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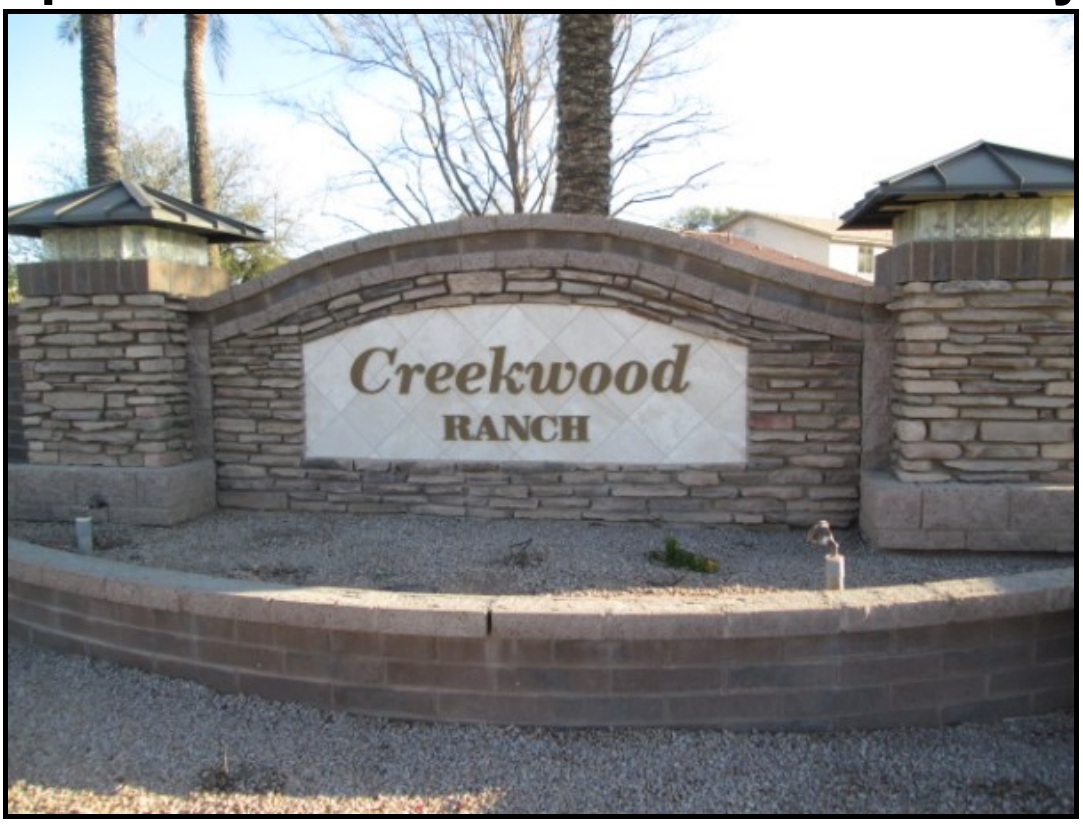

Creekwood Ranch HOA
Chandler, AZ

Report #: 14356-2
For Period Beginning: January 1, 2018
Expires: December 31, 2018

Date Prepared: June 13, 2018

WILL SHAFER
CAI-RS
00187
DESIGNATION
RESERVE SPECIALIST

Hello, and welcome to your Reserve Study!

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

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

In this Report, you will find...

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

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

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ASSOCIATION RESERVES
Est. 1986

Table of Contents

3- Minute Executive Summary

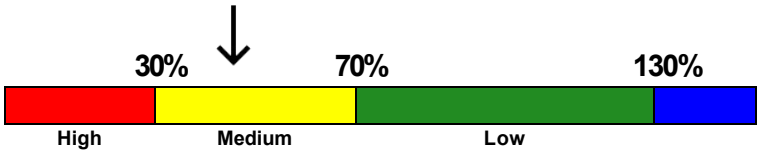
Association:	**Creekwood Ranch HOA**	**Assoc. #: 14356-2**
Location:	**Chandler, AZ**	**# of Units:133**
Report Period:	**January 1, 2018 through December 31, 2018**	

Findings/Recommendations as-of: January 1, 2018

Projected Starting Reserve Balance	**$116,794**
Current Fully Funded Reserve Balance	**$251,505**
Average Reserve Deficit (Surplus) Per Unit	**$1,013**
Percent Funded	**46.4 %**
Approved 2018 Monthly Reserve Contribution	**$199**
Recommended 2019 Monthly Reserve Contribution	**$2,900**
Most Recent Reserve Contribution Rate	**$199**

Reserves % Funded: 46.4%

Special Assessment Risk:



Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	**1.00 %**
Annual Inflation Rate	**3.00 %**

• This is an Update "With-Site-Visit" Reserve Study based on a prior report prepared by Association Reserves for your 2011 Fiscal Year. We performed the site inspection on 2/22/2018.

• The Reserve expense threshold for this analysis is $1,000, which means no expenses under that amount are funded in the Reserve Study.

• Your Reserve Fund is 46.4 % Funded. This means the Reserve Fund status is Fair, and special assessment risk is currently Medium.

• The objective of your multi-year Funding Plan is to Fully Fund Reserves, where associations enjoy a low risk of Reserve cash flow problems.

• The HOA has already approved Monthly Reserve contributions of $199 through the 2018 Fiscal Year. Beginning in 2019, we recommend increasing Monthly Reserve contributions to $2,900. Annual increases are scheduled thereafter to strengthen Reserves and to help offset inflation (see tables herein for details).

Executive Summary 14356-2

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	COMMON AREAS			
103	Concrete - Repair	5	3	$1,500
320	Pole Lights - Replace	30	15	$21,200
325	Pole Lights - Repaint	5	0	$1,800
405	Park Furniture - Replace (A)	15	1	$4,300
405	Park Furniture - Replace (B)	12	7	$1,700
410	Playstructure - Replace	16	12	$40,750
416	Playstructure Shades - Replace	8	4	$2,250
420	Playground Sand - Replenish	8	4	$1,000
425	Playground Turf - Replace	12	1	$3,000
470	Ramada - Repaint	5	0	$1,000
475	Ramada Tile Roof - Refurbish	30	13	$3,500
500	Block Walls - Rebuild	30	10	$175,000
503	Block Walls - Repair	10	5	$15,000
505	View Fence/Culvert Rails - Replace	40	25	$10,100
508	View Fence/Culvert Rails - Repaint	5	0	$2,400
710	Monument - Refurbish	20	5	$8,000
750	Palm Tree Lights - Replace	8	7	$3,500
1003	Irrig. Controllers - Replace (A)	12	0	$1,000
1003	Irrig. Controllers - Replace (B)	12	11	$1,000
1005	Landscape Granite - Replenish (A)	8	0	$1,850
1005	Landscape Granite - Replenish (B)	7	1	$19,000
1005	Landscape Granite - Replenish (C)	10	2	$16,500
1008	Trees - Replace	1	0	$3,000
1010	Drywells - Inspect/Clean	5	4	$3,500
1011	Drywells - Partial Replace	30	13	$17,500
1700	Water Feature - Refurbish	10	1	$3,500
1702	Water Feature Lights - Replace	10	1	$2,000
1704	Water Feature Pump - Replace	12	7	$5,000
1705	Water Feature Pump - Repair	6	1	$2,500
1710	Water Feature Pump VFD - Replace	12	8	$3,000
1740	Circulation Pump - Replace	10	6	$1,150
1745	Filter - Replace	12	8	$1,150
1755	Exhaust Fan - Replace	12	2	$1,500
1760	Irrigation Pump System - Replace	20	3	$20,000
1765	Irrigation Pump System - Repair	10	3	$6,000
35	**Total Funded Components**			

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

Introduction

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

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

RESERVE STUDY RESULTS

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

Methodology

For this Update With-Site-Visit Reserve Study, we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

Which Physical Assets are Funded by Reserves?

RESERVE COMPONENT "FOUR-PART TEST"

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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

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

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

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

How much should we contribute?

RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

FUNDING OBJECTIVES

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

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

Site Inspection Notes

During the site visit on 2/22/2018, we started by inspecting the playground area. Next, we inspected the common walls, fencing, and landscaping. Finally, we inspected the water feature and equipment, monument, and any remaining common areas.

Please see the Component Details Appendix at the end of this report for a detailed look at each component.

Projected Expenses

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

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

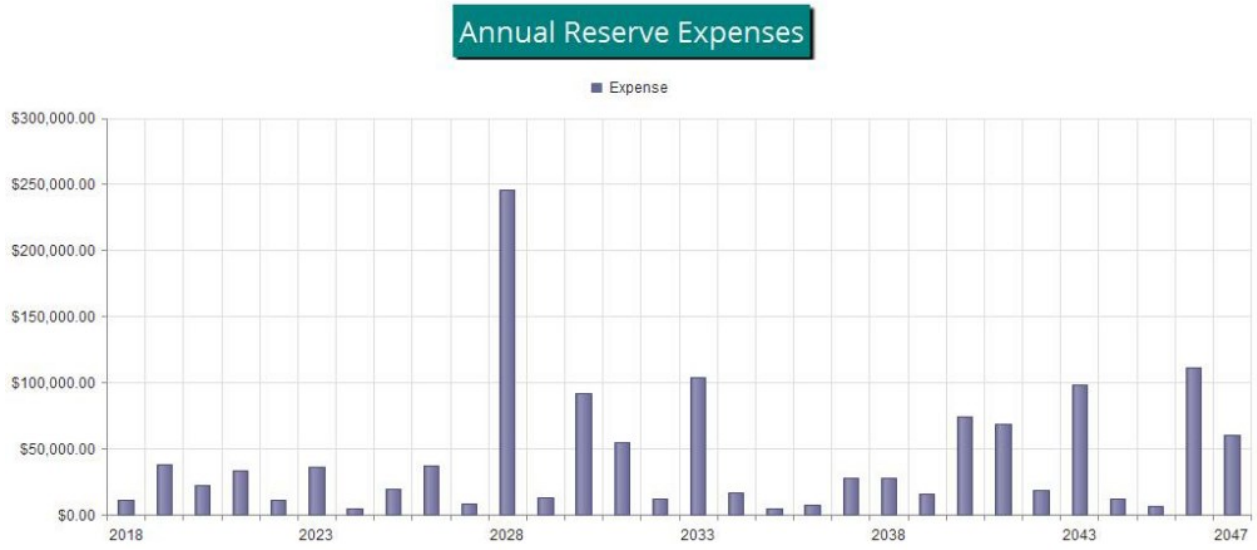


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $116,794 as-of the start of your fiscal year on 1/1/2018. This is based on your actual balance of $116,794 on 12/31/2017. As of 1/1/2018, your Fully Funded Balance is computed to be $251,505. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 46.4 % Funded.

Recommended Funding Plan

The HOA has already approved Monthly Reserve contributions of $199 for the 2018 Fiscal Year. Beginning in 2019, we recommend increasing Monthly Reserve contributions to $2,900. The overall 30-year plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

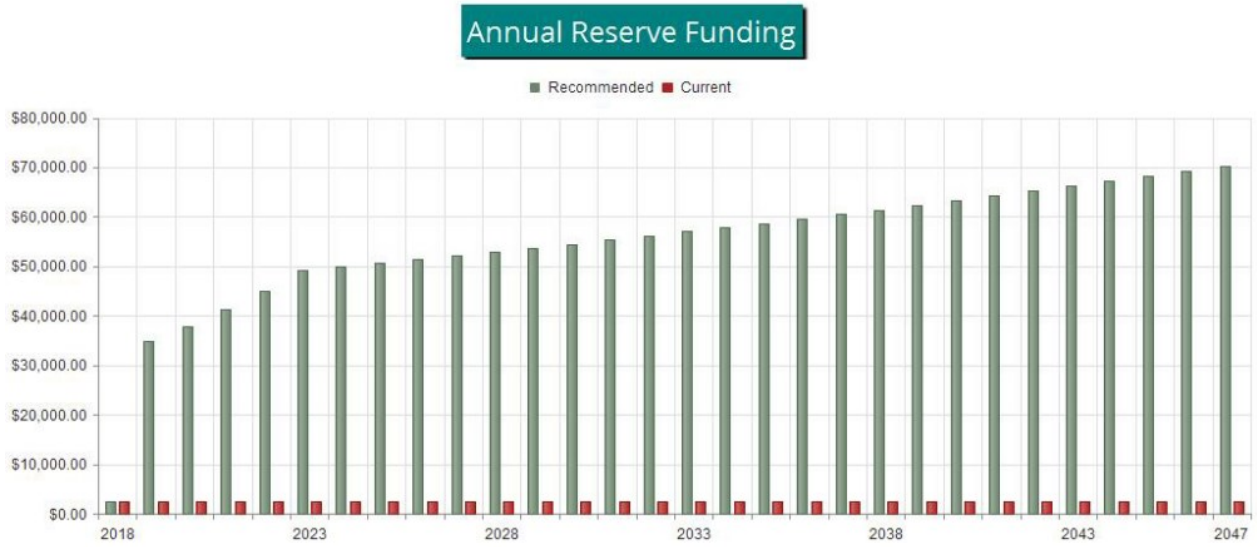


Figure 2

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

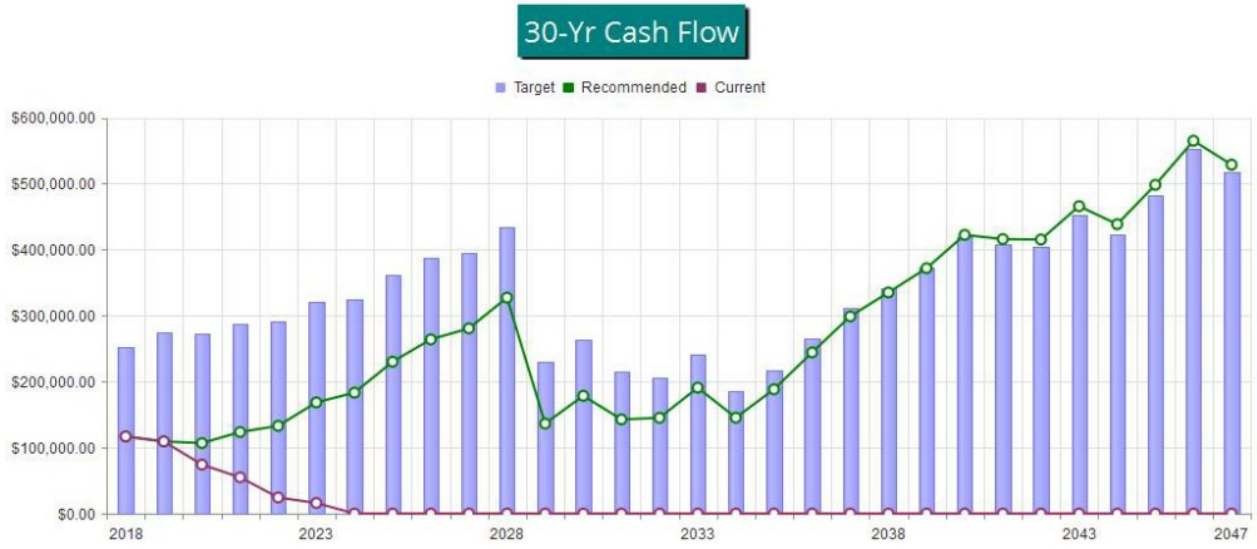


Figure 3

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

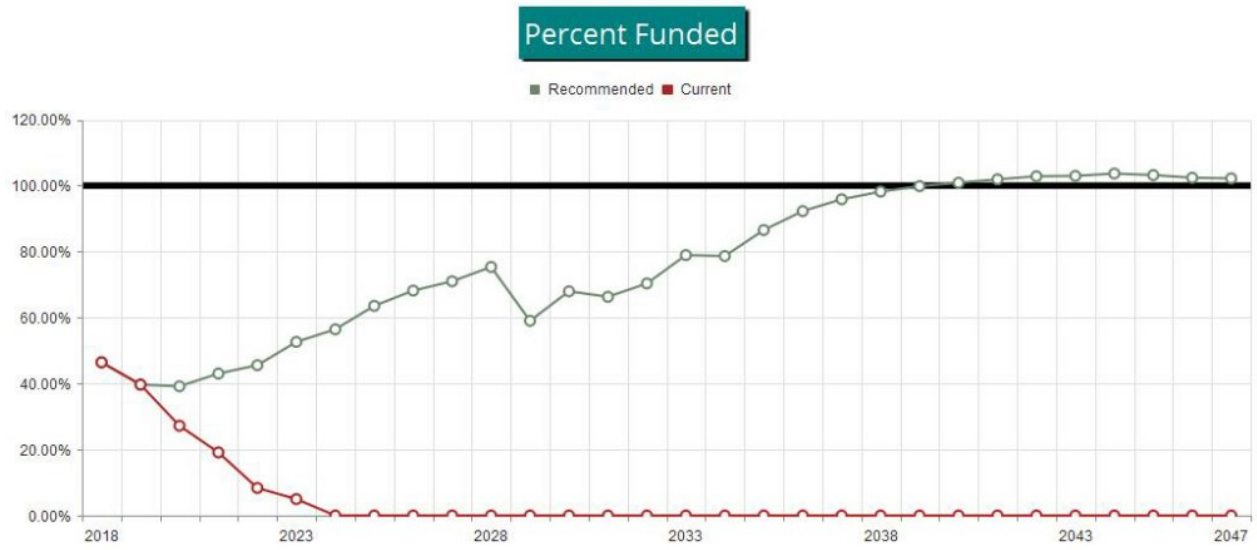


Figure 4

Table Descriptions

The tabular information in this Report is broken down into nine tables, not all which may have been chosen by your Project Manager to appear in your report. Tables are listed in the order in which they appear in your Report.

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Analysis Summary provides a summary of the starting financial information and your Project Manager's Financial Analysis decision points.

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

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

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

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

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

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

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate Best Case	Current Cost Estimate Worst Case
	COMMON AREAS					
103	Concrete - Repair	Numerous Sq Ft	5	3	$1,300	$1,700
320	Pole Lights - Replace	(10) Pole Lights	30	15	$19,400	$23,000
325	Pole Lights - Repaint	(10) Pole Lights	5	0	$1,600	$2,000
405	Park Furniture - Replace (A)	(5) Assorted Pieces	15	1	$3,800	$4,800
405	Park Furniture - Replace (B)	(2) Benches	12	7	$1,500	$1,900
410	Playstructure - Replace	(1) Playcraft Systems	16	12	$36,700	$44,800
416	Playstructure Shades - Replace	(4) Shades: ~320 Sq Ft	8	4	$2,000	$2,500
420	Playground Sand - Replenish	Approx 10 Tons	8	4	$900	$1,100
425	Playground Turf - Replace	Approx 120 Sq Ft	12	1	$2,600	$3,400
470	Ramada - Repaint	(1) Ramada: ~900 Sq Ft	5	0	$900	$1,100
475	Ramada Tile Roof - Refurbish	Approx 550 Sq Ft	30	13	$3,000	$4,000
500	Block Walls - Rebuild	Approx 5,700 Sq Ft	30	10	$150,000	$200,000
503	Block Walls - Repair	Approx 35,000 Sq Ft	10	5	$13,000	$17,000
505	View Fence/Culvert Rails - Replace	Approx 390 LF	40	25	$8,900	$11,300
508	View Fence/Culvert Rails - Repaint	Approx 390 LF	5	0	$2,100	$2,700
710	Monument - Refurbish	(1) Monument	20	5	$7,000	$9,000
750	Palm Tree Lights - Replace	Numerous Lights	8	7	$3,000	$4,000
1003	Irrig. Controllers - Replace (A)	(1) Irritrol MC-18	12	0	$900	$1,100
1003	Irrig. Controllers - Replace (B)	(1) Hunter ICore	12	11	$900	$1,100
1005	Landscape Granite - Replenish (A)	Approx 20 Tons	8	0	$1,600	$2,100
1005	Landscape Granite - Replenish (B)	Approx 290 Tons	7	1	$17,000	$21,000
1005	Landscape Granite - Replenish (C)	Approx 250 Tons	10	2	$14,000	$19,000
1008	Trees - Replace	Approx (217) Trees	1	0	$2,400	$3,600
1010	Drywells - Inspect/Clean	(6) Drywells	5	4	$3,000	$4,000
1011	Drywells - Partial Replace	(1) of (6) Drywells	30	13	$15,000	$20,000
1700	Water Feature - Refurbish	(1) Water Feature	10	1	$3,000	$4,000
1702	Water Feature Lights - Replace	(5) Lights	10	1	$1,700	$2,300
1704	Water Feature Pump - Replace	(1) Frederick 5-HP	12	7	$4,300	$5,700
1705	Water Feature Pump - Repair	(1) Frederick 5-HP	6	1	$2,200	$2,800
1710	Water Feature Pump VFD - Replace	(1) Danfos VLT	12	8	$2,500	$3,500
1740	Circulation Pump - Replace	(1) Pentair 3-HP	10	6	$1,000	$1,300
1745	Filter - Replace	(1) TR-60	12	8	$1,000	$1,300
1755	Exhaust Fan - Replace	(1) Dayton	12	2	$1,300	$1,700
1760	Irrigation Pump System - Replace	(1) Flowtronex 5-HP	20	3	$17,000	$23,000
1765	Irrigation Pump System - Repair	(1) Flowtronex 5-HP	10	3	$5,000	$7,000

35 Total Funded Components

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	COMMON AREAS							
103	Concrete - Repair	$1,500	X	2	/	5	=	$600
320	Pole Lights - Replace	$21,200	X	15	/	30	=	$10,600
325	Pole Lights - Repaint	$1,800	X	5	/	5	=	$1,800
405	Park Furniture - Replace (A)	$4,300	X	14	/	15	=	$4,013
405	Park Furniture - Replace (B)	$1,700	X	5	/	12	=	$708
410	Playstructure - Replace	$40,750	X	4	/	16	=	$10,188
416	Playstructure Shades - Replace	$2,250	X	4	/	8	=	$1,125
420	Playground Sand - Replenish	$1,000	X	4	/	8	=	$500
425	Playground Turf - Replace	$3,000	X	11	/	12	=	$2,750
470	Ramada - Repaint	$1,000	X	5	/	5	=	$1,000
475	Ramada Tile Roof - Refurbish	$3,500	X	17	/	30	=	$1,983
500	Block Walls - Rebuild	$175,000	X	20	/	30	=	$116,667
503	Block Walls - Repair	$15,000	X	5	/	10	=	$7,500
505	View Fence/Culvert Rails - Replace	$10,100	X	15	/	40	=	$3,788
508	View Fence/Culvert Rails - Repaint	$2,400	X	5	/	5	=	$2,400
710	Monument - Refurbish	$8,000	X	15	/	20	=	$6,000
750	Palm Tree Lights - Replace	$3,500	X	1	/	8	=	$438
1003	Irrig. Controllers - Replace (A)	$1,000	X	12	/	12	=	$1,000
1003	Irrig. Controllers - Replace (B)	$1,000	X	1	/	12	=	$83
1005	Landscape Granite - Replenish (A)	$1,850	X	8	/	8	=	$1,850
1005	Landscape Granite - Replenish (B)	$19,000	X	6	/	7	=	$16,286
1005	Landscape Granite - Replenish (C)	$16,500	X	8	/	10	=	$13,200
1008	Trees - Replace	$3,000	X	1	/	1	=	$3,000
1010	Drywells - Inspect/Clean	$3,500	X	1	/	5	=	$700
1011	Drywells - Partial Replace	$17,500	X	17	/	30	=	$9,917
1700	Water Feature - Refurbish	$3,500	X	9	/	10	=	$3,150
1702	Water Feature Lights - Replace	$2,000	X	9	/	10	=	$1,800
1704	Water Feature Pump - Replace	$5,000	X	5	/	12	=	$2,083
1705	Water Feature Pump - Repair	$2,500	X	5	/	6	=	$2,083
1710	Water Feature Pump VFD - Replace	$3,000	X	4	/	12	=	$1,000
1740	Circulation Pump - Replace	$1,150	X	4	/	10	=	$460
1745	Filter - Replace	$1,150	X	4	/	12	=	$383
1755	Exhaust Fan - Replace	$1,500	X	10	/	12	=	$1,250
1760	Irrigation Pump System - Replace	$20,000	X	17	/	20	=	$17,000
1765	Irrigation Pump System - Repair	$6,000	X	7	/	10	=	$4,200
								$251,505

Component Significance

14356-2
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#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	COMMON AREAS				
103	Concrete - Repair	5	$1,500	$300	1.12 %
320	Pole Lights - Replace	30	$21,200	$707	2.63 %
325	Pole Lights - Repaint	5	$1,800	$360	1.34 %
405	Park Furniture - Replace (A)	15	$4,300	$287	1.07 %
405	Park Furniture - Replace (B)	12	$1,700	$142	0.53 %
410	Playstructure - Replace	16	$40,750	$2,547	9.49 %
416	Playstructure Shades - Replace	8	$2,250	$281	1.05 %
420	Playground Sand - Replenish	8	$1,000	$125	0.47 %
425	Playground Turf - Replace	12	$3,000	$250	0.93 %
470	Ramada - Repaint	5	$1,000	$200	0.75 %
475	Ramada Tile Roof - Refurbish	30	$3,500	$117	0.43 %
500	Block Walls - Rebuild	30	$175,000	$5,833	21.74 %
503	Block Walls - Repair	10	$15,000	$1,500	5.59 %
505	View Fence/Culvert Rails - Replace	40	$10,100	$253	0.94 %
508	View Fence/Culvert Rails - Repaint	5	$2,400	$480	1.79 %
710	Monument - Refurbish	20	$8,000	$400	1.49 %
750	Palm Tree Lights - Replace	8	$3,500	$438	1.63 %
1003	Irrig. Controllers - Replace (A)	12	$1,000	$83	0.31 %
1003	Irrig. Controllers - Replace (B)	12	$1,000	$83	0.31 %
1005	Landscape Granite - Replenish (A)	8	$1,850	$231	0.86 %
1005	Landscape Granite - Replenish (B)	7	$19,000	$2,714	10.12 %
1005	Landscape Granite - Replenish (C)	10	$16,500	$1,650	6.15 %
1008	Trees - Replace	1	$3,000	$3,000	11.18 %
1010	Drywells - Inspect/Clean	5	$3,500	$700	2.61 %
1011	Drywells - Partial Replace	30	$17,500	$583	2.17 %
1700	Water Feature - Refurbish	10	$3,500	$350	1.30 %
1702	Water Feature Lights - Replace	10	$2,000	$200	0.75 %
1704	Water Feature Pump - Replace	12	$5,000	$417	1.55 %
1705	Water Feature Pump - Repair	6	$2,500	$417	1.55 %
1710	Water Feature Pump VFD - Replace	12	$3,000	$250	0.93 %
1740	Circulation Pump - Replace	10	$1,150	$115	0.43 %
1745	Filter - Replace	12	$1,150	$96	0.36 %
1755	Exhaust Fan - Replace	12	$1,500	$125	0.47 %
1760	Irrigation Pump System - Replace	20	$20,000	$1,000	3.73 %
1765	Irrigation Pump System - Repair	10	$6,000	$600	2.24 %
35	Total Funded Components			$26,833	100.00 %

30-Year Reserve Plan Summary

14356-2
WSV

Fiscal Year Start: 2018	Interest: 1.00 %	Inflation: 3.00 %
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	% Increase In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2018	$116,794	$251,505	46.4 %		Medium	0.00 %	$2,383	$0	$1,130	$11,050
2019	$109,257	$275,306	39.7 %		Medium	1,360.15 %	$34,800	$0	$1,079	$38,419
2020	$106,718	$272,461	39.2 %		Medium	9.00 %	$37,932	$0	$1,151	$22,279
2021	$123,521	$287,008	43.0 %		Medium	9.00 %	$41,346	$0	$1,281	$33,328
2022	$132,820	$291,491	45.6 %		Medium	9.00 %	$45,067	$0	$1,506	$10,974
2023	$168,419	$320,040	52.6 %		Medium	9.00 %	$49,123	$0	$1,757	$36,169
2024	$183,130	$324,426	56.4 %		Medium	1.50 %	$49,860	$0	$2,065	$4,955
2025	$230,100	$362,056	63.6 %		Medium	1.50 %	$50,608	$0	$2,469	$19,309
2026	$263,867	$387,020	68.2 %		Medium	1.50 %	$51,367	$0	$2,721	$37,370
2027	$280,585	$395,151	71.0 %		Low	1.50 %	$52,137	$0	$3,038	$8,481
2028	$327,280	$434,331	75.4 %		Low	1.50 %	$52,919	$0	$2,317	$246,205
2029	$136,311	$230,912	59.0 %		Medium	1.50 %	$53,713	$0	$1,573	$13,150
2030	$178,447	$262,552	68.0 %		Medium	1.50 %	$54,519	$0	$1,605	$91,962
2031	$142,609	$215,113	66.3 %		Medium	1.50 %	$55,337	$0	$1,438	$54,336
2032	$145,048	$206,188	70.3 %		Low	1.50 %	$56,167	$0	$1,678	$12,101
2033	$190,792	$241,714	78.9 %		Low	1.50 %	$57,009	$0	$1,680	$104,228
2034	$145,253	$184,670	78.7 %		Low	1.50 %	$57,864	$0	$1,667	$16,528
2035	$188,256	$217,536	86.5 %		Low	1.50 %	$58,732	$0	$2,161	$4,959
2036	$244,191	$264,636	92.3 %		Low	1.50 %	$59,613	$0	$2,714	$7,661
2037	$298,857	$311,736	95.9 %		Low	1.50 %	$60,508	$0	$3,168	$27,530
2038	$335,003	$341,195	98.2 %		Low	1.50 %	$61,415	$0	$3,532	$28,175
2039	$371,775	$372,327	99.9 %		Low	1.50 %	$62,336	$0	$3,969	$15,813
2040	$422,268	$418,625	100.9 %		Low	1.50 %	$63,271	$0	$4,189	$73,770
2041	$415,958	$408,157	101.9 %		Low	1.50 %	$64,221	$0	$4,154	$69,076
2042	$415,258	$403,800	102.8 %		Low	1.50 %	$65,184	$0	$4,404	$19,007
2043	$465,839	$452,519	102.9 %		Low	1.50 %	$66,162	$0	$4,520	$97,989
2044	$438,531	$423,033	103.7 %		Low	1.50 %	$67,154	$0	$4,682	$12,185
2045	$498,182	$482,778	103.2 %		Low	1.50 %	$68,161	$0	$5,314	$6,664
2046	$564,993	$551,789	102.4 %		Low	1.50 %	$69,184	$0	$5,466	$110,964
2047	$528,679	$517,282	102.2 %		Low	1.50 %	$70,222	$0	$5,362	$60,092

	Fiscal Year	2018	2019	2020	2021	2022
	Starting Reserve Balance	$116,794	$109,257	$106,718	$123,521	$132,820
	Annual Reserve Contribution	$2,383	$34,800	$37,932	$41,346	$45,067
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,130	$1,079	$1,151	$1,281	$1,506
	Total Income	$120,307	$145,137	$145,800	$166,148	$179,393
#	Component					
	COMMON AREAS					
103	Concrete - Repair	$0	$0	$0	$1,639	$0
320	Pole Lights - Replace	$0	$0	$0	$0	$0
325	Pole Lights - Repaint	$1,800	$0	$0	$0	$0
405	Park Furniture - Replace (A)	$0	$4,429	$0	$0	$0
405	Park Furniture - Replace (B)	$0	$0	$0	$0	$0
410	Playstructure - Replace	$0	$0	$0	$0	$0
416	Playstructure Shades - Replace	$0	$0	$0	$0	$2,532
420	Playground Sand - Replenish	$0	$0	$0	$0	$1,126
425	Playground Turf - Replace	$0	$3,090	$0	$0	$0
470	Ramada - Repaint	$1,000	$0	$0	$0	$0
475	Ramada Tile Roof - Refurbish	$0	$0	$0	$0	$0
500	Block Walls - Rebuild	$0	$0	$0	$0	$0
503	Block Walls - Repair	$0	$0	$0	$0	$0
505	View Fence/Culvert Rails - Replace	$0	$0	$0	$0	$0
508	View Fence/Culvert Rails - Repaint	$2,400	$0	$0	$0	$0
710	Monument - Refurbish	$0	$0	$0	$0	$0
750	Palm Tree Lights - Replace	$0	$0	$0	$0	$0
1003	Irrig. Controllers - Replace (A)	$1,000	$0	$0	$0	$0
1003	Irrig. Controllers - Replace (B)	$0	$0	$0	$0	$0
1005	Landscape Granite - Replenish (A)	$1,850	$0	$0	$0	$0
1005	Landscape Granite - Replenish (B)	$0	$19,570	$0	$0	$0
1005	Landscape Granite - Replenish (C)	$0	$0	$17,505	$0	$0
1008	Trees - Replace	$3,000	$3,090	$3,183	$3,278	$3,377
1010	Drywells - Inspect/Clean	$0	$0	$0	$0	$3,939
1011	Drywells - Partial Replace	$0	$0	$0	$0	$0
1700	Water Feature - Refurbish	$0	$3,605	$0	$0	$0
1702	Water Feature Lights - Replace	$0	$2,060	$0	$0	$0
1704	Water Feature Pump - Replace	$0	$0	$0	$0	$0
1705	Water Feature Pump - Repair	$0	$2,575	$0	$0	$0
1710	Water Feature Pump VFD - Replace	$0	$0	$0	$0	$0
1740	Circulation Pump - Replace	$0	$0	$0	$0	$0
1745	Filter - Replace	$0	$0	$0	$0	$0
1755	Exhaust Fan - Replace	$0	$0	$1,591	$0	$0
1760	Irrigation Pump System - Replace	$0	$0	$0	$21,855	$0
1765	Irrigation Pump System - Repair	$0	$0	$0	$6,556	$0
	Total Expenses	$11,050	$38,419	$22,279	$33,328	$10,974
	Ending Reserve Balance	$109,257	$106,718	$123,521	$132,820	$168,419

	Fiscal Year	2023	2024	2025	2026	2027
	Starting Reserve Balance	$168,419	$183,130	$230,100	$263,867	$280,585
	Annual Reserve Contribution	$49,123	$49,860	$50,608	$51,367	$52,137
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,757	$2,065	$2,469	$2,721	$3,038
	Total Income	$219,299	$235,055	$283,176	$317,955	$335,761
#	Component					
	COMMON AREAS					
103	Concrete - Repair	$0	$0	$0	$1,900	$0
320	Pole Lights - Replace	$0	$0	$0	$0	$0
325	Pole Lights - Repaint	$2,087	$0	$0	$0	$0
405	Park Furniture - Replace (A)	$0	$0	$0	$0	$0
405	Park Furniture - Replace (B)	$0	$0	$2,091	$0	$0
410	Playstructure - Replace	$0	$0	$0	$0	$0
416	Playstructure Shades - Replace	$0	$0	$0	$0	$0
420	Playground Sand - Replenish	$0	$0	$0	$0	$0
425	Playground Turf - Replace	$0	$0	$0	$0	$0
470	Ramada - Repaint	$1,159	$0	$0	$0	$0
475	Ramada Tile Roof - Refurbish	$0	$0	$0	$0	$0
500	Block Walls - Rebuild	$0	$0	$0	$0	$0
503	Block Walls - Repair	$17,389	$0	$0	$0	$0
505	View Fence/Culvert Rails - Replace	$0	$0	$0	$0	$0
508	View Fence/Culvert Rails - Repaint	$2,782	$0	$0	$0	$0
710	Monument - Refurbish	$9,274	$0	$0	$0	$0
750	Palm Tree Lights - Replace	$0	$0	$4,305	$0	$0
1003	Irrig. Controllers - Replace (A)	$0	$0	$0	$0	$0
1003	Irrig. Controllers - Replace (B)	$0	$0	$0	$0	$0
1005	Landscape Granite - Replenish (A)	$0	$0	$0	$2,344	$0
1005	Landscape Granite - Replenish (B)	$0	$0	$0	$24,069	$0
1005	Landscape Granite - Replenish (C)	$0	$0	$0	$0	$0
1008	Trees - Replace	$3,478	$3,582	$3,690	$3,800	$3,914
1010	Drywells - Inspect/Clean	$0	$0	$0	$0	$4,567
1011	Drywells - Partial Replace	$0	$0	$0	$0	$0
1700	Water Feature - Refurbish	$0	$0	$0	$0	$0
1702	Water Feature Lights - Replace	$0	$0	$0	$0	$0
1704	Water Feature Pump - Replace	$0	$0	$6,149	$0	$0
1705	Water Feature Pump - Repair	$0	$0	$3,075	$0	$0
1710	Water Feature Pump VFD - Replace	$0	$0	$0	$3,800	$0
1740	Circulation Pump - Replace	$0	$1,373	$0	$0	$0
1745	Filter - Replace	$0	$0	$0	$1,457	$0
1755	Exhaust Fan - Replace	$0	$0	$0	$0	$0
1760	Irrigation Pump System - Replace	$0	$0	$0	$0	$0
1765	Irrigation Pump System - Repair	$0	$0	$0	$0	$0
	Total Expenses	$36,169	$4,955	$19,309	$37,370	$8,481
	Ending Reserve Balance	$183,130	$230,100	$263,867	$280,585	$327,280

	Fiscal Year	2028	2029	2030	2031	2032
	Starting Reserve Balance	$327,280	$136,311	$178,447	$142,609	$145,048
	Annual Reserve Contribution	$52,919	$53,713	$54,519	$55,337	$56,167
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,317	$1,573	$1,605	$1,438	$1,678
	Total Income	$382,516	$191,597	$234,570	$199,383	$202,893
#	Component					
	COMMON AREAS					
103	Concrete - Repair	$0	$0	$0	$2,203	$0
320	Pole Lights - Replace	$0	$0	$0	$0	$0
325	Pole Lights - Repaint	$2,419	$0	$0	$0	$0
405	Park Furniture - Replace (A)	$0	$0	$0	$0	$0
405	Park Furniture - Replace (B)	$0	$0	$0	$0	$0
410	Playstructure - Replace	$0	$0	$58,100	$0	$0
416	Playstructure Shades - Replace	$0	$0	$3,208	$0	$0
420	Playground Sand - Replenish	$0	$0	$1,426	$0	$0
425	Playground Turf - Replace	$0	$0	$0	$4,406	$0
470	Ramada - Repaint	$1,344	$0	$0	$0	$0
475	Ramada Tile Roof - Refurbish	$0	$0	$0	$5,140	$0
500	Block Walls - Rebuild	$235,185	$0	$0	$0	$0
503	Block Walls - Repair	$0	$0	$0	$0	$0
505	View Fence/Culvert Rails - Replace	$0	$0	$0	$0	$0
508	View Fence/Culvert Rails - Repaint	$3,225	$0	$0	$0	$0
710	Monument - Refurbish	$0	$0	$0	$0	$0
750	Palm Tree Lights - Replace	$0	$0	$0	$0	$0
1003	Irrig. Controllers - Replace (A)	$0	$0	$1,426	$0	$0
1003	Irrig. Controllers - Replace (B)	$0	$1,384	$0	$0	$0
1005	Landscape Granite - Replenish (A)	$0	$0	$0	$0	$0
1005	Landscape Granite - Replenish (B)	$0	$0	$0	$0	$0
1005	Landscape Granite - Replenish (C)	$0	$0	$23,525	$0	$0
1008	Trees - Replace	$4,032	$4,153	$4,277	$4,406	$4,538
1010	Drywells - Inspect/Clean	$0	$0	$0	$0	$5,294
1011	Drywells - Partial Replace	$0	$0	$0	$25,699	$0
1700	Water Feature - Refurbish	$0	$4,845	$0	$0	$0
1702	Water Feature Lights - Replace	$0	$2,768	$0	$0	$0
1704	Water Feature Pump - Replace	$0	$0	$0	$0	$0
1705	Water Feature Pump - Repair	$0	$0	$0	$3,671	$0
1710	Water Feature Pump VFD - Replace	$0	$0	$0	$0	$0
1740	Circulation Pump - Replace	$0	$0	$0	$0	$0
1745	Filter - Replace	$0	$0	$0	$0	$0
1755	Exhaust Fan - Replace	$0	$0	$0	$0	$2,269
1760	Irrigation Pump System - Replace	$0	$0	$0	$0	$0
1765	Irrigation Pump System - Repair	$0	$0	$0	$8,811	$0
	Total Expenses	$246,205	$13,150	$91,962	$54,336	$12,101
	Ending Reserve Balance	$136,311	$178,447	$142,609	$145,048	$190,792

	Fiscal Year	2033	2034	2035	2036	2037
	Starting Reserve Balance	$190,792	$145,253	$188,256	$244,191	$298,857
	Annual Reserve Contribution	$57,009	$57,864	$58,732	$59,613	$60,508
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,680	$1,667	$2,161	$2,714	$3,168
	Total Income	$249,481	$204,784	$249,149	$306,518	$362,533
#	Component					
	COMMON AREAS					
103	Concrete - Repair	$0	$0	$0	$2,554	$0
320	Pole Lights - Replace	$33,029	$0	$0	$0	$0
325	Pole Lights - Repaint	$2,804	$0	$0	$0	$0
405	Park Furniture - Replace (A)	$0	$6,900	$0	$0	$0
405	Park Furniture - Replace (B)	$0	$0	$0	$0	$2,981
410	Playstructure - Replace	$0	$0	$0	$0	$0
416	Playstructure Shades - Replace	$0	$0	$0	$0	$0
420	Playground Sand - Replenish	$0	$0	$0	$0	$0
425	Playground Turf - Replace	$0	$0	$0	$0	$0
470	Ramada - Repaint	$1,558	$0	$0	$0	$0
475	Ramada Tile Roof - Refurbish	$0	$0	$0	$0	$0
500	Block Walls - Rebuild	$0	$0	$0	$0	$0
503	Block Walls - Repair	$23,370	$0	$0	$0	$0
505	View Fence/Culvert Rails - Replace	$0	$0	$0	$0	$0
508	View Fence/Culvert Rails - Repaint	$3,739	$0	$0	$0	$0
710	Monument - Refurbish	$0	$0	$0	$0	$0
750	Palm Tree Lights - Replace	$5,453	$0	$0	$0	$0
1003	Irrig. Controllers - Replace (A)	$0	$0	$0	$0	$0
1003	Irrig. Controllers - Replace (B)	$0	$0	$0	$0	$0
1005	Landscape Granite - Replenish (A)	$0	$2,969	$0	$0	$0
1005	Landscape Granite - Replenish (B)	$29,601	$0	$0	$0	$0
1005	Landscape Granite - Replenish (C)	$0	$0	$0	$0	$0
1008	Trees - Replace	$4,674	$4,814	$4,959	$5,107	$5,261
1010	Drywells - Inspect/Clean	$0	$0	$0	$0	$6,137
1011	Drywells - Partial Replace	$0	$0	$0	$0	$0
1700	Water Feature - Refurbish	$0	$0	$0	$0	$0
1702	Water Feature Lights - Replace	$0	$0	$0	$0	$0
1704	Water Feature Pump - Replace	$0	$0	$0	$0	$8,768
1705	Water Feature Pump - Repair	$0	$0	$0	$0	$4,384
1710	Water Feature Pump VFD - Replace	$0	$0	$0	$0	$0
1740	Circulation Pump - Replace	$0	$1,845	$0	$0	$0
1745	Filter - Replace	$0	$0	$0	$0	$0
1755	Exhaust Fan - Replace	$0	$0	$0	$0	$0
1760	Irrigation Pump System - Replace	$0	$0	$0	$0	$0
1765	Irrigation Pump System - Repair	$0	$0	$0	$0	$0
	Total Expenses	$104,228	$16,528	$4,959	$7,661	$27,530
	Ending Reserve Balance	$145,253	$188,256	$244,191	$298,857	$335,003

	Fiscal Year	2038	2039	2040	2041	2042
	Starting Reserve Balance	$335,003	$371,775	$422,268	$415,958	$415,258
	Annual Reserve Contribution	$61,415	$62,336	$63,271	$64,221	$65,184
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,532	$3,969	$4,189	$4,154	$4,404
	Total Income	$399,950	$438,080	$489,728	$484,333	$484,845
#	Component					
	COMMON AREAS					
103	Concrete - Repair	$0	$0	$0	$2,960	$0
320	Pole Lights - Replace	$0	$0	$0	$0	$0
325	Pole Lights - Repaint	$3,251	$0	$0	$0	$0
405	Park Furniture - Replace (A)	$0	$0	$0	$0	$0
405	Park Furniture - Replace (B)	$0	$0	$0	$0	$0
410	Playstructure - Replace	$0	$0	$0	$0	$0
416	Playstructure Shades - Replace	$4,064	$0	$0	$0	$0
420	Playground Sand - Replenish	$1,806	$0	$0	$0	$0
425	Playground Turf - Replace	$0	$0	$0	$0	$0
470	Ramada - Repaint	$1,806	$0	$0	$0	$0
475	Ramada Tile Roof - Refurbish	$0	$0	$0	$0	$0
500	Block Walls - Rebuild	$0	$0	$0	$0	$0
503	Block Walls - Repair	$0	$0	$0	$0	$0
505	View Fence/Culvert Rails - Replace	$0	$0	$0	$0	$0
508	View Fence/Culvert Rails - Repaint	$4,335	$0	$0	$0	$0
710	Monument - Refurbish	$0	$0	$0	$0	$0
750	Palm Tree Lights - Replace	$0	$0	$0	$6,908	$0
1003	Irrig. Controllers - Replace (A)	$0	$0	$0	$0	$2,033
1003	Irrig. Controllers - Replace (B)	$0	$0	$0	$1,974	$0
1005	Landscape Granite - Replenish (A)	$0	$0	$0	$0	$3,761
1005	Landscape Granite - Replenish (B)	$0	$0	$36,406	$0	$0
1005	Landscape Granite - Replenish (C)	$0	$0	$31,616	$0	$0
1008	Trees - Replace	$5,418	$5,581	$5,748	$5,921	$6,098
1010	Drywells - Inspect/Clean	$0	$0	$0	$0	$7,115
1011	Drywells - Partial Replace	$0	$0	$0	$0	$0
1700	Water Feature - Refurbish	$0	$6,511	$0	$0	$0
1702	Water Feature Lights - Replace	$0	$3,721	$0	$0	$0
1704	Water Feature Pump - Replace	$0	$0	$0	$0	$0
1705	Water Feature Pump - Repair	$0	$0	$0	$0	$0
1710	Water Feature Pump VFD - Replace	$5,418	$0	$0	$0	$0
1740	Circulation Pump - Replace	$0	$0	$0	$0	$0
1745	Filter - Replace	$2,077	$0	$0	$0	$0
1755	Exhaust Fan - Replace	$0	$0	$0	$0	$0
1760	Irrigation Pump System - Replace	$0	$0	$0	$39,472	$0
1765	Irrigation Pump System - Repair	$0	$0	$0	$11,842	$0
	Total Expenses	$28,175	$15,813	$73,770	$69,076	$19,007
	Ending Reserve Balance	$371,775	$422,268	$415,958	$415,258	$465,839

	Fiscal Year	2043	2044	2045	2046	2047
	Starting Reserve Balance	$465,839	$438,531	$498,182	$564,993	$528,679
	Annual Reserve Contribution	$66,162	$67,154	$68,161	$69,184	$70,222
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,520	$4,682	$5,314	$5,466	$5,362
	Total Income	$536,520	$510,367	$571,657	$639,643	$604,262
#	Component					
	COMMON AREAS					
103	Concrete - Repair	$0	$0	$0	$3,432	$0
320	Pole Lights - Replace	$0	$0	$0	$0	$0
325	Pole Lights - Repaint	$3,769	$0	$0	$0	$0
405	Park Furniture - Replace (A)	$0	$0	$0	$0	$0
405	Park Furniture - Replace (B)	$0	$0	$0	$0	$0
410	Playstructure - Replace	$0	$0	$0	$93,233	$0
416	Playstructure Shades - Replace	$0	$0	$0	$5,148	$0
420	Playground Sand - Replenish	$0	$0	$0	$2,288	$0
425	Playground Turf - Replace	$6,281	$0	$0	$0	$0
470	Ramada - Repaint	$2,094	$0	$0	$0	$0
475	Ramada Tile Roof - Refurbish	$0	$0	$0	$0	$0
500	Block Walls - Rebuild	$0	$0	$0	$0	$0
503	Block Walls - Repair	$31,407	$0	$0	$0	$0
505	View Fence/Culvert Rails - Replace	$21,147	$0	$0	$0	$0
508	View Fence/Culvert Rails - Repaint	$5,025	$0	$0	$0	$0
710	Monument - Refurbish	$16,750	$0	$0	$0	$0
750	Palm Tree Lights - Replace	$0	$0	$0	$0	$0
1003	Irrig. Controllers - Replace (A)	$0	$0	$0	$0	$0
1003	Irrig. Controllers - Replace (B)	$0	$0	$0	$0	$0
1005	Landscape Granite - Replenish (A)	$0	$0	$0	$0	$0
1005	Landscape Granite - Replenish (B)	$0	$0	$0	$0	$44,775
1005	Landscape Granite - Replenish (C)	$0	$0	$0	$0	$0
1008	Trees - Replace	$6,281	$6,470	$6,664	$6,864	$7,070
1010	Drywells - Inspect/Clean	$0	$0	$0	$0	$8,248
1011	Drywells - Partial Replace	$0	$0	$0	$0	$0
1700	Water Feature - Refurbish	$0	$0	$0	$0	$0
1702	Water Feature Lights - Replace	$0	$0	$0	$0	$0
1704	Water Feature Pump - Replace	$0	$0	$0	$0	$0
1705	Water Feature Pump - Repair	$5,234	$0	$0	$0	$0
1710	Water Feature Pump VFD - Replace	$0	$0	$0	$0	$0
1740	Circulation Pump - Replace	$0	$2,480	$0	$0	$0
1745	Filter - Replace	$0	$0	$0	$0	$0
1755	Exhaust Fan - Replace	$0	$3,235	$0	$0	$0
1760	Irrigation Pump System - Replace	$0	$0	$0	$0	$0
1765	Irrigation Pump System - Repair	$0	$0	$0	$0	$0
	Total Expenses	$97,989	$12,185	$6,664	$110,964	$60,092
	Ending Reserve Balance	$438,531	$498,182	$564,993	$528,679	$544,170

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. DJ Vlaming, R.S., company president, is a credentialed Reserve Specialist (#61). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

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

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

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

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

Terms and Definitions

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

Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from the physical analysis and subsequent research. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

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

Not all of your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed "Best Cost" and "Worst Cost". There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur.

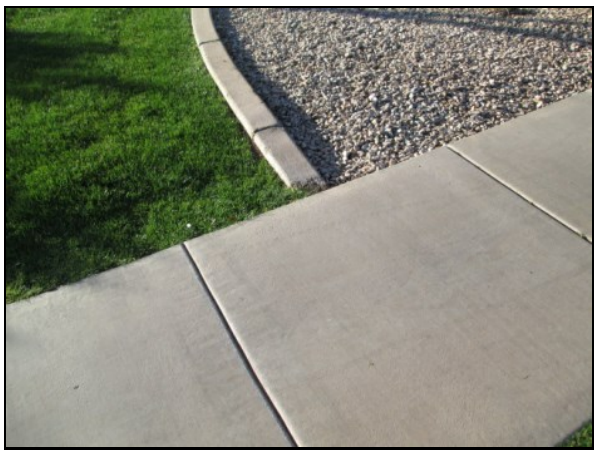
Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

COMMON AREAS

Comp #: 103 Concrete - Repair **Quantity: Numerous Sq Ft**
Location: Common area walkways; Landscape curbing
Funded?: Yes.
History: Installed during 2001.
Evaluation: There is no expectancy to completely replace the concrete. This component provides an allowance for periodic repairs and/or partial replacements.

Useful Life:
5 years

Remaining Life:
3 years



Best Case: $ 1,300 Worst Case: $ 1,700

Allowance for repairs and/or partial replacement

Higher allowance

Cost Source: ARI Cost Allowance

Comp #: 201 Asphalt - Resurface **Quantity: Numerous Sq Ft**
Location: Streets throughout community
Funded?: No. Streets are the responsibility of the City, not the HOA.
History:
Evaluation:

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 320 Pole Lights - Replace **Quantity: (10) Pole Lights**

Location: Park area off Tower Ave.
Funded?: Yes.
History: Installed during 2001.
Evaluation: These lights are mounted on a 3' cement base. Observed during daylight hours, but assumed to be functional with no problems reported. Complete replacement of the poles and fixtures should be anticipated eventually.

Useful Life:
30 years

Remaining Life:
15 years

Best Case: $ 19,400 Worst Case: $ 23,000

Estimate to replace, add repaint cost for total Higher estimate, add repaint cost for total

Cost Source: ARI Cost Database

Comp #: 325 Pole Lights - Repaint **Quantity: (10) Pole Lights**

Location: Park area off Tower Ave.
Funded?: Yes.
History: Lights have not been repainted since installation in 2001.
Evaluation: Surfaces appear oxidized and faded. Recommend planning to repaint soon to restore the appearance and to inhibit rust.

Useful Life:
5 years

Remaining Life:
0 years

Best Case: $ 1,600 Worst Case: $ 2,000

Estimate to repaint Higher estimate

Cost Source: ARI Cost Database

Comp #: 403 Mailboxes - Replace **Quantity: Mailbox Clusters**
Location: Adjacent to community streets
Funded?: No. Mailboxes are the responsibility of the Post Office, not the HOA.
History:
Evaluation:

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 405 Park Furniture - Replace (A) **Quantity: (5) Assorted Pieces**
Location: Playground area off Tower Ave.
Funded?: Yes.
History: Original from 2001.
Evaluation: Pieces include (2) picnic tables, (1) trash receptacle, and (2) BBQ grills. Appear older and weathered, but not abused. Future replacement should be anticipated.

Useful Life:
15 years

Remaining Life:
1 years

Best Case: $ 3,800 Worst Case: $ 4,800

Estimate to replace Higher estimate

Cost Source: ARI Cost Database

Comp #: 405 Park Furniture - Replace (B) **Quantity: (2) Benches**
Location: Playground area off Tower Ave.
Funded?: Yes.
History: Original benches from 2001 were replaced during 2013 for ~$1,550.
Evaluation: Appear to be in nice shape. Funding is provided for future replacement.

Useful Life:
12 years

Remaining Life:
7 years

Best Case: $ 1,500 Worst Case: $ 1,900

Estimate to replace Higher estimate

Cost Source: Client Cost History

Comp #: 410 Playstructure - Replace **Quantity: (1) Playcraft Systems**
Location: Playground area off Tower Ave.
Funded?: Yes.
History: Original playstructure from 2001 was replaced during 2014 for ~$40,000.
Evaluation: Some fading and wear noted. Still in fair to good shape overall. Future replacement should be anticipated.

Useful Life:
16 years

Remaining Life:
12 years

Best Case: $ 36,700 Worst Case: $ 44,800

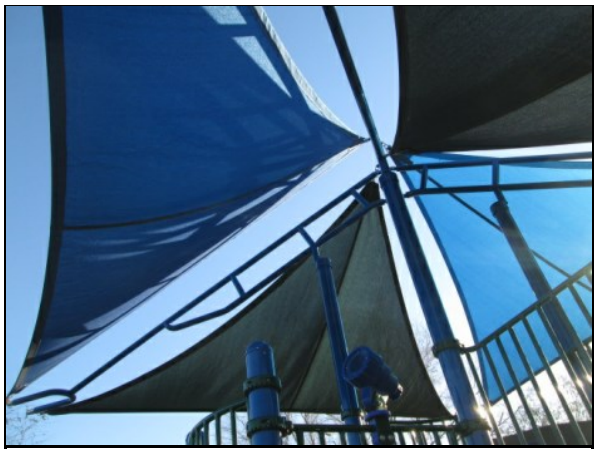
Estimate to replace, add shades for total cost Higher estimate, add shades for total cost

Cost Source: Client Cost History

Comp #: 416 Playstructure Shades - Replace **Quantity: (4) Shades: ~320 Sq Ft**
Location: Playground area off Tower Ave.
Funded?: Yes.
History: Installed during 2014 with the playstructure.
Evaluation: Periodic replacement should be anticipated. Appear intact and in decent shape.

Useful Life:
8 years

Remaining Life:
4 years



Best Case: $ 2,000 Worst Case: $ 2,500

Estimate to replace Higher estimate

Cost Source: ARI Cost Database

Comp #: 420 Playground Sand - Replenish **Quantity: Approx 10 Tons**
Location: Playground area off Tower Ave.
Funded?: Yes.
History:
Evaluation: There is no expectancy to completely replace the sand. This component provides funding to replenish the sand with a 2" layer. Observed to be in fair shape overall.

Useful Life:
8 years

Remaining Life:
4 years

Best Case: $ 900 Worst Case: $ 1,100

Estimate to replenish Higher estimate

Cost Source: ARI Cost Database

Comp #: 425 Playground Turf - Replace **Quantity: Approx 120 Sq Ft**
Location: Playground area off Tower Ave.
Funded?: Yes.
History: Installed during 2001.
Evaluation: Observed to be older and worn. Turf is hard and no longer cushioned. The gap between the turf and curb has been filled, and patchwork has been completed near the playstructure steps.

Useful Life:
12 years

Remaining Life:
1 years

Best Case: $ 2,600 Worst Case: $ 3,400

Estimate to replace Higher estimate

Cost Source: ARI Cost Database

Comp #: 470 Ramada - Repaint **Quantity: (1) Ramada: ~900 Sq Ft**
Location: Playground area off Tower Ave.
Funded?: Yes.
History:
Evaluation: Chipping paint noted. Repaint periodically to maintain the appearance.

Useful Life:
5 years

Remaining Life:
0 years

Best Case: $ 900 Worst Case: $ 1,100

Estimate to repaint Higher estimate

Cost Source: ARI Cost Database

Comp #: 475 Ramada Tile Roof - Refurbish **Quantity: Approx 550 Sq Ft**
Location: Playground area off Tower Ave.
Funded?: Yes.
History: Installed during 2001.
Evaluation: There is no expectancy to replace all of the tiles under normal circumstances. Replacement of the felt paper underlayment should be anticipated eventually. Life span will vary depending on the quality of underlayment installed.

Useful Life:
30 years

Remaining Life:
13 years

Best Case:	$ 3,000	Worst Case:	$ 4,000
	Estimate to remove tiles, replace underlayment, reinstall tiles		Higher estimate

Cost Source: ARI Cost Database

Comp #: 500 Block Walls - Rebuild **Quantity: Approx 5,700 Sq Ft**
Location: Homeowner backyards at Lots 17, 18, 19, 20, 21, 45, 46, 63, & 101 (north end of park; east of playground across Tower Ave.; adjacent to community monument)
Funded?: Yes.
History: Installed during 2001.
Evaluation: Retaining walls at these lots exhibit visible issues. HOA has reported concerns as well. Walls exhibit water damages, leaning, and settling. It is beyond the scope of this Reserve Study to assess the structural conditions of the walls. Per the HOA's request, funding is provided to completely rebuild these walls at some point in the future.

Useful Life:
30 years

Remaining Life:
10 years

Best Case:	$ 150,000	Worst Case:	$ 200,000
	Estimate to rebuild		Higher estimate

Cost Source: ARI Cost Database

Comp #: 503 Block Walls - Repair **Quantity: Approx 35,000 Sq Ft**

Location: Common area block walls throughout the community
Funded?: Yes.
History: Installed during 2001.
Evaluation: This component provides an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life:
10 years

Remaining Life:
5 years

Best Case: $ 13,000 Worst Case: $ 17,000

Allowance to repair Higher allowance

Cost Source: ARI Cost Database

Comp #: 505 View Fence/Culvert Rails - Replace **Quantity: Approx 390 LF**

Location: ~370 LF View Fence - homeowner backyards at the north end of the park off Tower Ave. (Lots 17-21); ~20 LF Culvert Rails - adjacent to the monument & north end of the park
Funded?: Yes.
History: Installed during 2001.
Evaluation: The metal view fence is mounted on an 8' block wall, and should receive minimal sprinkler exposure. The culvert rails are mounted on a concrete headwall and exhibit rust issues, due to lack of maintenance. Long life component under normal circumstances, however it would still be prudent to plan for complete replacement eventually.

Useful Life:
40 years

Remaining Life:
25 years

Best Case: $ 8,900 Worst Case: $ 11,300

Estimate to replace, add repaint cost for total Higher estimate, add repaint cost for total

Cost Source: ARI Cost Database

Comp #: 508 View Fence/Culvert Rails - Repaint **Quantity: Approx 390 LF**

Location: ~370 LF View Fence - homeowner backyards at the north end of the park off Tower Ave. (Lots 17-21); ~20 LF Culvert Rails - adjacent to the monument & north end of the park

Funded?: Yes.

History:

Evaluation: Surfaces do not appear well maintained. Rust and oxidation evident. Repaint periodically to maintain the appearance and to inhibit rust.

Useful Life: 5 years

Remaining Life: 0 years

Best Case: $ 2,100 Worst Case: $ 2,700

Estimate to repaint Higher estimate

Cost Source: ARI Cost Database

Comp #: 710 Monument - Refurbish **Quantity: (1) Monument**

Location: Community entrance (off Chandler Heights Rd.)

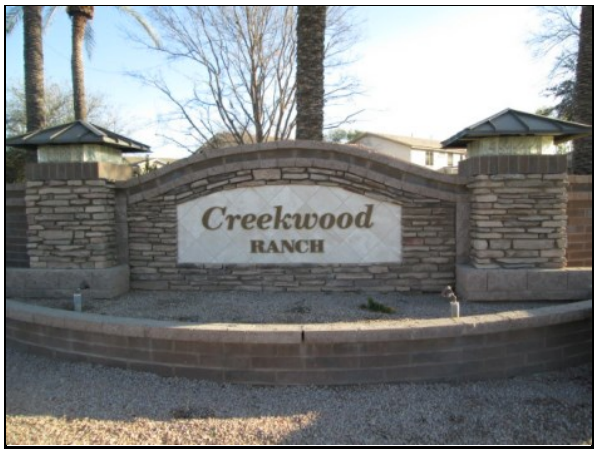
Funded?: Yes.

History: Installed during 2001.

Evaluation: This component provides funding to eventually replace the lettering and re-tile the background. Repairs or replacement of the decorative metal roof and glass block should be expected as well. This should be anticipated eventually to update and modernize the appearance.

Useful Life: 20 years

Remaining Life: 5 years



Best Case: $ 7,000 Worst Case: $ 9,000

Estimate to refurbish Higher estimate

Cost Source: ARI Cost Database

Comp #: 750 Palm Tree Lights - Replace **Quantity: Numerous Lights**
Location: Community entrance (off Chandler Heights Rd.)
Funded?: Yes.
History: Installed during 2017 for ~$3,450.
Evaluation: Assumed to be functional with no problems reported. Future replacement should be anticipated.

Useful Life:
8 years

Remaining Life:
7 years

Best Case: $ 3,000 Worst Case: $ 4,000

Estimate to replace Higher estimate

Cost Source: Client Cost History

Comp #: 1001 Irrigation System - Renovate **Quantity: Lines, Valves, Heads**
Location: Common areas throughout community
Funded?: No. We assume the system will be repaired as-needed using Operating funds.
History:
Evaluation: It is beyond the scope of this Reserve Study to quantify and assess conditions of the irrigation system components. Funding for replacement of the system can be added to this study at the HOA's request, but we would need to be provided with cost and timing estimates.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 1003 Irrig. Controllers - Replace (A) **Quantity: (1) Irritrol MC-18**
Location: Adjacent to Lot 21
Funded?: Yes.
History: Original from 2001.
Evaluation: Based on age, controller should be nearing time for replacement. Date Code: J0105.

Useful Life:
12 years

Remaining Life:
0 years

Best Case: $ 900 Worst Case: $ 1,100

Estimate to replace Higher estimate

Cost Source: Client Cost History

Comp #: 1003 Irrig. Controllers - Replace (B) **Quantity: (1) Hunter ICore**
Location: Adjacent to Lot 100
Funded?: Yes.
History: Original controller from 2001 was replaced during 2017 for ~$900.
Evaluation: Appears functional and in good shape. Model: IC-600-PL, 30-station, Mfg. Date: 10/2017.

Useful Life:
12 years

Remaining Life:
11 years

Best Case: $ 900 Worst Case: $ 1,100

Estimate to replace Higher estimate

Cost Source: Client Cost History

Comp #: 1005 Landscape Granite - Replenish (A) **Quantity: Approx 20 Tons**
Location: Community entrance, surrounding the water feature
Funded?: Yes.
History: Replenished during 2018 for ~$1,800.
Evaluation: Remaining life is reflected as 0, to properly show this as a 2018 expense. This component provides an allowance to top-dress the existing granite with a new 1" layer.

Useful Life:
8 years

Remaining Life:
0 years

Best Case: $ 1,600 Worst Case: $ 2,100

Estimate to replenish Higher estimate

Cost Source: Client Cost History

Comp #: 1005 Landscape Granite - Replenish (B) **Quantity: Approx 290 Tons**
Location: Main park area off Tower Ave.
Funded?: Yes.
History: The HOA received an estimate of ~$18,800 during 2017 to replenish the main park area.
Evaluation: Observed to be thin and bare. This component provides an allowance to top-dress the existing granite with a new 1" layer.

Useful Life:
7 years

Remaining Life:
1 years

Best Case: $ 17,000 Worst Case: $ 21,000

Estimate to replenish Higher estimate

Cost Source: 2017 Apex Landscape Management Proposal

Comp #: 1005 Landscape Granite - Replenish (C) **Quantity: Approx 250 Tons**
Location: Bordering Cooper Rd. & Chandler Heights Rd. (excluding surrounding the water feature)
Funded?: Yes.
History:
Evaluation: Community perimeter areas appear generally thin and sparse. This component provides an allowance to top-dress the existing granite with a new 1" layer.

Useful Life:
10 years

Remaining Life:
2 years

Best Case: $ 14,000 Worst Case: $ 19,000

Estimate to replenish Higher estimate

Cost Source: ARI Cost Database

Comp #: 1008 Trees - Replace **Quantity: Approx (217) Trees**
Location: Common areas throughout community
Funded?: Yes.
History:
Evaluation: The cost and timing of tree replacement is beyond the scope of a Reserve Study to assess. Often times, tree replacement is due to disease or storm damage, which are not predictable. Per the HOA's request, funding has been allocated to replace ~2% of the trees annually. Tree trimming will be completed annually as an Operating expense.

Useful Life:
1 years

Remaining Life:
0 years

Best Case: $ 2,400 Worst Case: $ 3,600

Estimate to replace (4) trees Higher estimate to replace (4) trees

Cost Source: Estimate Provided by Client

Comp #: 1010 Drywells - Inspect/Clean **Quantity: (6) Drywells**

Location: (5) at park area off Tower Ave. & (1) adjacent to community entrance
Funded?: Yes.
History: ~$3,350 was spent during 2017 for cleaning and repairs.
Evaluation: There are (5) double drywells, and (1) single drywell. Inspect/clean periodically to ensure proper functioning and longevity.

Useful Life:
5 years

Remaining Life:
4 years

Best Case: $ 3,000 Worst Case: $ 4,000

Estimate to inspect/clean Higher estimate

Cost Source: Client Cost History

Comp #: 1011 Drywells - Partial Replace **Quantity: (1) of (6) Drywells**

Location: (5) at park area off Tower Ave. & (1) adjacent to community entrance
Funded?: Yes.
History: Installed during 2001.
Evaluation: There is no expectancy to replace drywells under normal circumstances. Replacement is usually the result of improper installation or neglect. This component provides an allowance for partial replacement in the event failure does occur.

Useful Life:
30 years

Remaining Life:
13 years

Best Case: $ 15,000 Worst Case: $ 20,000

Estimate to replace (1) of (6) drywells Higher estimate to replace (1) of (6) drywells

Cost Source: ARI Cost Database

Comp #: 1700 Water Feature - Refurbish **Quantity: (1) Water Feature**
Location: Community entrance (off Chandler Heights Rd.)
Funded?: Yes.
History: The fountain was power washed and cracks were repaired during 2008 for ~$1,500.
Evaluation: This is a larger concrete and stone water feature. There are no surfaces that require recoating or replacement. Periodic maintenance and repairs should still be expected.

Useful Life:
10 years

Remaining Life:
1 years

Best Case: $ 3,000 Worst Case: $ 4,000

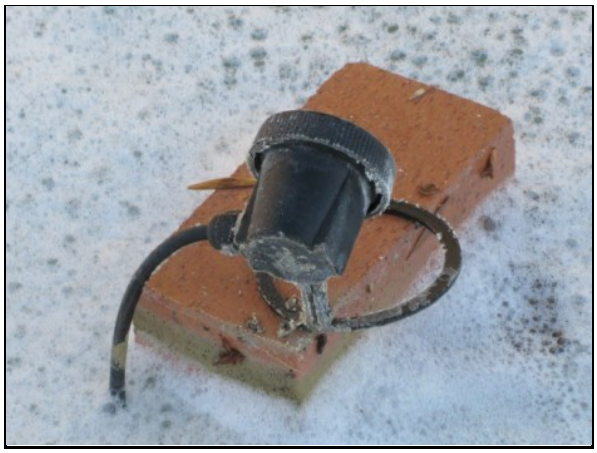
Estimate to refurbish Higher estimate

Cost Source: ARI Cost Allowance

Comp #: 1702 Water Feature Lights - Replace **Quantity: (5) Lights**
Location: Inside the water feature
Funded?: Yes.
History:
Evaluation: We located (5) locations for a light, however only (4) lights were installed. Assumed to be functional with no problems reported. Future replacement should be anticipated.

Useful Life:
10 years

Remaining Life:
1 years



Best Case: $ 1,700 Worst Case: $ 2,300

Allowance to replace Higher allowance

Cost Source: ARI Cost Allowance

Comp #: 1704 Water Feature Pump - Replace **Quantity: (1) Frederick 5-HP**
Location: Underground vault adjacent to the water feature
Funded?: Yes.
History: Original pump from 2001 was replaced during 2013 for ~$6,300.
Evaluation: Appears functional with no problems reported. Size: 635-6-3, Serial: R12.4913.

Useful Life:
12 years

Remaining Life:
7 years

Best Case: $ 4,300 Worst Case: $ 5,700

Estimate to replace, add repair cost for total Higher estimate, add repair cost for total

Cost Source: Client Cost History

Comp #: 1705 Water Feature Pump - Repair **Quantity: (1) Frederick 5-HP**
Location: Underground vault adjacent to the water feature
Funded?: Yes.
History:
Evaluation: This component provides funding to periodically repair/refurbish the pump and motor. Motor- Catalog: UJ5S3AP, Model: G42305.

Useful Life:
6 years

Remaining Life:
1 years

Best Case: $ 2,200 Worst Case: $ 2,800

Allowance to repair Higher allowance

Cost Source: ARI Cost Database

Comp #: 1710 Water Feature Pump VFD - Replace **Quantity: (1) Danfos VLT**
Location: Underground vault adjacent to the water feature
Funded?: Yes.
History: Likely installed during 2014.
Evaluation: Appears functional and in good condition. Future replacement should be anticipated.

Useful Life:
12 years

Remaining Life:
8 years

Best Case: $ 2,500 Worst Case: $ 3,500

Estimate to replace Higher estimate

Cost Source: ARI Cost Database

Comp #: 1715 Water Feature Pump Panel - Replace **Quantity: (1) KCP Industries**
Location: Underground vault adjacent to the water feature
Funded?: No. There is no expectancy for replacement in the foreseeable future. Repair as-needed using Operating funds.
History:
Evaluation:

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 1740 Circulation Pump - Replace **Quantity: (1) Pentair 3-HP**
Location: Underground vault adjacent to the water feature
Funded?: Yes.
History: Installed around 2014.
Evaluation: Appears functional with some leaking evident. Future replacement should be anticipated. Mfg. Date: 12/7/2013.

Useful Life:
10 years

Remaining Life:
6 years

Best Case: $ 1,000 Worst Case: $ 1,300

Estimate to replace Higher estimate

Cost Source: ARI Cost Database

Comp #: 1745 Filter - Replace **Quantity: (1) TR-60**
Location: Adjacent to the water feature
Funded?: Yes.
History: Installed around 2014.
Evaluation: Appears clean and functional. Future replacement should be anticipated. Mfg. Date: 09/23/2013.

Useful Life:
12 years

Remaining Life:
8 years

Best Case: $ 1,000 Worst Case: $ 1,300

Estimate to replace Higher estimate

Cost Source: ARI Cost Database

Comp #: 1750 Sump Pump - Replace **Quantity: (1) Pump**
Location: Underground vault adjacent to the water feature
Funded?: No. Replacement cost is relatively inexpensive and should be treated as an Operating expense.
History:
Evaluation:

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 1755 Exhaust Fan - Replace **Quantity: (1) Dayton**
Location: Underground vault adjacent to the water feature
Funded?: Yes.
History: Installed during 2008 for ~$1,300.
Evaluation: Assumed to be functional with no problems reported. Model: 4TM80A, Mfg. Date: 04/2007.

Useful Life:
12 years

Remaining Life:
2 years

Best Case: $ 1,300 Worst Case: $ 1,700

Estimate to replace Higher estimate

Cost Source: Client Cost History

Comp #: 1760 Irrigation Pump System - Replace **Quantity: (1) Flowtronex 5-HP**
Location: Adjacent to the water feature
Funded?: Yes.
History: Installed during 2001.
Evaluation: This is packaged booster pump system. Complete replacement of the packaged system should be anticipated eventually. Model: FBS-F-35-60-5-3-1-230-PR-B-A, Serial: 10540F.

Useful Life:
20 years

Remaining Life:
3 years

Best Case: $ 17,000 Worst Case: $ 23,000

Estimate to replace, add repair cost for total Higher estimate, add repair cost for total

Cost Source: ARI Cost Database

Comp #: 1765 Irrigation Pump System - Repair **Quantity: (1) Flowtronex 5-HP**
Location: Adjacent to the water feature
Funded?: Yes.
History:
Evaluation: The packaged system will reportedly need periodic refurbishing. This may include replacing the pump motor, seals, repairing the fan, and repairing the control panel.

Useful Life:
10 years

Remaining Life:
3 years

Best Case: $ 5,000 Worst Case: $ 7,000

Allowance to repair Higher allowance

Cost Source: ARI Cost Allowance
