  
Cash Flow Detail Report by Category

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Roofs - Tile, Underlayment, Continued ...

The condition of a tile roof can be deceiving. The tile may appear to be in good condition, but must be removed in order to determine the condition of the underlayment. Should it be discovered that the underlayment has deteriorated, the only solution is to remove the existing tile, replace the underlayment and reinstall the tile.

Flashing defects, attachment problems and broken/displaced/missing tiles are common factors affecting the condition of the underlayment by allowing exposure to sun and rain. Therefore, in order to protect your investment, prevent potential problems and extend the life of the underlayment, it is necessary to have a qualified roofer inspect the tile roofs on a regular basis. We recommend including a line item in the operating budget for periodic inspections.

Given the many factors listed above, we have included a provision for tile roof underlayment replacement. After several discussions with local roofing contractors and inspectors, we have come to the conclusion that the underlayment has a life expectancy of 20 - 40 years. Therefore, in order to account for this significant future liability, we are budgeting to replace the underlayment on a 30 year cycle. Should the client wish to budget for this component in a different manner we will do so at their request.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

**Paint - Building Exteriors**

ASSET ID 1007  
 GROUP/FACILITY 0  
 CATEGORY 30

QUANTITY	1 total
UNIT COST	113,038.000
PERCENT REPL	100.00%
CURRENT COST	113,038.00
FUTURE COST	151,913.62
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/12  
 10 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2022  
 10 YEAR REM LIFE

REMARKS:

The community manager has advised us that all buildings are in the process of being painted and will be completed by the end of 2011. We have been advised by the Board that the total cost for this project (including stucco repairs) was \$113,038. Additionally, the Board has requested that we use a 10 year useful life for future cycles.

This component includes:

- paint stucco, wood & metal exteriors of the residential buildings
- paint stucco & wood exteriors of the clubhouse, tennis court bldgs, maintenance building, pool equipment building & five ramadas
- paint perimeter block wall

The painting of metal light poles will be handled as needed by on site maintenance personnel and paid for out of the operating budget (98 poles).

**Paint - Carport Support Structures**

ASSET ID 1086  
 GROUP/FACILITY 0  
 CATEGORY 30

QUANTITY	1 total
UNIT COST	11,280.000
PERCENT REPL	100.00%
CURRENT COST	11,280.00
FUTURE COST	14,289.17
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/12  
 8 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2020  
 8 YEAR REM LIFE

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

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Paint - Carport Support Structures, Continued ...

REMARKS:

This component is to paint the metal carport support beams and poles. All of the carports were painted in late 2011 by Gorman Roofing Services for \$32,960. This component budgets for this expense every eight (8) years going forward. The proposal showing the cost and scope of work for this project was not provided to RDA, however, our opinion is that this cost to paint 282 carport spaces is about 3x to high. A typical cost to paint a carport space is in the range of \$35 - \$45. This cost calculates out to \$117 per space. That being said, we have used a more reasonable cost to budget for the next cycle of carport support structure painting.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

**Fencing - Wrought Iron (Pool)**

ASSET ID 1029  
 GROUP/FACILITY 0  
 CATEGORY 40

QUANTITY	1 total
UNIT COST	8,008.000
PERCENT REPL	100.00%
CURRENT COST	8,008.00
FUTURE COST	16,278.62
SALVAGE VALUE	0.00

PLACED IN SERVICE 4/11  
 25 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2036  
 24 YEAR REM LIFE

REMARKS:

The Board has advised us that the pool fence was replaced in April 2011 for a total cost of \$8,008. They have also advised us that this fence comes with a 25-year maintenance and rust-free warranty, and does not require painting.

Measurements taken on-site:

- 300 - lin. ft. of 5'0" fencing
- 1 - 4'8" x 4'0" gate
- 2 - 5'0" x 3'8" gates

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Lighting - Pole/Globes (Unfunded)

ASSET ID 1006  
 GROUP/FACILITY 0  
 CATEGORY 50  
  
 PLACED IN SERVICE 0/ 0  
 0 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2012  
 0 YEAR REM LIFE

QUANTITY	1 comment
UNIT COST	0.000
PERCENT REPL	0.00%
CURRENT COST	0.00
FUTURE COST	0.00
SALVAGE VALUE	0.00

REMARKS:

The Board has advised us that the poles w/globe fixtures will be repaired and/or replaced as needed by on-site personnel, and paid for out of the operating budget. The majority of the globes were replaced in 2011 after being shattered by a hail storm.

Count: 98 - 6', 8', 10' poles w/"globe" fixtures

We are not budgeting to replace any ground level pagoda type or spot/flood-light fixtures because the cost to do so is most often considered an operating expense. It is difficult to determine a useful life for these types of fixtures because they are frequently damaged by pedestrians, landscape personnel, and weather conditions. Any repairs and/or replacements should be handled on an "as needed" basis, and the expense paid for out of the operating budget.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Pool - BBQ Islands & Grills		QUANTITY	1 total
ASSET ID	1069	UNIT COST	11,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	11,000.00
		FUTURE COST	13,934.47
		SALVAGE VALUE	0.00
PLACED IN SERVICE	8/05		
15 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2020		
8 YEAR REM LIFE			

REMARKS:

Two prefabricated BBQ islands and grills were added to the pool area during the conversion process at a cost of approximately \$10,000.00. This component budgets to refurbish/replace these components on a 15 year cycle.

These are Beef Eater grills.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Pool - Deck Recoat		QUANTITY	3,770 sq. ft.
ASSET ID	1076	UNIT COST	1.750
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	6,597.50
		FUTURE COST	8,114.09
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/12		
14 YEAR USEFUL LIFE			
-7 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2019		
7 YEAR REM LIFE			

REMARKS:

This component includes a provision to repair and recoat (repaint) the pool deck in between each resurfacing cycle.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Pool - Deck Resurface		QUANTITY	1 total
ASSET ID	1020	UNIT COST	21,208.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	21,208.00
		FUTURE COST	32,079.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/12		
14 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2026		
14 YEAR REM LIFE			

REMARKS:

This component includes a provision to resurface (includes scabbling of deck and acrylic overlay) the pool deck surface. The coating/coloring of the deck following the resurfacing is accounted for in the "Deck Recoat" asset.

The community manager has advised us that the Association plans to resurface the pool deck at the same time the pool is resurfaced, by the end of 2011, for a total cost of \$21,208. This project will be paid for out of the operating budget or from remaining insurance settlement funds.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Pool - Filter		QUANTITY	1 filter
ASSET ID	1023	UNIT COST	1,200.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	1,200.00
		FUTURE COST	1,273.08
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/86		
18 YEAR USEFUL LIFE			
+10 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2014		
2 YEAR REM LIFE			

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Pool - Filter, Continued ...

REMARKS:

This is a Triton, 4.9 sq. ft. sand filter.

We did not have access to the pool pump room and could not inspect the equipment. The community manager indicated that no pool or spa equipment replacements have occurred since our last study was completed back in March 2008.

The community manager also indicated that all equipment was still operating fine.

**Pool - Furniture (Lounges & Chairs)**

ASSET ID 1027  
 GROUP/FACILITY 0  
 CATEGORY 60

QUANTITY	1 total
UNIT COST	6,700.000
PERCENT REPL	100.00%
CURRENT COST	6,700.00
FUTURE COST	7,540.91
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/09  
 7 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2016  
 4 YEAR REM LIFE

REMARKS:

18 - sling lounges	@	\$ 175.00	=	\$ 3,150.00
16 - sling chairs	@	125.00	=	2,000.00
6 - sling bar chairs	@	125.00	=	750.00
4 - fabric umbrellas	@	200.00	=	800.00
				-----
		TOTAL	=	\$ 6,700.00

This is Sundrella furniture.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.



**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Pool - Furniture (Tables)		QUANTITY	1 total
ASSET ID	1080	UNIT COST	3,100.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	3,100.00
		FUTURE COST	4,419.86
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/09		
15 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2024		
12 YEAR REM LIFE			

REMARKS:

4 - faux stone tables	@	\$ 400.00	=	\$ 1,600.00
2 - faux stone bar tables	@	300.00	=	600.00
6 - faux stone tea tables	@	150.00	=	900.00
				-----
		TOTAL	=	\$ 3,100.00

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Pool - Heater		QUANTITY	1 heater
ASSET ID	1021	UNIT COST	3,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	3,000.00
		FUTURE COST	3,090.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/00		
8 YEAR USEFUL LIFE			
+5 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2013		
1 YEAR REM LIFE			

REMARKS:

This is a Leslie's Coppertherm, 330,000 BTU input heater. We did not have access to the pool pump room and could not inspect the equipment. The community manager indicated that no pool or spa equipment replacements have occurred since our last study was completed back in March 2008.

The community manager also indicated that all equipment was still operating fine. We have budgeted to replace it in 2013.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

**Pool - Resurface (Quartz Plaster)**

ASSET ID 1018  
 GROUP/FACILITY 0  
 CATEGORY 60

QUANTITY	1 total
UNIT COST	13,629.000
PERCENT REPL	100.00%
CURRENT COST	13,629.00
FUTURE COST	28,536.10
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/12  
 25 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2037  
 25 YEAR REM LIFE

REMARKS:

The pool measurements are as follows:

1,590 - sq. ft. (IA) of resurfacing  
 142 - lin. ft. of trim tile

We were previously advised that the pool was replastered and retiled in 2004. At the time of our September 2011 site visit, it was noted that the plaster surface is severely chipped and stained. The pool will be resurfaced prior to the end of 2011 with quartz plaster per the Board, for a total cost of \$12,419. The Board was advised by the pool contractor that the quartz plaster surface has a useful life of at least 20 years and has advised us to use a useful life of 25 years or budgeting purposes. While RDA does not agree that the quartz plaster surface will last for 20 years we have used this useful life at the request of the Board.

**Pool/Spa - Pumps & Motors**

ASSET ID 1025  
 GROUP/FACILITY 0  
 CATEGORY 60

QUANTITY	1 total
UNIT COST	1,650.000
PERCENT REPL	100.00%
CURRENT COST	1,650.00
FUTURE COST	1,750.49
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/09  
 5 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2014  
 2 YEAR REM LIFE

REMARKS:

This component will accumulate funds for the major repair/replacement of the pool and spa pumps and motors. For budgeting purposes we have used 2005 as the basis for aging this component.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Spa - Filter		QUANTITY	1 filter
ASSET ID	1024	UNIT COST	800.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	800.00
		FUTURE COST	1,013.42
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/02		
18 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2020		
8 YEAR REM LIFE			

REMARKS:

This is a Triton II 1.92 sq. ft. sand filter. We did not have access to the pool pump room and could not inspect the equipment. The community manager indicated that no pool or spa equipment replacements have occurred since our last study was completed back in March 2008.

The community manager also indicated that all equipment was still operating fine.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Spa - Heater		QUANTITY	1 heater
ASSET ID	1022	UNIT COST	2,500.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	2,500.00
		FUTURE COST	2,575.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/02		
8 YEAR USEFUL LIFE			
+3 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2013		
1 YEAR REM LIFE			

REMARKS:

This is a Laars Lite 2, 125,000 BTU input heater. The client advised us that this heater was last replaced in 2002. We did not have access to the pool pump room and could not inspect the equipment. The community manager indicated that no pool or spa equipment replacements have occurred since our last study was completed back in March 2008.

The community manager also indicated that all equipment was still operating fine. We have budgeted to replace it in 2013.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Spa - Retile	QUANTITY	1 total
ASSET ID 1019	UNIT COST	3,500.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 60	CURRENT COST	3,500.00
	FUTURE COST	4,990.16
	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/04		
20 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2024		
12 YEAR REM LIFE		

REMARKS:

This is a ceramic tile spa (195 sq. ft.).

Based on its condition, we have estimated that the spa was retiled at the same time the pool was replastered in 2004.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Tennis Court - Chain Link Fencing	QUANTITY	1 total
ASSET ID 1033	UNIT COST	9,350.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 65	CURRENT COST	9,350.00
PLACED IN SERVICE 1/86	FUTURE COST	11,844.30
35 YEAR USEFUL LIFE	SALVAGE VALUE	0.00
-1 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2020		
8 YEAR REM LIFE		

REMARKS:

360 - lin. ft. of 10' fencing	@ \$ 25.00	= \$ 9,000.00
1 - 7'0" x 3'6" gate	@ 350.00	= 350.00
		-----
	TOTAL	= \$ 9,350.00

This is vinyl coated chain link. We are budgeting to replace this fence in 2020.

Tennis Court - Light Fixtures	QUANTITY	6 fixtures
ASSET ID 1035	UNIT COST	650.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 65	CURRENT COST	3,900.00
PLACED IN SERVICE 1/86	FUTURE COST	4,940.40
30 YEAR USEFUL LIFE	SALVAGE VALUE	0.00
+4 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2020		
8 YEAR REM LIFE		

REMARKS:

The cost does not include the replacement of the poles or mounting brackets. We are budgeting to replace these fixtures in 2020.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Tennis Court - R & R (Unfunded)		QUANTITY	1 comment
ASSET ID	1032	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	65	CURRENT COST	0.00
		FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0/ 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2012		
0 YEAR REM LIFE			

REMARKS:

The Board has advised us that they do not intend to remove and repave the asphalt tennis court. They have asked to remove funding for it in this analysis (October 2011). Therefore, as a result, any required expense to remove and repave this court will have to come from the operating budget.

Tennis Court - Resurface		QUANTITY	1 court
ASSET ID	1031	UNIT COST	6,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	65	CURRENT COST	6,000.00
		FUTURE COST	6,955.64
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/12		
5 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2017		
5 YEAR REM LIFE	(One Time Repl)		

REMARKS:

The asphalt tennis court was repaired and resurfaced by on-site personnel in late 2011. The Board has requested that we budget to repair and resurface the court on a five (5) year cycle going forward.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Clubhouse - Carpet		QUANTITY	191 sq. yds.
ASSET ID	1040	UNIT COST	32.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	70	CURRENT COST	6,112.00
		FUTURE COST	7,298.05
		SALVAGE VALUE	0.00
PLACED IN SERVICE 1/06			
12 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2018			
6 YEAR REM LIFE			
REMARKS: NONE			

Clubhouse - HVAC (A)		QUANTITY	1 total
ASSET ID	1015	UNIT COST	4,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	70	CURRENT COST	4,000.00
		FUTURE COST	4,120.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE 1/86			
20 YEAR USEFUL LIFE			
+7 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2013			
1 YEAR REM LIFE			
REMARKS:			
1 - BDP, 2-ton package unit (model #560ABD24) @ \$ 4,000.00 = \$ 4,000.00			
			-----
TOTAL			= \$ 4,000.00

This unit is at the end of its projected useful life of 15 - 20 years, but appears to still be in fair operating condition. Therefore, we have adjusted its useful life and scheduled replacement in 2013.

Clubhouse - HVAC (B)		QUANTITY	1 total
ASSET ID	1016	UNIT COST	14,653.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	70	CURRENT COST	14,653.00
		FUTURE COST	25,694.12
		SALVAGE VALUE	0.00
PLACED IN SERVICE 7/11			
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2031			
19 YEAR REM LIFE			

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Clubhouse - HVAC (B), Continued ...

REMARKS:

The client has advised us that the following HVAC equipment was purchased and replaced three existing units at the clubhouse in July 2011 for a total cost of \$14,653:

- 1 - Int'l Comfort Products, 3 ton package unit heat pump
- 2 - Int'l Comfort Products, 4 ton package unit heat pumps

We have used this cost as a basis for future budgeting.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Clubhouse - Remodel		QUANTITY	1 total
ASSET ID	1039	UNIT COST	70,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	70	CURRENT COST	70,000.00
		FUTURE COST	122,745.42
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/06		
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2031		
19 YEAR REM LIFE			

REMARKS:

Several improvements have been made to the clubhouse during the conversion and sales process. This component is for the remodeling of the clubhouse interiors on a 25 year cycle, and will allow funding to be available for the replacement of the following components on an "as needed" basis: furniture, audio/video equipment, pool table refurbishments, tile floor cover, plumbing fixtures, restroom partitions, counter tops, cabinets, appliances, window coverings, drinking fountain, saunas and painting.

For budgeting purposes we have used 2006 as the basis for aging this component.



**Thunderbird Paseo**  
Cash Flow Detail Report by Category

**Clubhouse - Cardio Equipment**

ASSET ID 1043  
 GROUP/FACILITY 0  
 CATEGORY 75

QUANTITY	1 total
UNIT COST	10,000.00
PERCENT REPL	100.00%
CURRENT COST	10,000.00
FUTURE COST	11,940.52
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/03  
 15 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2018  
 6 YEAR REM LIFE

REMARKS:

1 - Landice L7 treadmill	@	\$ 3,000.00	=	\$ 3,000.00
1 - LifeCore Fitness elliptical trainer	@	5,000.00	=	5,000.00
1 - NordicTrack SL528 upright bike	@	2,000.00	=	2,000.00
				-----
		TOTAL	=	\$ 10,000.00

This is all older equipment. The Board has requested that we use a 15 year useful life for budgeting purposes.

**Clubhouse - Strength Equipment**

ASSET ID 1081  
 GROUP/FACILITY 0  
 CATEGORY 75

QUANTITY	1 total
UNIT COST	3,500.00
PERCENT REPL	100.00%
CURRENT COST	3,500.00
FUTURE COST	4,844.82
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/03  
 20 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2023  
 11 YEAR REM LIFE

REMARKS:

This component includes a provision to replace the following strength equipment every 20 years:

1 - Paramount HT3000, universal strength machine

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Maintenance Bldg - HVAC

ASSET ID 1017  
 GROUP/FACILITY 0  
 CATEGORY 80  
  
 PLACED IN SERVICE 1/98  
 15 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2013  
 1 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	1,500.000
PERCENT REPL	100.00%
CURRENT COST	1,500.00
FUTURE COST	1,545.00
SALVAGE VALUE	0.00

REMARKS:

1 - Fedders, wall mounted unit @ \$ 1,500.00 = \$ 1,500.00  
-----  
TOTAL = \$ 1,500.00

This unit is located in the maintenance building next to the tennis court. We have estimated it to be a 1.5 ton unit.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

**Sewer Lift Station Pumps**

ASSET ID 1036  
 GROUP/FACILITY 0  
 CATEGORY 90

QUANTITY	1 total
UNIT COST	18,666.000
PERCENT REPL	100.00%
CURRENT COST	18,666.00
FUTURE COST	22,956.83
SALVAGE VALUE	0.00

PLACED IN SERVICE 4/11  
 8 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2019  
 7 YEAR REM LIFE

REMARKS:

The Board has advised us that the two (2) lift station grinder pumps were replaced and the lift station was completely refurbished for a total project cost of \$18,666. We have budgeted for this same scope of work to be completed on a continuous 10 year cycle.

This project was completed in April 2011.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Granite Replenishment (Unfunded)		QUANTITY	1 comment
ASSET ID	1079	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	100	CURRENT COST	0.00
		FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0 / 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2012		
0 YEAR REM LIFE			

REMARKS:

There are substantial quantities of granite located throughout the community. We are not budgeting to replenish this granite because the cost to do so is most often considered an operating expense. We recommend that a line item be set up in the operating budget to account for this asset, that it be monitored over time, and adjusted as experience dictates.

Should the client wish to have granite replenishment included in the reserve study, we will do so at their request. However, the client will need to provide the sq. ft. of the common area granite. Otherwise, there would be an additional charge to have Reserve Data Analysis, Inc. provide the measurement.

Irrigation Controllers		QUANTITY	1 total
ASSET ID	1012	UNIT COST	2,150.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	2,150.00
		FUTURE COST	2,349.36
		SALVAGE VALUE	0.00

PLACED IN SERVICE 1/00  
 15 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2015  
 3 YEAR REM LIFE

REMARKS:

2	- Irritrol, Total Control 12 station	@	\$ 400.00	=	\$ 800.00
3	- Irritrol, Total Control 18 station	@	450.00	=	1,350.00
					-----
			TOTAL	=	\$ 2,150.00

The costs include an estimate for installation. All controllers are located in electrical panel enclosures. We have used 2000 as an average placed in service date for all irrigation controllers.

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

Irrigation System (Unfunded)		QUANTITY	1 comment
ASSET ID	1077	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	100	CURRENT COST	0.00
		FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0/ 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2012		
0 YEAR REM LIFE			

REMARKS:

We have been advised that irrigation systems (pvc piping, sprinkler heads, valves, etc.) have a useful life of approximately 20 years, and should be included as a reserve component. However, budgeting for the replacement of the irrigation system requires evaluating the present condition (remaining useful life) and replacement cost - both of which call for expert evaluation, but fall outside the scope of a reserve study. Therefore, we recommend that the client have the system evaluated to determine these two factors so that budgeting can be included in a revision or future update of this report.

Mailboxes - Wall Mounted		QUANTITY	1 total
ASSET ID	1042	UNIT COST	11,835.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	11,835.00
		FUTURE COST	13,320.40
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/86		
30 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2016		
4 YEAR REM LIFE			

REMARKS:

2 - 4 x 7 box sets	@	\$ 1,280.00	=	\$ 2,560.00
5 - 5 x 7 box sets	@	1,525.00	=	7,625.00
1 - 29 box set w/1 parcel box	@	1,650.00	=	1,650.00
				-----
		TOTAL	=	\$ 11,835.00

**Thunderbird Paseo**  
Cash Flow Detail Report by Category

<b>Monument Sign</b>		QUANTITY	1 total
ASSET ID	1013	UNIT COST	2,500.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	2,500.00
		FUTURE COST	4,132.12
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/09		
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2029		
17 YEAR REM LIFE			

REMARKS:

The monument sign is made up of letters painted on ceramic tiles that are mounted on a stucco wall. The sign indicates "THUNDERBIRD PASEO CONDOMINIUMS". This differs from the sign that existed at the time of the last reserve study that was completed in March 2008. No information regarding replacement was provided by the client. Therefore, we have estimated the placed in service date to be 2009.

<b>Tree Trimming (Unfunded)</b>		QUANTITY	1 comment
ASSET ID	1084	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	100	CURRENT COST	0.00
		FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0/ 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2012		
0 YEAR REM LIFE			

REMARKS:

The client has advised us that tree trimming will be handled out of the operating budget. Should the client change their mind and wish to have tree trimming included we will need to be provided with the following information:

- \$ amount to be budgeted
- useful life to be used
- year in which next expenditure should occur

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