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**Foothills Club West Community Assoc.
Master
Phoenix, AZ**



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

**RESERVE STUDY
Update "With-Site-Visit"**

June 22, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Master
Phoenix, AZ
Level of Service: Update "With-Site-Visit"

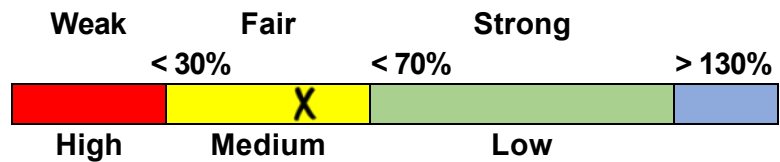
Report #: 10039-0
of Units: 2,599
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$1,153,749
Current Fully Funded Reserve Balance	\$1,970,057
Average Reserve Deficit (Surplus) Per Unit	\$314
Percent Funded	58.6 %
Current Monthly Reserve Contribution	\$9,171
Recommended 2022 Monthly Reserve Contribution	\$14,000
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 58.6%



Risk of Special Assessment:

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 another firm for your 2011 Fiscal Year. We performed the site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 58.6 % Funded. This means the Reserve Fund status is Fair, and the HOA's risk of special assessments & deferred maintenance 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.

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$14,000, followed by annual increases of 10% the next several years. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
100	Monuments - Refurbish (Main)	25	6	\$20,000
102	Monuments - Refurbish (Parcels)	25	0	\$88,000
104	Monuments - Refurbish (FCW-2008)	25	11	\$3,000
104	Monuments - Refurbish (FCW-2015)	20	18	\$4,000
110	Directional Signs - Refurbish	25	6	\$60,000
220	Concrete - Repair	5	2	\$5,000
402	Pet Stations - Replace	12	2	\$8,000
405	Concrete Furniture - Replace (A)	25	10	\$15,000
405	Concrete Furniture - Replace (B)	25	18	\$5,000
500	Block/Stucco Walls - Repair	25	12	\$200,000
502	Block/Stucco Walls - Repaint	6	0	\$265,000
510	Metal Fence - Replace (1999-100%)	30	6	\$28,000
510	Metal Fence - Replace (2006-100%)	30	18	\$45,000
512	View Fence - Replace (50%)	30	12	\$650,000
520	Metal Fence - Repaint	6	0	\$165,000
600	Irrigation System - Replace	25	0	\$440,600
610	Irrig Controllers - Replace	15	12	\$20,000
640	Landscape Granite - Replenish	5	2	\$25,000
RECREATION CENTER				
800	Monument - Refurbish	20	13	\$3,000
802	Landscape Lights - Replace	15	8	\$1,500
805	Parking Lot - Repave	30	8	\$50,000
807	Parking Lot - Seal/Repair	4	1	\$3,000
810	Pole Lights - Replace	30	12	\$17,000
812	Court Lights - Replace	30	12	\$65,000
816	Tennis Fence - Replace	30	0	\$30,000
817	Tennis Fence - Repaint	10	10	\$5,000
818	Metal Surfaces - Repaint	6	0	\$6,500
820	Park Furniture - Replace (A)	15	0	\$23,000
820	Park Furniture - Replace (B)	15	5	\$7,500
830	Basketball Equip - Replace	15	8	\$4,400
842	Sports Courts - Resurface	5	0	\$20,000
850	Volleyball Sand - Replenish	10	5	\$3,000
855	Playground Wood - Replenish	5	0	\$2,000
860	Playground Equip - Replace	20	4	\$70,000
870	Shade Screens - Replace	10	2	\$15,000
880	Backflow Valve - Replace	25	15	\$4,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
890	Restroom Building - Repaint	10	0	\$3,500
892	Restrooms - Remodel	20	0	\$15,000
894	Water Heaters - Replace	12	6	\$2,000
897	Flat Roof - Replace	20	0	\$2,500
899	Shingle Roof - Replace	20	0	\$1,000
CLUBHOUSE INTERIOR				
1000	Carpet Floor - Replace	10	0	\$10,000
1005	Laminate Floor - Replace	20	10	\$2,500
1010	Interior Lights - Replace	20	10	\$10,000
1020	Drinking Fountain - Replace	15	5	\$1,000
1030	Tables & Chairs - Replace	10	5	\$8,000
1032	Window Blinds - Replace	20	10	\$3,000
1034	Acoustic Panels - Replace	20	10	\$4,200
1040	Restrooms - Remodel	20	10	\$20,000
1045	Kitchen - Remodel	20	10	\$20,000
1047	Kitchen Appliances - Replace	12	2	\$4,000
1050	Building Interior - Repaint	10	0	\$6,000
1080	Audio/Video Equip - Replace	10	0	\$4,000
1082	Surveillance System - Replace	7	6	\$6,000
1084	Access System - Replace	10	5	\$3,000
1090	Fire Alarm Panel - Replace	15	5	\$5,000
1095	Water Heater - Replace	12	2	\$1,000
CLUBHOUSE EXTERIOR				
1100	Doors & Windows - Replace	30	20	\$23,000
1110	Exterior Lights - Replace	20	10	\$2,500
1150	Building Exterior - Repaint	10	0	\$3,500
1180	HVAC Units - Replace	12	2	\$22,000
1182	Air Curtain - Replace	15	5	\$1,200
1190	Tile Roofs - Refurbish	30	20	\$20,000

63 Total Funded Components

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

Introduction



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

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



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

Methodology



For this [Update 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?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by meeting with Community Manager Neftali Rivera. We spent time reviewing reserve related expenses and projects that have occurred in the recent past and are planned in the near future. After the meeting, we visually inspected the 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.

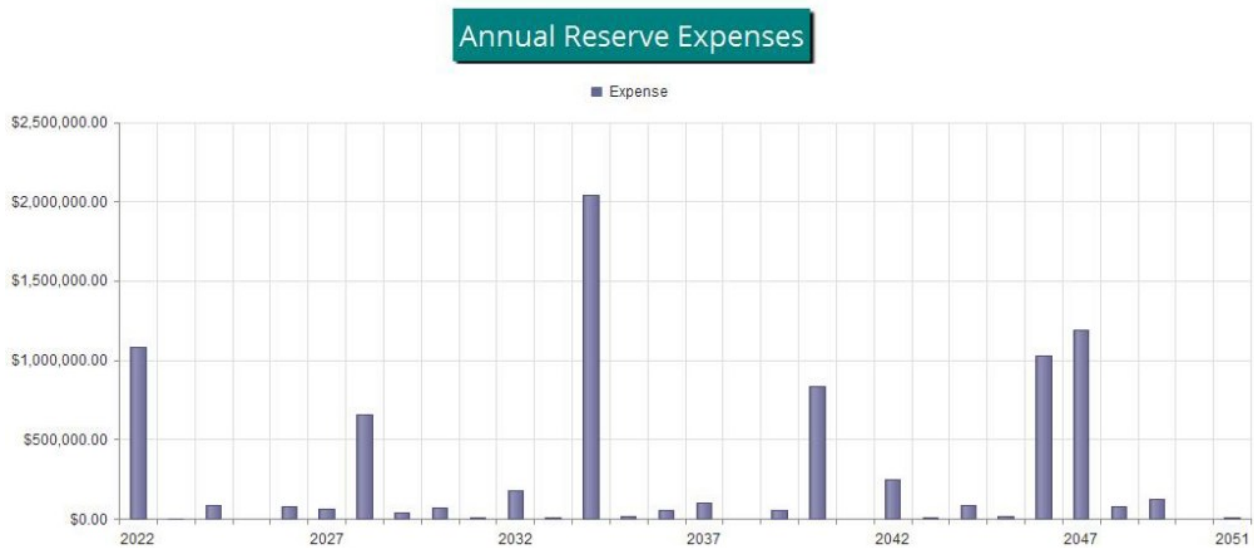


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$1,153,749 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$1,089,550 on 5/31/2021 and anticipated Reserve contributions and expenses projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$1,970,057. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 58.6 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$14,000 this Fiscal Year. 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.

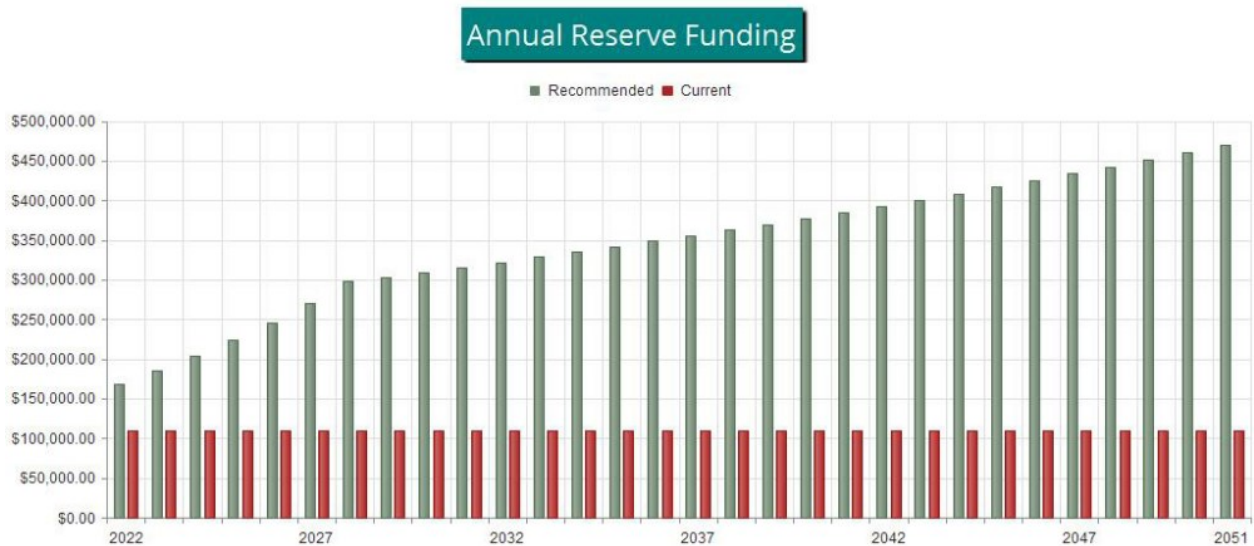


Figure 2

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.

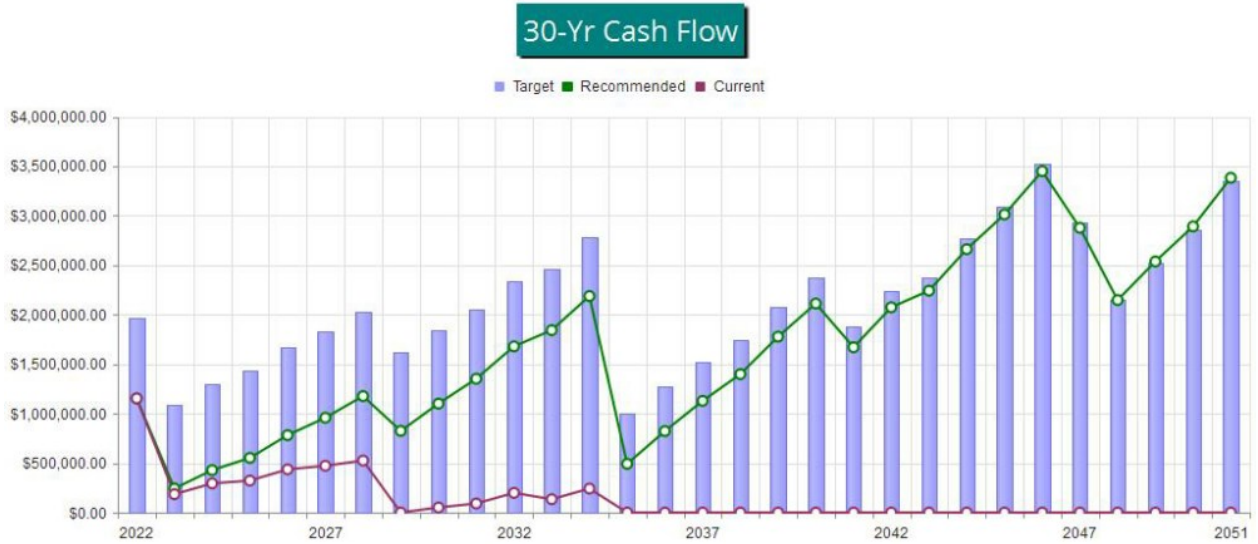


Figure 3

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.

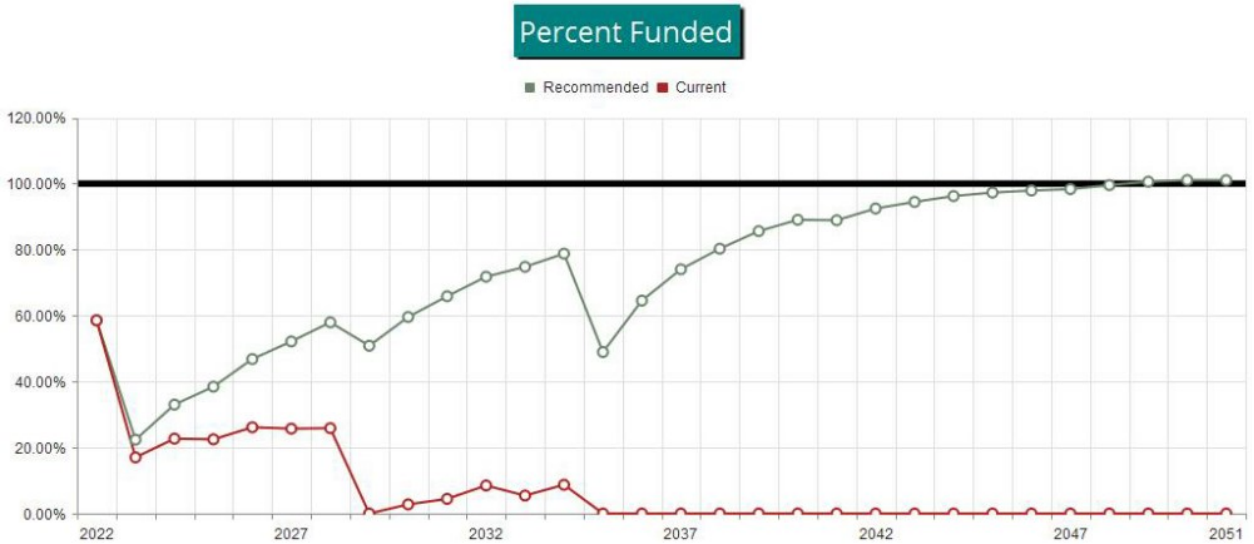


Figure 4



Executive Summary is a summary of your Reserve Components

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

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

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

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

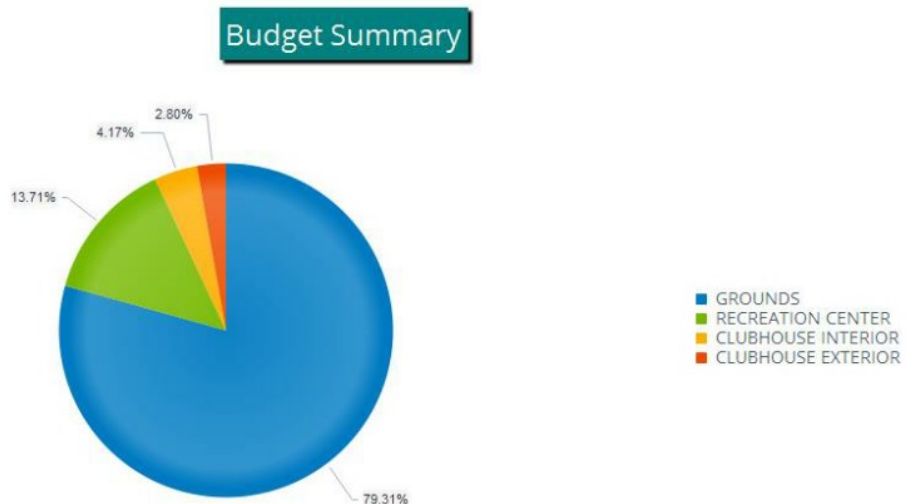
30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

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



	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022 Current Fund Balance	01/01/2022 Fully Funded Balance	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max						
	MIN	MAX	MIN	MAX						
GROUNDS	5	30	0	18	\$2,046,600	\$958,600	\$983,267	\$1,594,947	\$1,063,333	\$135,280
RECREATION CENTER	4	30	0	15	\$353,900	\$103,500	\$124,482	\$272,520	\$229,418	\$21,304
CLUBHOUSE INTERIOR	7	20	0	10	\$107,700	\$20,000	\$24,167	\$64,374	\$83,533	\$7,649
CLUBHOUSE EXTERIOR	10	30	0	20	\$72,200	\$3,500	\$21,833	\$38,217	\$50,367	\$3,767
					\$2,580,400	\$1,085,600	\$1,153,749	\$1,970,057	\$1,426,651	\$168,000

Percent Funded: 58.6%



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
GROUNDS					
100	Monuments - Refurbish (Main)	(1) Monument	25	6	\$20,000
102	Monuments - Refurbish (Parcels)	(22) Monuments	25	0	\$88,000
104	Monuments - Refurbish (FCW-2008)	(1) Monument	25	11	\$3,000
104	Monuments - Refurbish (FCW-2015)	(1) Monument	20	18	\$4,000
110	Directional Signs - Refurbish	(12) Signs	25	6	\$60,000
220	Concrete - Repair	Numerous Sq Ft	5	2	\$5,000
402	Pet Stations - Replace	(16) Stations	12	2	\$8,000
405	Concrete Furniture - Replace (A)	(16) Pieces	25	10	\$15,000
405	Concrete Furniture - Replace (B)	(2) Picnic Table Sets	25	18	\$5,000
500	Block/Stucco Walls - Repair	Approx 441,000 Sq Ft	25	12	\$200,000
502	Block/Stucco Walls - Repaint	Approx 441,000 Sq Ft	6	0	\$265,000
510	Metal Fence - Replace (1999-100%)	Approx 620 LF	30	6	\$28,000
510	Metal Fence - Replace (2006-100%)	Approx 1,050 LF	30	18	\$45,000
512	View Fence - Replace (50%)	Approx 37,000 LF	30	12	\$650,000
520	Metal Fence - Repaint	Approx 38,670 LF	6	0	\$165,000
600	Irrigation System - Replace	Lines, Valves, Heads	25	0	\$440,600
610	Irrig Controllers - Replace	Approx (20) Controllers	15	12	\$20,000
640	Landscape Granite - Replenish	Approx 113,000 Sq Ft	5	2	\$25,000
RECREATION CENTER					
800	Monument - Refurbish	(1) Monument	20	13	\$3,000
802	Landscape Lights - Replace	Lights & Transformer	15	8	\$1,500
805	Parking Lot - Repave	Approx 13,100 Sq Ft	30	8	\$50,000
807	Parking Lot - Seal/Repair	Approx 13,100 Sq Ft	4	1	\$3,000
810	Pole Lights - Replace	(3) Single, (2) Dual	30	12	\$17,000
812	Court Lights - Replace	(18) Single, (3) Dual	30	12	\$65,000
816	Tennis Fence - Replace	Approx 500 LF	30	0	\$30,000
817	Tennis Fence - Repaint	Approx 500 LF	10	10	\$5,000
818	Metal Surfaces - Repaint	Poles, Fence, Structures	6	0	\$6,500
820	Park Furniture - Replace (A)	(25) Pieces	15	0	\$23,000
820	Park Furniture - Replace (B)	(5) 6' Picnic Tables	15	5	\$7,500
830	Basketball Equip - Replace	(4) Backboard & Goal	15	8	\$4,400
842	Sports Courts - Resurface	(4) Courts	5	0	\$20,000
850	Volleyball Sand - Replenish	Approx 10,300 Sq Ft	10	5	\$3,000
855	Playground Wood - Replenish	Approx 1,800 Sq Ft	5	0	\$2,000
860	Playground Equip - Replace	(2) Pieces	20	4	\$70,000
870	Shade Screens - Replace	(3) Screens: ~2,900 Sq Ft	10	2	\$15,000
880	Backflow Valve - Replace	(1) Zurn Wilkins, 4"	25	15	\$4,000
890	Restroom Building - Repaint	(1) Building	10	0	\$3,500
892	Restrooms - Remodel	(2) Restrooms	20	0	\$15,000
894	Water Heaters - Replace	(2) Heaters	12	6	\$2,000
897	Flat Roof - Replace	Approx 370 Sq Ft	20	0	\$2,500
899	Shingle Roof - Replace	Approx 140 Sq Ft	20	0	\$1,000
CLUBHOUSE INTERIOR					
1000	Carpet Floor - Replace	Approx 230 Sq Yds	10	0	\$10,000

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
1005	Laminate Floor - Replace	Approx 270 Sq Ft	20	10	\$2,500
1010	Interior Lights - Replace	(31) Fixtures	20	10	\$10,000
1020	Drinking Fountain - Replace	(1) Elkay	15	5	\$1,000
1030	Tables & Chairs - Replace	(19) Tables, (150) Chairs	10	5	\$8,000
1032	Window Blinds - Replace	(12) Blinds	20	10	\$3,000
1034	Acoustic Panels - Replace	(48) Panels	20	10	\$4,200
1040	Restrooms - Remodel	(2) Restrooms	20	10	\$20,000
1045	Kitchen - Remodel	Cabinetry & Counters	20	10	\$20,000
1047	Kitchen Appliances - Replace	(4) Pieces	12	2	\$4,000
1050	Building Interior - Repaint	Approx 6,800 Sq Ft	10	0	\$6,000
1080	Audio/Video Equip - Replace	Numerous Pieces	10	0	\$4,000
1082	Surveillance System - Replace	(1) System	7	6	\$6,000
1084	Access System - Replace	(1) System	10	5	\$3,000
1090	Fire Alarm Panel - Replace	(1) Fire-Lite	15	5	\$5,000
1095	Water Heater - Replace	(1) Bradford White	12	2	\$1,000
CLUBHOUSE EXTERIOR					
1100	Doors & Windows - Replace	(9) Doors, (12) Windows	30	20	\$23,000
1110	Exterior Lights - Replace	(10) Fixtures	20	10	\$2,500
1150	Building Exterior - Repaint	Approx 3,400 Sq Ft	10	0	\$3,500
1180	HVAC Units - Replace	(3) Day & Night	12	2	\$22,000
1182	Air Curtain - Replace	(1) Mars	15	5	\$1,200
1190	Tile Roofs - Refurbish	Approx 4,200 Sq Ft	30	20	\$20,000
<hr/>					
63	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
GROUNDS								
100	Monuments - Refurbish (Main)	\$20,000	X	19	/	25	=	\$15,200
102	Monuments - Refurbish (Parcels)	\$88,000	X	25	/	25	=	\$88,000
104	Monuments - Refurbish (FCW-2008)	\$3,000	X	14	/	25	=	\$1,680
104	Monuments - Refurbish (FCW-2015)	\$4,000	X	2	/	20	=	\$400
110	Directional Signs - Refurbish	\$60,000	X	19	/	25	=	\$45,600
220	Concrete - Repair	\$5,000	X	3	/	5	=	\$3,000
402	Pet Stations - Replace	\$8,000	X	10	/	12	=	\$6,667
405	Concrete Furniture - Replace (A)	\$15,000	X	15	/	25	=	\$9,000
405	Concrete Furniture - Replace (B)	\$5,000	X	7	/	25	=	\$1,400
500	Block/Stucco Walls - Repair	\$200,000	X	13	/	25	=	\$104,000
502	Block/Stucco Walls - Repaint	\$265,000	X	6	/	6	=	\$265,000
510	Metal Fence - Replace (1999-100%)	\$28,000	X	24	/	30	=	\$22,400
510	Metal Fence - Replace (2006-100%)	\$45,000	X	12	/	30	=	\$18,000
512	View Fence - Replace (50%)	\$650,000	X	18	/	30	=	\$390,000
520	Metal Fence - Repaint	\$165,000	X	6	/	6	=	\$165,000
600	Irrigation System - Replace	\$440,600	X	25	/	25	=	\$440,600
610	Irrig Controllers - Replace	\$20,000	X	3	/	15	=	\$4,000
640	Landscape Granite - Replenish	\$25,000	X	3	/	5	=	\$15,000
RECREATION CENTER								
800	Monument - Refurbish	\$3,000	X	7	/	20	=	\$1,050
802	Landscape Lights - Replace	\$1,500	X	7	/	15	=	\$700
805	Parking Lot - Repave	\$50,000	X	22	/	30	=	\$36,667
807	Parking Lot - Seal/Repair	\$3,000	X	3	/	4	=	\$2,250
810	Pole Lights - Replace	\$17,000	X	18	/	30	=	\$10,200
812	Court Lights - Replace	\$65,000	X	18	/	30	=	\$39,000
816	Tennis Fence - Replace	\$30,000	X	30	/	30	=	\$30,000
817	Tennis Fence - Repaint	\$5,000	X	0	/	10	=	\$0
818	Metal Surfaces - Repaint	\$6,500	X	6	/	6	=	\$6,500
820	Park Furniture - Replace (A)	\$23,000	X	15	/	15	=	\$23,000
820	Park Furniture - Replace (B)	\$7,500	X	10	/	15	=	\$5,000
830	Basketball Equip - Replace	\$4,400	X	7	/	15	=	\$2,053
842	Sports Courts - Resurface	\$20,000	X	5	/	5	=	\$20,000
850	Volleyball Sand - Replenish	\$3,000	X	5	/	10	=	\$1,500
855	Playground Wood - Replenish	\$2,000	X	5	/	5	=	\$2,000
860	Playground Equip - Replace	\$70,000	X	16	/	20	=	\$56,000
870	Shade Screens - Replace	\$15,000	X	8	/	10	=	\$12,000
880	Backflow Valve - Replace	\$4,000	X	10	/	25	=	\$1,600
890	Restroom Building - Repaint	\$3,500	X	10	/	10	=	\$3,500
892	Restrooms - Remodel	\$15,000	X	20	/	20	=	\$15,000
894	Water Heaters - Replace	\$2,000	X	6	/	12	=	\$1,000
897	Flat Roof - Replace	\$2,500	X	20	/	20	=	\$2,500
899	Shingle Roof - Replace	\$1,000	X	20	/	20	=	\$1,000
CLUBHOUSE INTERIOR								
1000	Carpet Floor - Replace	\$10,000	X	10	/	10	=	\$10,000

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
1005	Laminate Floor - Replace	\$2,500	X	10	/	20	=	\$1,250
1010	Interior Lights - Replace	\$10,000	X	10	/	20	=	\$5,000
1020	Drinking Fountain - Replace	\$1,000	X	10	/	15	=	\$667
1030	Tables & Chairs - Replace	\$8,000	X	5	/	10	=	\$4,000
1032	Window Blinds - Replace	\$3,000	X	10	/	20	=	\$1,500
1034	Acoustic Panels - Replace	\$4,200	X	10	/	20	=	\$2,100
1040	Restrooms - Remodel	\$20,000	X	10	/	20	=	\$10,000
1045	Kitchen - Remodel	\$20,000	X	10	/	20	=	\$10,000
1047	Kitchen Appliances - Replace	\$4,000	X	10	/	12	=	\$3,333
1050	Building Interior - Repaint	\$6,000	X	10	/	10	=	\$6,000
1080	Audio/Video Equip - Replace	\$4,000	X	10	/	10	=	\$4,000
1082	Surveillance System - Replace	\$6,000	X	1	/	7	=	\$857
1084	Access System - Replace	\$3,000	X	5	/	10	=	\$1,500
1090	Fire Alarm Panel - Replace	\$5,000	X	10	/	15	=	\$3,333
1095	Water Heater - Replace	\$1,000	X	10	/	12	=	\$833
CLUBHOUSE EXTERIOR								
1100	Doors & Windows - Replace	\$23,000	X	10	/	30	=	\$7,667
1110	Exterior Lights - Replace	\$2,500	X	10	/	20	=	\$1,250
1150	Building Exterior - Repaint	\$3,500	X	10	/	10	=	\$3,500
1180	HVAC Units - Replace	\$22,000	X	10	/	12	=	\$18,333
1182	Air Curtain - Replace	\$1,200	X	10	/	15	=	\$800
1190	Tile Roofs - Refurbish	\$20,000	X	10	/	30	=	\$6,667
								\$1,970,057

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
GROUNDS				
100 Monuments - Refurbish (Main)	25	\$20,000	\$800	0.47 %
102 Monuments - Refurbish (Parcels)	25	\$88,000	\$3,520	2.07 %
104 Monuments - Refurbish (FCW-2008)	25	\$3,000	\$120	0.07 %
104 Monuments - Refurbish (FCW-2015)	20	\$4,000	\$200	0.12 %
110 Directional Signs - Refurbish	25	\$60,000	\$2,400	1.41 %
220 Concrete - Repair	5	\$5,000	\$1,000	0.59 %
402 Pet Stations - Replace	12	\$8,000	\$667	0.39 %
405 Concrete Furniture - Replace (A)	25	\$15,000	\$600	0.35 %
405 Concrete Furniture - Replace (B)	25	\$5,000	\$200	0.12 %
500 Block/Stucco Walls - Repair	25	\$200,000	\$8,000	4.69 %
502 Block/Stucco Walls - Repaint	6	\$265,000	\$44,167	25.92 %
510 Metal Fence - Replace (1999-100%)	30	\$28,000	\$933	0.55 %
510 Metal Fence - Replace (2006-100%)	30	\$45,000	\$1,500	0.88 %
512 View Fence - Replace (50%)	30	\$650,000	\$21,667	12.71 %
520 Metal Fence - Repaint	6	\$165,000	\$27,500	16.14 %
600 Irrigation System - Replace	25	\$440,600	\$17,624	10.34 %
610 Irrig Controllers - Replace	15	\$20,000	\$1,333	0.78 %
640 Landscape Granite - Replenish	5	\$25,000	\$5,000	2.93 %
RECREATION CENTER				
800 Monument - Refurbish	20	\$3,000	\$150	0.09 %
802 Landscape Lights - Replace	15	\$1,500	\$100	0.06 %
805 Parking Lot - Repave	30	\$50,000	\$1,667	0.98 %
807 Parking Lot - Seal/Repair	4	\$3,000	\$750	0.44 %
810 Pole Lights - Replace	30	\$17,000	\$567	0.33 %
812 Court Lights - Replace	30	\$65,000	\$2,167	1.27 %
816 Tennis Fence - Replace	30	\$30,000	\$1,000	0.59 %
817 Tennis Fence - Repaint	10	\$5,000	\$500	0.29 %
818 Metal Surfaces - Repaint	6	\$6,500	\$1,083	0.64 %
820 Park Furniture - Replace (A)	15	\$23,000	\$1,533	0.90 %
820 Park Furniture - Replace (B)	15	\$7,500	\$500	0.29 %
830 Basketball Equip - Replace	15	\$4,400	\$293	0.17 %
842 Sports Courts - Resurface	5	\$20,000	\$4,000	2.35 %
850 Volleyball Sand - Replenish	10	\$3,000	\$300	0.18 %
855 Playground Wood - Replenish	5	\$2,000	\$400	0.23 %
860 Playground Equip - Replace	20	\$70,000	\$3,500	2.05 %
870 Shade Screens - Replace	10	\$15,000	\$1,500	0.88 %
880 Backflow Valve - Replace	25	\$4,000	\$160	0.09 %
890 Restroom Building - Repaint	10	\$3,500	\$350	0.21 %
892 Restrooms - Remodel	20	\$15,000	\$750	0.44 %
894 Water Heaters - Replace	12	\$2,000	\$167	0.10 %
897 Flat Roof - Replace	20	\$2,500	\$125	0.07 %
899 Shingle Roof - Replace	20	\$1,000	\$50	0.03 %
CLUBHOUSE INTERIOR				
1000 Carpet Floor - Replace	10	\$10,000	\$1,000	0.59 %

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
1005 Laminate Floor - Replace	20	\$2,500	\$125	0.07 %
1010 Interior Lights - Replace	20	\$10,000	\$500	0.29 %
1020 Drinking Fountain - Replace	15	\$1,000	\$67	0.04 %
1030 Tables & Chairs - Replace	10	\$8,000	\$800	0.47 %
1032 Window Blinds - Replace	20	\$3,000	\$150	0.09 %
1034 Acoustic Panels - Replace	20	\$4,200	\$210	0.12 %
1040 Restrooms - Remodel	20	\$20,000	\$1,000	0.59 %
1045 Kitchen - Remodel	20	\$20,000	\$1,000	0.59 %
1047 Kitchen Appliances - Replace	12	\$4,000	\$333	0.20 %
1050 Building Interior - Repaint	10	\$6,000	\$600	0.35 %
1080 Audio/Video Equip - Replace	10	\$4,000	\$400	0.23 %
1082 Surveillance System - Replace	7	\$6,000	\$857	0.50 %
1084 Access System - Replace	10	\$3,000	\$300	0.18 %
1090 Fire Alarm Panel - Replace	15	\$5,000	\$333	0.20 %
1095 Water Heater - Replace	12	\$1,000	\$83	0.05 %
CLUBHOUSE EXTERIOR				
1100 Doors & Windows - Replace	30	\$23,000	\$767	0.45 %
1110 Exterior Lights - Replace	20	\$2,500	\$125	0.07 %
1150 Building Exterior - Repaint	10	\$3,500	\$350	0.21 %
1180 HVAC Units - Replace	12	\$22,000	\$1,833	1.08 %
1182 Air Curtain - Replace	15	\$1,200	\$80	0.05 %
1190 Tile Roofs - Refurbish	30	\$20,000	\$667	0.39 %
63 Total Funded Components			\$170,423	100.00 %

30-Year Reserve Plan Summary

Report # 10039-0
With-Site-Visit

Fiscal Year Start: 2022

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$1,153,749	\$1,970,057	58.6 %	Medium	52.65 %	\$168,000	\$0	\$6,981	\$1,085,600
2023	\$243,130	\$1,086,526	22.4 %	High	10.00 %	\$184,800	\$0	\$3,355	\$3,090
2024	\$428,196	\$1,296,741	33.0 %	Medium	10.00 %	\$203,280	\$0	\$4,896	\$84,872
2025	\$551,500	\$1,434,451	38.4 %	Medium	10.00 %	\$223,608	\$0	\$6,664	\$0
2026	\$781,772	\$1,669,297	46.8 %	Medium	10.00 %	\$245,969	\$0	\$8,693	\$78,786
2027	\$957,648	\$1,835,793	52.2 %	Medium	10.00 %	\$270,566	\$0	\$10,667	\$62,253
2028	\$1,176,628	\$2,030,240	58.0 %	Medium	10.00 %	\$297,622	\$0	\$10,002	\$659,714
2029	\$824,538	\$1,621,240	50.9 %	Medium	2.00 %	\$303,575	\$0	\$9,623	\$36,896
2030	\$1,100,839	\$1,847,761	59.6 %	Medium	2.00 %	\$309,646	\$0	\$12,259	\$70,812
2031	\$1,351,931	\$2,052,620	65.9 %	Medium	2.00 %	\$315,839	\$0	\$15,148	\$3,914
2032	\$1,679,004	\$2,339,201	71.8 %	Low	2.00 %	\$322,156	\$0	\$17,600	\$176,322
2033	\$1,842,438	\$2,463,671	74.8 %	Low	2.00 %	\$328,599	\$0	\$20,139	\$4,153
2034	\$2,187,023	\$2,776,286	78.8 %	Low	2.00 %	\$335,171	\$0	\$13,388	\$2,043,828
2035	\$491,754	\$1,004,703	48.9 %	Medium	2.00 %	\$341,874	\$0	\$6,569	\$17,622
2036	\$822,575	\$1,274,473	64.5 %	Medium	2.00 %	\$348,712	\$0	\$9,749	\$52,941
2037	\$1,128,095	\$1,523,691	74.0 %	Low	2.00 %	\$355,686	\$0	\$12,626	\$98,152
2038	\$1,398,256	\$1,741,784	80.3 %	Low	2.00 %	\$362,800	\$0	\$15,869	\$0
2039	\$1,776,925	\$2,075,720	85.6 %	Low	2.00 %	\$370,056	\$0	\$19,436	\$54,544
2040	\$2,111,873	\$2,371,945	89.0 %	Low	2.00 %	\$377,457	\$0	\$18,900	\$838,448
2041	\$1,669,782	\$1,878,339	88.9 %	Low	2.00 %	\$385,006	\$0	\$18,708	\$0
2042	\$2,073,496	\$2,242,492	92.5 %	Low	2.00 %	\$392,706	\$0	\$21,567	\$245,992
2043	\$2,241,777	\$2,373,431	94.5 %	Low	2.00 %	\$400,560	\$0	\$24,505	\$5,581
2044	\$2,661,261	\$2,765,433	96.2 %	Low	2.00 %	\$408,572	\$0	\$28,354	\$86,225
2045	\$3,011,962	\$3,095,929	97.3 %	Low	2.00 %	\$416,743	\$0	\$32,293	\$11,644
2046	\$3,449,354	\$3,523,248	97.9 %	Low	2.00 %	\$425,078	\$0	\$31,616	\$1,029,610
2047	\$2,876,437	\$2,925,274	98.3 %	Low	2.00 %	\$433,579	\$0	\$25,105	\$1,188,428
2048	\$2,146,693	\$2,156,484	99.5 %	Low	2.00 %	\$442,251	\$0	\$23,408	\$75,481
2049	\$2,536,872	\$2,521,992	100.6 %	Low	2.00 %	\$451,096	\$0	\$27,126	\$124,392
2050	\$2,890,702	\$2,859,442	101.1 %	Low	2.00 %	\$460,118	\$0	\$31,351	\$0
2051	\$3,382,171	\$3,346,838	101.1 %	Low	2.00 %	\$469,320	\$0	\$36,299	\$7,070

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$1,153,749	\$243,130	\$428,196	\$551,500	\$781,772
Annual Reserve Contribution	\$168,000	\$184,800	\$203,280	\$223,608	\$245,969
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,981	\$3,355	\$4,896	\$6,664	\$8,693
Total Income	\$1,328,730	\$431,286	\$636,372	\$781,772	\$1,036,434
# Component					
GROUNDS					
100 Monuments - Refurbish (Main)	\$0	\$0	\$0	\$0	\$0
102 Monuments - Refurbish (Parcels)	\$88,000	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2008)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2015)	\$0	\$0	\$0	\$0	\$0
110 Directional Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$5,305	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$8,487	\$0	\$0
405 Concrete Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$265,000	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (1999-100%)	\$0	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (2006-100%)	\$0	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Fence - Repaint	\$165,000	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$440,600	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$26,523	\$0	\$0
RECREATION CENTER					
800 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
802 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
805 Parking Lot - Repave	\$0	\$0	\$0	\$0	\$0
807 Parking Lot - Seal/Repair	\$0	\$3,090	\$0	\$0	\$0
810 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
812 Court Lights - Replace	\$0	\$0	\$0	\$0	\$0
816 Tennis Fence - Replace	\$30,000	\$0	\$0	\$0	\$0
817 Tennis Fence - Repaint	\$0	\$0	\$0	\$0	\$0
818 Metal Surfaces - Repaint	\$6,500	\$0	\$0	\$0	\$0
820 Park Furniture - Replace (A)	\$23,000	\$0	\$0	\$0	\$0
820 Park Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
830 Basketball Equip - Replace	\$0	\$0	\$0	\$0	\$0
842 Sports Courts - Resurface	\$20,000	\$0	\$0	\$0	\$0
850 Volleyball Sand - Replenish	\$0	\$0	\$0	\$0	\$0
855 Playground Wood - Replenish	\$2,000	\$0	\$0	\$0	\$0
860 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$78,786
870 Shade Screens - Replace	\$0	\$0	\$15,914	\$0	\$0
880 Backflow Valve - Replace	\$0	\$0	\$0	\$0	\$0
890 Restroom Building - Repaint	\$3,500	\$0	\$0	\$0	\$0
892 Restrooms - Remodel	\$15,000	\$0	\$0	\$0	\$0
894 Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
897 Flat Roof - Replace	\$2,500	\$0	\$0	\$0	\$0
899 Shingle Roof - Replace	\$1,000	\$0	\$0	\$0	\$0
CLUBHOUSE INTERIOR					
1000 Carpet Floor - Replace	\$10,000	\$0	\$0	\$0	\$0
1005 Laminate Floor - Replace	\$0	\$0	\$0	\$0	\$0
1010 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1020 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
1030 Tables & Chairs - Replace	\$0	\$0	\$0	\$0	\$0
1032 Window Blinds - Replace	\$0	\$0	\$0	\$0	\$0
1034 Acoustic Panels - Replace	\$0	\$0	\$0	\$0	\$0
1040 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
1045 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
1047 Kitchen Appliances - Replace	\$0	\$0	\$4,244	\$0	\$0
1050 Building Interior - Repaint	\$6,000	\$0	\$0	\$0	\$0

Fiscal Year	2022	2023	2024	2025	2026
1080 Audio/Video Equip - Replace	\$4,000	\$0	\$0	\$0	\$0
1082 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
1084 Access System - Replace	\$0	\$0	\$0	\$0	\$0
1090 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
1095 Water Heater - Replace	\$0	\$0	\$1,061	\$0	\$0
CLUBHOUSE EXTERIOR					
1100 Doors & Windows - Replace	\$0	\$0	\$0	\$0	\$0
1110 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1150 Building Exterior - Repaint	\$3,500	\$0	\$0	\$0	\$0
1180 HVAC Units - Replace	\$0	\$0	\$23,340	\$0	\$0
1182 Air Curtain - Replace	\$0	\$0	\$0	\$0	\$0
1190 Tile Roofs - Refurbish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,085,600	\$3,090	\$84,872	\$0	\$78,786
Ending Reserve Balance	\$243,130	\$428,196	\$551,500	\$781,772	\$957,648

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$957,648	\$1,176,628	\$824,538	\$1,100,839	\$1,351,931
Annual Reserve Contribution	\$270,566	\$297,622	\$303,575	\$309,646	\$315,839
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$10,667	\$10,002	\$9,623	\$12,259	\$15,148
Total Income	\$1,238,881	\$1,484,252	\$1,137,735	\$1,422,744	\$1,682,919
# Component					
GROUNDS					
100 Monuments - Refurbish (Main)	\$0	\$23,881	\$0	\$0	\$0
102 Monuments - Refurbish (Parcels)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2008)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2015)	\$0	\$0	\$0	\$0	\$0
110 Directional Signs - Refurbish	\$0	\$71,643	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$6,149	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$316,424	\$0	\$0	\$0
510 Metal Fence - Replace (1999-100%)	\$0	\$33,433	\$0	\$0	\$0
510 Metal Fence - Replace (2006-100%)	\$0	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Fence - Repaint	\$0	\$197,019	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$30,747	\$0	\$0
RECREATION CENTER					
800 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
802 Landscape Lights - Replace	\$0	\$0	\$0	\$1,900	\$0
805 Parking Lot - Repave	\$0	\$0	\$0	\$63,339	\$0
807 Parking Lot - Seal/Repair	\$3,478	\$0	\$0	\$0	\$3,914
810 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
812 Court Lights - Replace	\$0	\$0	\$0	\$0	\$0
816 Tennis Fence - Replace	\$0	\$0	\$0	\$0	\$0
817 Tennis Fence - Repaint	\$0	\$0	\$0	\$0	\$0
818 Metal Surfaces - Repaint	\$0	\$7,761	\$0	\$0	\$0
820 Park Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
820 Park Furniture - Replace (B)	\$8,695	\$0	\$0	\$0	\$0
830 Basketball Equip - Replace	\$0	\$0	\$0	\$5,574	\$0
842 Sports Courts - Resurface	\$23,185	\$0	\$0	\$0	\$0
850 Volleyball Sand - Replenish	\$3,478	\$0	\$0	\$0	\$0
855 Playground Wood - Replenish	\$2,319	\$0	\$0	\$0	\$0
860 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
870 Shade Screens - Replace	\$0	\$0	\$0	\$0	\$0
880 Backflow Valve - Replace	\$0	\$0	\$0	\$0	\$0
890 Restroom Building - Repaint	\$0	\$0	\$0	\$0	\$0
892 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
894 Water Heaters - Replace	\$0	\$2,388	\$0	\$0	\$0
897 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
899 Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
CLUBHOUSE INTERIOR					
1000 Carpet Floor - Replace	\$0	\$0	\$0	\$0	\$0
1005 Laminate Floor - Replace	\$0	\$0	\$0	\$0	\$0
1010 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1020 Drinking Fountain - Replace	\$1,159	\$0	\$0	\$0	\$0
1030 Tables & Chairs - Replace	\$9,274	\$0	\$0	\$0	\$0
1032 Window Blinds - Replace	\$0	\$0	\$0	\$0	\$0
1034 Acoustic Panels - Replace	\$0	\$0	\$0	\$0	\$0
1040 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
1045 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
1047 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$0
1050 Building Interior - Repaint	\$0	\$0	\$0	\$0	\$0
1080 Audio/Video Equip - Replace	\$0	\$0	\$0	\$0	\$0
1082 Surveillance System - Replace	\$0	\$7,164	\$0	\$0	\$0
1084 Access System - Replace	\$3,478	\$0	\$0	\$0	\$0
1090 Fire Alarm Panel - Replace	\$5,796	\$0	\$0	\$0	\$0
1095 Water Heater - Replace	\$0	\$0	\$0	\$0	\$0
CLUBHOUSE EXTERIOR					

Fiscal Year	2027	2028	2029	2030	2031
1100 Doors & Windows - Replace	\$0	\$0	\$0	\$0	\$0
1110 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1150 Building Exterior - Repaint	\$0	\$0	\$0	\$0	\$0
1180 HVAC Units - Replace	\$0	\$0	\$0	\$0	\$0
1182 Air Curtain - Replace	\$1,391	\$0	\$0	\$0	\$0
1190 Tile Roofs - Refurbish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$62,253	\$659,714	\$36,896	\$70,812	\$3,914
Ending Reserve Balance	\$1,176,628	\$824,538	\$1,100,839	\$1,351,931	\$1,679,004

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$1,679,004	\$1,842,438	\$2,187,023	\$491,754	\$822,575
Annual Reserve Contribution	\$322,156	\$328,599	\$335,171	\$341,874	\$348,712
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$17,600	\$20,139	\$13,388	\$6,569	\$9,749
Total Income	\$2,018,760	\$2,191,176	\$2,535,582	\$840,197	\$1,181,036
# Component					
GROUNDS					
100 Monuments - Refurbish (Main)	\$0	\$0	\$0	\$0	\$0
102 Monuments - Refurbish (Parcels)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2008)	\$0	\$4,153	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2015)	\$0	\$0	\$0	\$0	\$0
110 Directional Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$7,129	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$12,101
405 Concrete Furniture - Replace (A)	\$20,159	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$285,152	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$377,827	\$0	\$0
510 Metal Fence - Replace (1999-100%)	\$0	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (2006-100%)	\$0	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$926,745	\$0	\$0
520 Metal Fence - Repaint	\$0	\$0	\$235,251	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$28,515	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$35,644	\$0	\$0
RECREATION CENTER					
800 Monument - Refurbish	\$0	\$0	\$0	\$4,406	\$0
802 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
805 Parking Lot - Repave	\$0	\$0	\$0	\$0	\$0
807 Parking Lot - Seal/Repair	\$0	\$0	\$0	\$4,406	\$0
810 Pole Lights - Replace	\$0	\$0	\$24,238	\$0	\$0
812 Court Lights - Replace	\$0	\$0	\$92,674	\$0	\$0
816 Tennis Fence - Replace	\$0	\$0	\$0	\$0	\$0
817 Tennis Fence - Repaint	\$6,720	\$0	\$0	\$0	\$0
818 Metal Surfaces - Repaint	\$0	\$0	\$9,267	\$0	\$0
820 Park Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
820 Park Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
830 Basketball Equip - Replace	\$0	\$0	\$0	\$0	\$0
842 Sports Courts - Resurface	\$26,878	\$0	\$0	\$0	\$0
850 Volleyball Sand - Replenish	\$0	\$0	\$0	\$0	\$0
855 Playground Wood - Replenish	\$2,688	\$0	\$0	\$0	\$0
860 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
870 Shade Screens - Replace	\$0	\$0	\$21,386	\$0	\$0
880 Backflow Valve - Replace	\$0	\$0	\$0	\$0	\$0
890 Restroom Building - Repaint	\$4,704	\$0	\$0	\$0	\$0
892 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
894 Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
897 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
899 Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
CLUBHOUSE INTERIOR					
1000 Carpet Floor - Replace	\$13,439	\$0	\$0	\$0	\$0
1005 Laminate Floor - Replace	\$3,360	\$0	\$0	\$0	\$0
1010 Interior Lights - Replace	\$13,439	\$0	\$0	\$0	\$0
1020 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
1030 Tables & Chairs - Replace	\$0	\$0	\$0	\$0	\$0
1032 Window Blinds - Replace	\$4,032	\$0	\$0	\$0	\$0
1034 Acoustic Panels - Replace	\$5,644	\$0	\$0	\$0	\$0
1040 Restrooms - Remodel	\$26,878	\$0	\$0	\$0	\$0
1045 Kitchen - Remodel	\$26,878	\$0	\$0	\$0	\$0
1047 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$6,050
1050 Building Interior - Repaint	\$8,063	\$0	\$0	\$0	\$0
1080 Audio/Video Equip - Replace	\$5,376	\$0	\$0	\$0	\$0
1082 Surveillance System - Replace	\$0	\$0	\$0	\$8,811	\$0
1084 Access System - Replace	\$0	\$0	\$0	\$0	\$0
1090 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
1095 Water Heater - Replace	\$0	\$0	\$0	\$0	\$1,513
CLUBHOUSE EXTERIOR					

Fiscal Year	2032	2033	2034	2035	2036
1100 Doors & Windows - Replace	\$0	\$0	\$0	\$0	\$0
1110 Exterior Lights - Replace	\$3,360	\$0	\$0	\$0	\$0
1150 Building Exterior - Repaint	\$4,704	\$0	\$0	\$0	\$0
1180 HVAC Units - Replace	\$0	\$0	\$0	\$0	\$33,277
1182 Air Curtain - Replace	\$0	\$0	\$0	\$0	\$0
1190 Tile Roofs - Refurbish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$176,322	\$4,153	\$2,043,828	\$17,622	\$52,941
Ending Reserve Balance	\$1,842,438	\$2,187,023	\$491,754	\$822,575	\$1,128,095

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$1,128,095	\$1,398,256	\$1,776,925	\$2,111,873	\$1,669,782
Annual Reserve Contribution	\$355,686	\$362,800	\$370,056	\$377,457	\$385,006
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,626	\$15,869	\$19,436	\$18,900	\$18,708
Total Income	\$1,496,408	\$1,776,925	\$2,166,417	\$2,508,230	\$2,073,496
# Component					
GROUNDS					
100 Monuments - Refurbish (Main)	\$0	\$0	\$0	\$0	\$0
102 Monuments - Refurbish (Parcels)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2008)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2015)	\$0	\$0	\$0	\$6,810	\$0
110 Directional Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$8,264	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (B)	\$0	\$0	\$0	\$8,512	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$451,145	\$0
510 Metal Fence - Replace (1999-100%)	\$0	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (2006-100%)	\$0	\$0	\$0	\$76,609	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Fence - Repaint	\$0	\$0	\$0	\$280,901	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$41,321	\$0	\$0
RECREATION CENTER					
800 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
802 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
805 Parking Lot - Repave	\$0	\$0	\$0	\$0	\$0
807 Parking Lot - Seal/Repair	\$0	\$0	\$4,959	\$0	\$0
810 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
812 Court Lights - Replace	\$0	\$0	\$0	\$0	\$0
816 Tennis Fence - Replace	\$0	\$0	\$0	\$0	\$0
817 Tennis Fence - Repaint	\$0	\$0	\$0	\$0	\$0
818 Metal Surfaces - Repaint	\$0	\$0	\$0	\$11,066	\$0
820 Park Furniture - Replace (A)	\$35,833	\$0	\$0	\$0	\$0
820 Park Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
830 Basketball Equip - Replace	\$0	\$0	\$0	\$0	\$0
842 Sports Courts - Resurface	\$31,159	\$0	\$0	\$0	\$0
850 Volleyball Sand - Replenish	\$4,674	\$0	\$0	\$0	\$0
855 Playground Wood - Replenish	\$3,116	\$0	\$0	\$0	\$0
860 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
870 Shade Screens - Replace	\$0	\$0	\$0	\$0	\$0
880 Backflow Valve - Replace	\$6,232	\$0	\$0	\$0	\$0
890 Restroom Building - Repaint	\$0	\$0	\$0	\$0	\$0
892 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
894 Water Heaters - Replace	\$0	\$0	\$0	\$3,405	\$0
897 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
899 Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
CLUBHOUSE INTERIOR					
1000 Carpet Floor - Replace	\$0	\$0	\$0	\$0	\$0
1005 Laminate Floor - Replace	\$0	\$0	\$0	\$0	\$0
1010 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1020 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
1030 Tables & Chairs - Replace	\$12,464	\$0	\$0	\$0	\$0
1032 Window Blinds - Replace	\$0	\$0	\$0	\$0	\$0
1034 Acoustic Panels - Replace	\$0	\$0	\$0	\$0	\$0
1040 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
1045 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
1047 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$0
1050 Building Interior - Repaint	\$0	\$0	\$0	\$0	\$0
1080 Audio/Video Equip - Replace	\$0	\$0	\$0	\$0	\$0
1082 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
1084 Access System - Replace	\$4,674	\$0	\$0	\$0	\$0
1090 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
1095 Water Heater - Replace	\$0	\$0	\$0	\$0	\$0
CLUBHOUSE EXTERIOR					

Fiscal Year	2037	2038	2039	2040	2041
1100 Doors & Windows - Replace	\$0	\$0	\$0	\$0	\$0
1110 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1150 Building Exterior - Repaint	\$0	\$0	\$0	\$0	\$0
1180 HVAC Units - Replace	\$0	\$0	\$0	\$0	\$0
1182 Air Curtain - Replace	\$0	\$0	\$0	\$0	\$0
1190 Tile Roofs - Refurbish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$98,152	\$0	\$54,544	\$838,448	\$0
Ending Reserve Balance	\$1,398,256	\$1,776,925	\$2,111,873	\$1,669,782	\$2,073,496

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$2,073,496	\$2,241,777	\$2,661,261	\$3,011,962	\$3,449,354
Annual Reserve Contribution	\$392,706	\$400,560	\$408,572	\$416,743	\$425,078
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$21,567	\$24,505	\$28,354	\$32,293	\$31,616
Total Income	\$2,487,770	\$2,666,842	\$3,098,187	\$3,460,998	\$3,906,048
# Component					
GROUNDS					
100 Monuments - Refurbish (Main)	\$0	\$0	\$0	\$0	\$0
102 Monuments - Refurbish (Parcels)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2008)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2015)	\$0	\$0	\$0	\$0	\$0
110 Directional Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$9,581	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$538,690
510 Metal Fence - Replace (1999-100%)	\$0	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (2006-100%)	\$0	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$335,411
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$47,903	\$0	\$0
RECREATION CENTER					
800 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
802 Landscape Lights - Replace	\$0	\$0	\$0	\$2,960	\$0
805 Parking Lot - Repave	\$0	\$0	\$0	\$0	\$0
807 Parking Lot - Seal/Repair	\$0	\$5,581	\$0	\$0	\$0
810 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
812 Court Lights - Replace	\$0	\$0	\$0	\$0	\$0
816 Tennis Fence - Replace	\$0	\$0	\$0	\$0	\$0
817 Tennis Fence - Repaint	\$9,031	\$0	\$0	\$0	\$0
818 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$13,213
820 Park Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
820 Park Furniture - Replace (B)	\$13,546	\$0	\$0	\$0	\$0
830 Basketball Equip - Replace	\$0	\$0	\$0	\$8,684	\$0
842 Sports Courts - Resurface	\$36,122	\$0	\$0	\$0	\$0
850 Volleyball Sand - Replenish	\$0	\$0	\$0	\$0	\$0
855 Playground Wood - Replenish	\$3,612	\$0	\$0	\$0	\$0
860 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$142,296
870 Shade Screens - Replace	\$0	\$0	\$28,742	\$0	\$0
880 Backflow Valve - Replace	\$0	\$0	\$0	\$0	\$0
890 Restroom Building - Repaint	\$6,321	\$0	\$0	\$0	\$0
892 Restrooms - Remodel	\$27,092	\$0	\$0	\$0	\$0
894 Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
897 Flat Roof - Replace	\$4,515	\$0	\$0	\$0	\$0
899 Shingle Roof - Replace	\$1,806	\$0	\$0	\$0	\$0
CLUBHOUSE INTERIOR					
1000 Carpet Floor - Replace	\$18,061	\$0	\$0	\$0	\$0
1005 Laminate Floor - Replace	\$0	\$0	\$0	\$0	\$0
1010 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1020 Drinking Fountain - Replace	\$1,806	\$0	\$0	\$0	\$0
1030 Tables & Chairs - Replace	\$0	\$0	\$0	\$0	\$0
1032 Window Blinds - Replace	\$0	\$0	\$0	\$0	\$0
1034 Acoustic Panels - Replace	\$0	\$0	\$0	\$0	\$0
1040 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
1045 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
1047 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$0
1050 Building Interior - Repaint	\$10,837	\$0	\$0	\$0	\$0
1080 Audio/Video Equip - Replace	\$7,224	\$0	\$0	\$0	\$0
1082 Surveillance System - Replace	\$10,837	\$0	\$0	\$0	\$0
1084 Access System - Replace	\$0	\$0	\$0	\$0	\$0
1090 Fire Alarm Panel - Replace	\$9,031	\$0	\$0	\$0	\$0
1095 Water Heater - Replace	\$0	\$0	\$0	\$0	\$0
CLUBHOUSE EXTERIOR					

Fiscal Year	2042	2043	2044	2045	2046
1100 Doors & Windows - Replace	\$41,541	\$0	\$0	\$0	\$0
1110 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1150 Building Exterior - Repaint	\$6,321	\$0	\$0	\$0	\$0
1180 HVAC Units - Replace	\$0	\$0	\$0	\$0	\$0
1182 Air Curtain - Replace	\$2,167	\$0	\$0	\$0	\$0
1190 Tile Roofs - Refurbish	\$36,122	\$0	\$0	\$0	\$0
Total Expenses	\$245,992	\$5,581	\$86,225	\$11,644	\$1,029,610
Ending Reserve Balance	\$2,241,777	\$2,661,261	\$3,011,962	\$3,449,354	\$2,876,437

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$2,876,437	\$2,146,693	\$2,536,872	\$2,890,702	\$3,382,171
Annual Reserve Contribution	\$433,579	\$442,251	\$451,096	\$460,118	\$469,320
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$25,105	\$23,408	\$27,126	\$31,351	\$36,299
Total Income	\$3,335,122	\$2,612,352	\$3,015,094	\$3,382,171	\$3,887,790
# Component					
GROUNDS					
100 Monuments - Refurbish (Main)	\$0	\$0	\$0	\$0	\$0
102 Monuments - Refurbish (Parcels)	\$184,252	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2008)	\$0	\$0	\$0	\$0	\$0
104 Monuments - Refurbish (FCW-2015)	\$0	\$0	\$0	\$0	\$0
110 Directional Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$11,106	\$0	\$0
402 Pet Stations - Replace	\$0	\$17,253	\$0	\$0	\$0
405 Concrete Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
405 Concrete Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (1999-100%)	\$0	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (2006-100%)	\$0	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$922,519	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$44,426	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$55,532	\$0	\$0
RECREATION CENTER					
800 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
802 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
805 Parking Lot - Repave	\$0	\$0	\$0	\$0	\$0
807 Parking Lot - Seal/Repair	\$6,281	\$0	\$0	\$0	\$7,070
810 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
812 Court Lights - Replace	\$0	\$0	\$0	\$0	\$0
816 Tennis Fence - Replace	\$0	\$0	\$0	\$0	\$0
817 Tennis Fence - Repaint	\$0	\$0	\$0	\$0	\$0
818 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
820 Park Furniture - Replace (A)	\$0	\$0	\$0	\$0	\$0
820 Park Furniture - Replace (B)	\$0	\$0	\$0	\$0	\$0
830 Basketball Equip - Replace	\$0	\$0	\$0	\$0	\$0
842 Sports Courts - Resurface	\$41,876	\$0	\$0	\$0	\$0
850 Volleyball Sand - Replenish	\$6,281	\$0	\$0	\$0	\$0
855 Playground Wood - Replenish	\$4,188	\$0	\$0	\$0	\$0
860 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
870 Shade Screens - Replace	\$0	\$0	\$0	\$0	\$0
880 Backflow Valve - Replace	\$0	\$0	\$0	\$0	\$0
890 Restroom Building - Repaint	\$0	\$0	\$0	\$0	\$0
892 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
894 Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
897 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
899 Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
CLUBHOUSE INTERIOR					
1000 Carpet Floor - Replace	\$0	\$0	\$0	\$0	\$0
1005 Laminate Floor - Replace	\$0	\$0	\$0	\$0	\$0
1010 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1020 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
1030 Tables & Chairs - Replace	\$16,750	\$0	\$0	\$0	\$0
1032 Window Blinds - Replace	\$0	\$0	\$0	\$0	\$0
1034 Acoustic Panels - Replace	\$0	\$0	\$0	\$0	\$0
1040 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
1045 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
1047 Kitchen Appliances - Replace	\$0	\$8,626	\$0	\$0	\$0
1050 Building Interior - Repaint	\$0	\$0	\$0	\$0	\$0
1080 Audio/Video Equip - Replace	\$0	\$0	\$0	\$0	\$0
1082 Surveillance System - Replace	\$0	\$0	\$13,328	\$0	\$0
1084 Access System - Replace	\$6,281	\$0	\$0	\$0	\$0
1090 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
1095 Water Heater - Replace	\$0	\$2,157	\$0	\$0	\$0
CLUBHOUSE EXTERIOR					

Fiscal Year	2047	2048	2049	2050	2051
1100 Doors & Windows - Replace	\$0	\$0	\$0	\$0	\$0
1110 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
1150 Building Exterior - Repaint	\$0	\$0	\$0	\$0	\$0
1180 HVAC Units - Replace	\$0	\$47,445	\$0	\$0	\$0
1182 Air Curtain - Replace	\$0	\$0	\$0	\$0	\$0
1190 Tile Roofs - Refurbish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,188,428	\$75,481	\$124,392	\$0	\$7,070
Ending Reserve Balance	\$2,146,693	\$2,536,872	\$2,890,702	\$3,382,171	\$3,880,720



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.

GROUNDS

Comp #: 100 Monuments - Refurbish (Main)**Quantity: (1) Monument**

Location: Mounted along Chandler Blvd & 6th St

Funded?: Yes.

History:

Comments: Some weathering evident. Still generally intact and in decent shape. This component funds to refurbish the main monument, which includes replacement of the letters and logo, as well as general repairs and light replacement.

Useful Life:
25 yearsRemaining Life:
6 years

Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database

Comp #: 102 Monuments - Refurbish (Parcels)**Quantity: (22) Monuments**

Location: Mounted at entrances to Cabrillo Verde, Desert View, Desert Winds, Desert Winds II, Dove Canyon, Fairway Crossings, Granite Pass, Horizon Heights, Ironwood Point, Lakeview Estates, Palisades, Park Edge, Parkside, Privada, Promontory, Ridgeview, Sierra Canyon, Silver Ridge, Sunset Canyon, Vista Canyon, The Vistas & The Vistas II (excludes private parcels)

Funded?: Yes.

History:

Comments: Appear to be older, dated and weathered. This component funds to refurbish the parcel monuments, which includes replacement of the tile surfaces and letters, as well as general repairs and light replacement.

Useful Life:
25 yearsRemaining Life:
0 years

Best Case: \$ 88,000

Worst Case: \$ 88,000

Cost Source: ARI Cost Database

Comp #: 104 Monuments - Refurbish (FCW-2008)

Quantity: (1) Monument

Location: Mounted on Northeast corner of 17th Ave & Liberty Ln

Funded?: Yes.

History: Installed around 2008, based on satellite imagery.

Comments: Appear to be intact and in fair shape. This component funds to refurbish the parcel monuments, which includes replacement of the etched tile surfaces, as well as general repairs and light replacement.

Useful Life:
25 years

Remaining Life:
11 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 104 Monuments - Refurbish (FCW-2015)

Quantity: (1) Monument

Location: Mounted on Southwest corner of 17th Ave & Liberty Ln

Funded?: Yes.

History: Installed in 2015, based on satellite imagery.

Comments: Appears to be relatively newer and in good shape. This component funds to refurbish this Foothills Club West monument, which includes replacement of the metal sign, as well as general repairs and light replacement.

Useful Life:
20 years

Remaining Life:
18 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 110 Directional Signs - Refurbish

Quantity: (12) Signs

Location: Mounted adjacent to Chandler Blvd, Desert Foothills Pkwy, 17th Ave, Liberty Ln & Central Ave

Funded?: Yes.

History:

Comments: Appear to be intact, visible and in fair shape. Some weathering noted. This component funds to refurbish the directional signs, which includes replacement of the travertine tile surfaces and metal sign blades.

Useful Life:
25 years

Remaining Life:
6 years



Best Case: \$ 60,000

Worst Case: \$ 60,000

Cost Source: ARI Cost Database

Comp #: 220 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Common area walkways throughout community

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and/or partial replacements as needed.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Allowance

Comp #: 380 Mailboxes - Replace

Quantity: Numerous Clusters

Location: Mounted adjacent to streets throughout community (excludes private parcels, Tapestry & Desert Vista II)

Funded?: No. We assume these mailboxes are the responsibility of the U.S. Postal Service, not the HOA.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 380 Mailboxes - Replace (DV II)

Quantity: (4) Clusters

Location: Mounted along Satinwood Dr in Desert Vista II (Parcel 24)

Funded?: No. Funding to replace these mailboxes is included in the Desert Vista II Reserve Study.

History: Installed in 2014.

Comments: Mailboxes include (3) 20-box and (1) 9-box clusters.

*Mfg. Date: 8/2014

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 380 Mailboxes - Replace (Tapestry)

Quantity: (10) Clusters

Location: Mounted along 16th Dr in Tapestry (Parcels 20 & 25)

Funded?: No. Funding to replace these mailboxes is included in the Tapestry Reserve Study.

History: Installed in 2006.

Comments: Mailboxes include (8) 16-box, (1) 12-box and (1) 8-box clusters.

*Mfg. Date: 4/2006

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 402 Pet Stations - Replace

Quantity: (16) Stations

Location: Common areas throughout community

Funded?: Yes.

History: Installed during 2005-2009.

Comments: Wear and weathering evident. Still generally functional and in decent shape.

Useful Life:

12 years

Remaining Life:

2 years



Best Case: \$ 8,000

Worst Case: \$ 8,000

Cost Source: ARI Cost Database

Comp #: 405 Concrete Furniture - Replace (A)

Quantity: (16) Pieces

Location: Mounted adjacent to streets throughout community

Funded?: Yes.

History: Reportedly installed in 2007.

Comments: Pieces include (8) 6' benches and (8) trash cans. Observed to be intact, functional and in fair shape. Future replacement should be anticipated.

Useful Life:
25 years

Remaining Life:
10 years



Best Case: \$ 15,000

Worst Case: \$ 15,000

Cost Source: ARI Cost Database

Comp #: 405 Concrete Furniture - Replace (B)

Quantity: (2) Picnic Table Sets

Location: Mounted in green belt on the Southwest corner of Chandler Blvd & Central Ave

Funded?: Yes.

History: Installed in 2015, based on satellite imagery.

Comments: Each set includes (1) 6' picnic table and (2) 6' benches. Appear to be intact and in fair shape. Some wear and weathering evident. Future replacement should be anticipated.

Useful Life:
25 years

Remaining Life:
18 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 410 Playground - Replace/Maintain

Quantity: Equip, Furniture, Etc.

Location: Playground in Desert Vista II (Parcel 24)

Funded?: No. Funding to replace/maintain these playground components is included in the Desert Vista II Reserve Study.

History: Installed in 2014.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 410 Playground - Replace/Maintain

Quantity: Equip, Furniture, Etc.

Location: Playground in Tapestry (Parcels 20 & 25)

Funded?: No. Funding to replace/maintain these playground components is included in the Tapestry Reserve Study.

History: Installed in 2006.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Block/Stucco Walls - Repair

Quantity: Approx 441,000 Sq Ft

Location: Bordering common areas throughout community (includes Tapestry, Desert Vista II & walls bordering Master owned common areas in the private parcels)

Funded?: Yes.

History: Primarily installed around 1999.

Comments: Walls are expected to last the life of the community under normal circumstances. This component funds an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life:
25 years

Remaining Life:
12 years



Best Case: \$ 200,000

Worst Case: \$ 200,000

Cost Source: ARI Cost Allowance

Comp #: 502 Block/Stucco Walls - Repaint

Quantity: Approx 441,000 Sq Ft

Location: Bordering common areas throughout community (includes Tapestry, Desert Vista II & walls bordering Master owned common areas in the private parcels)

Funded?: Yes.

History:

Comments: Surfaces appear to be older and weathered with chipping evident. Overall, poor conditions were observed.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 265,000

Worst Case: \$ 265,000

Cost Source: ARI Cost Database

Comp #: 510 Metal Fence - Replace (1999-100%)

Quantity: Approx 620 LF

Location: Bordering common areas throughout community (includes perimeter fencing along drainage tract's bordering the golf course)

Funded?: Yes.

History: Installed around 1999.

Comments: This is 6' tall, in-ground fencing. Appears to be intact, secure and in decent shape. Perimeter fencing along the drainage tracts to the golf course are weathered with rust evident. Future replacement should be anticipated. Cost reflects 100% HOA responsibility.

Useful Life:
30 years

Remaining Life:
6 years



Best Case: \$ 28,000

Worst Case: \$ 28,000

Cost Source: ARI Cost Database

Comp #: 510 Metal Fence - Replace (2006-100%)

Quantity: Approx 1,050 LF

Location: Mounted adjacent to the playground & along the South perimeters in Tapestry (Parcels 20 & 25)

Funded?: Yes.

History: Installed in 2006.

Comments: This is 4'-6' tall, in-ground fencing. Appears to be intact, secure and in fair shape. Future replacement should be anticipated. Cost reflects 100% HOA responsibility.

Useful Life:
30 years

Remaining Life:
18 years



Best Case: \$ 45,000

Worst Case: \$ 45,000

Cost Source: ARI Cost Database

Comp #: 512 View Fence - Replace (50%)

Quantity: Approx 37,000 LF

Location: Mounted on block/stucco walls bordering common areas & lot backyards (includes view fencing bordering Master owned common areas in the private parcels)

Funded?: Yes.

History: Installed around 1999.

Comments: Several sections were observed to have significant rust issues. Overall, the view fencing is generally still intact and in decent shape. Future replacement should be anticipated. Cost reflects 50% HOA responsibility, per the CC&R's.

Useful Life:
30 years

Remaining Life:
12 years



Best Case: \$ 650,000

Worst Case: \$ 650,000

Cost Source: ARI Cost Database

Comp #: 515 Culvert Rails - Replace

Quantity: Numerous LF

Location: Common areas throughout community

Funded?: No. These are iron pipe rails mounted on top of concrete culverts. They have an extended life span with no expectancy to replace in the foreseeable future. Repairs should be addressed as a maintenance expense when needed.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 520 Metal Fence - Repaint

Quantity: Approx 38,670 LF

Location: Bordering common areas throughout community

Funded?: Yes.

History:

Comments: Observed to be faded, oxidized and in poor shape. Rust issues was also noted. This component funds to periodically repaint approximately 1,670 LF of metal fencing and 37,000 LF view fence. An allowance to repaint the culvert rails is also included.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 165,000

Worst Case: \$ 165,000

Cost Source: ARI Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Common areas throughout community (excludes private parcels, Privada, Tapestry & Desert Vista II)

Funded?: Yes.

History: Installed around 1999.

Comments: This component funds to replace the irrigation system throughout the community. The system is reportedly leaking and in need of replacement.

Useful Life:
25 years

Remaining Life:
0 years



Best Case: \$ 440,600

Worst Case: \$ 440,600

Cost Source: Estimate Provided by Client

Comp #: 610 Irrig Controllers - Replace

Quantity: Approx (20) Controllers

Location: Mounted on walls in parcels Cabrillo Verde, Desert Winds, Desert Winds II, Dove Canyon, Fairway Crossings, Granite Pass, Ironwood Point, Lakeview Estates, Park Edge, Promontory, Ridgeview, Sunset Canyon, Vista Canyon & The Vistas II (excludes private parcels, Privada, Tapestry & Desert Vista II)

Funded?: Yes.

History: Replaced in 2019 as part of landscape management contract.

Comments: Appear to be functional with no issues reported. ProQual notified us that the irrigation controllers were installed as part of the landscape management contract. While the landscape management contract could be sustained, it would be prudent to still plan for future replacement, as this service/contract may not be continued in the future.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database

Comp #: 630 Backflow Valves - Replace

Quantity: Numerous Valves

Location: Common areas throughout community

Funded?: No. Backflow valves typically last a long time. They can often be repaired and rebuilt rather than replaced. Recommend repairing or replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 113,000 Sq Ft

Location: Common areas in parcels Desert Winds II, Promontory, Ridgeview, Sierra Canyon, Silver Ridge & Sunset Canyon
Funded?: Yes.

History:

Comments: Complete replacement of the landscape granite is not anticipated. Coverage will deplete over time, so this component funds an allowance to top dress the existing granite. These areas reportedly need more frequent replenishing

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 25,000

Worst Case: \$ 25,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Numerous Sq Ft

Location: Common areas throughout community (excluding parcels Desert Wind II, Promontory, Ridgeview, Sierra Canyon, Silver Ridge & Sunset Canyon)

Funded?: No. The HOA will reportedly replenish these areas when needed as a landscape maintenance expense.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

RECREATION CENTER

Comp #: 800 Monument - Refurbish

Quantity: (1) Monument

Location: Recreation Center

Funded?: Yes.

History: Installed in 2015, based on satellite imagery.

Comments: Appears to be intact and in good shape. This component funds to refurbish the Recreation Center monument sign, which includes replacement of the etched tile, as well as general repairs or alterations.

Useful Life:
20 years

Remaining Life:
13 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 802 Landscape Lights - Replace

Quantity: Lights & Transformer

Location: Recreation Center - Mounted around monument

Funded?: Yes.

History: Likely installed around 2015 with monument.

Comments: There are approximately (5) landscape lights and (1) low-voltage transformer. Appear to be functional. Some weathering noted.

Useful Life:
15 years

Remaining Life:
8 years



Best Case: \$ 1,500

Worst Case: \$ 1,500

Cost Source: ARI Cost Database

Comp #: 805 Parking Lot - Repave

Quantity: Approx 13,100 Sq Ft

Location: Recreation Center

Funded?: Yes.

History:

Comments: Moderate cracking evident. Life span is based on periodically seal coating and maintaining the surface. This component funds to completely remove and repave the parking lot.

Useful Life:
30 years

Remaining Life:
8 years



Best Case: \$ 50,000

Worst Case: \$ 50,000

Cost Source: ARI Cost Database

Comp #: 807 Parking Lot - Seal/Repair

Quantity: Approx 13,100 Sq Ft

Location: Recreation Center

Funded?: Yes.

History:

Comments: Observed to still be generally dark. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life:
4 years

Remaining Life:
1 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 810 Pole Lights - Replace

Quantity: (3) Single, (2) Dual

Location: Recreation Center - Mounted around parking lot & adjacent to the Clubhouse

Funded?: Yes.

History:

Comments: Appear to be intact, functional and in fair shape. This component funds to replace the poles and fixtures.

Useful Life:
30 years

Remaining Life:
12 years



Best Case: \$ 17,000

Worst Case: \$ 17,000

Cost Source: ARI Cost Database

Comp #: 812 Court Lights - Replace

Quantity: (18) Single, (3) Dual

Location: Recreation Center

Funded?: Yes.

History: Replaced (2) poles and (4) fixtures in 2021 for ~\$5,000.

Comments: There are (8) basketball court lights, (9) tennis court lights and (4) volleyball court lights. Appear to be functional and in fair shape. This component funds to replace the court light fixtures and poles.

Useful Life:
30 years

Remaining Life:
12 years



Best Case: \$ 65,000

Worst Case: \$ 65,000

Cost Source: ARI Cost Database

Comp #: 814 Metal Fence - Replace

Quantity: Approx 25 LF

Location: Recreation Center - Mounted outside Clubhouse

Funded?: No. Recommend replacing as-needed using Operating funds.

History: Installed in 2012.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 816 Tennis Fence - Replace

Quantity: Approx 500 LF

Location: Recreation Center

Funded?: Yes.

History:

Comments: This is 10' tall chain link fencing. Appears to be older, worn and weathered. Overall, poor conditions were observed.

Useful Life:
30 years

Remaining Life:
0 years



Best Case: \$ 30,000

Worst Case: \$ 30,000

Cost Source: ARI Cost Database

Comp #: 817 Tennis Fence - Repaint

Quantity: Approx 500 LF

Location: Recreation Center

Funded?: Yes.

History:

Comments: This component funds to periodically repaint the tennis fence. Remaining life reflect replacement of the tennis fence in 2022.

Useful Life:
10 years

Remaining Life:
10 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 818 Metal Surfaces - Repaint

Quantity: Poles, Fence, Structures

Location: Recreation Center

Funded?: Yes.

History:

Comments: Surfaces were observed to be faded, oxidized and in poor shape. This component funds to periodically repaint the Recreation Center metal surfaces, which includes (5) pole lights, (21) court lights, 25 LF of metal fence and (3) shade structures.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 6,500

Worst Case: \$ 6,500

Cost Source: ARI Cost Database

Comp #: 820 Park Furniture - Replace (A)

Quantity: (25) Pieces

Location: Recreation Center

Funded?: Yes.

History:

Comments: Pieces include (4) 6' picnic tables, (12) benches and (9) trash cans. Observed to be older, worn and in poor shape. Significant rust damage evident.

Useful Life:
15 years

Remaining Life:
0 years



Best Case: \$ 23,000

Worst Case: \$ 23,000

Cost Source: ARI Cost Database

Comp #: 820 Park Furniture - Replace (B)

Quantity: (5) 6' Picnic Tables

Location: Recreation Center - Mounted outside the Clubhouse

Funded?: Yes.

History: Installed in 2012.

Comments: Appear to be intact, functional and in fair shape.

Useful Life:
15 years

Remaining Life:
5 years



Best Case: \$ 7,500

Worst Case: \$ 7,500

Cost Source: ARI Cost Database

Comp #: 830 Basketball Equip - Replace

Quantity: (4) Backboard & Goal

Location: Recreation Center

Funded?: Yes.

History:

Comments: Appear to be intact, functional and in fair shape. This component funds to replace the basketball backboards, hoops and nets.

Useful Life:
15 years

Remaining Life:
8 years



Best Case: \$ 4,400

Worst Case: \$ 4,400

Cost Source: ARI Cost Database

Comp #: 840 Sports Courts - Replace

Quantity: (4) Courts

Location: Recreation Center - Basketball courts & tennis courts

Funded?: No. Expected to last indefinitely under normal circumstances.

History: Reportedly replaced tennis courts in 2008 with post-tension concrete.

Comments: There are (2) basketball courts and (2) tennis courts.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 842 Sports Courts - Resurface

Quantity: (4) Courts

Location: Recreation Center - Basketball courts & tennis courts

Funded?: Yes.

History:

Comments: Appear to be worn and weathered. This component funds to periodically resurface (2) basketball courts and (2) tennis courts.

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database

Comp #: 850 Volleyball Sand - Replenish

Quantity: Approx 10,300 Sq Ft

Location: Recreation Center - Volleyball courts (includes playground sand around play structure)

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the sand. This component funds to replenish the sand with a 2" layer.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 855 Playground Wood - Replenish

Quantity: Approx 1,800 Sq Ft

Location: Recreation Center - Around swing-set

Funded?: Yes.

History:

Comments: There is no expectancy for complete replacement. This component funds to replenish the wood mulch. Observed to be getting low.

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 860 Playground Equip - Replace

Quantity: (2) Pieces

Location: Recreation Center

Funded?: Yes.

History:

Comments: Pieces include (1) large play structure and (1) 6-seat swing-set. Appear to be intact, functional and in fair shape. Normal wear and weathering evident.

Useful Life:
20 years

Remaining Life:
4 years



Best Case: \$ 70,000

Worst Case: \$ 70,000

Cost Source: ARI Cost Database

Comp #: 870 Shade Screens - Replace

Quantity: (3) Screens: ~2,900 Sq Ft

Location: Recreation Center

Funded?: Yes.

History:

Comments: Observed to be intact with no hole or tears. Shade screen over the play structure appears to be more weathered. There is no expectancy to replace the entire frame structure under normal circumstances. This component funds to periodically replace the shade screen only.

Useful Life:
10 years

Remaining Life:
2 years



Best Case: \$ 15,000

Worst Case: \$ 15,000

Cost Source: ARI Cost Database

Comp #: 880 Backflow Valve - Replace

Quantity: (1) Zurn Wilkins, 4"

Location: Recreation Center - Mounted behind Clubhouse

Funded?: Yes.

History: Installed in 2012.

Comments: This is a large backflow valve. Long life span under normal circumstances. Future replacement should be anticipated.

*Mfg. Year: 2011

Useful Life:
25 years

Remaining Life:
15 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 890 Restroom Building - Repaint

Quantity: (1) Building

Location: Recreation Center - Restroom Building exterior & interior

Funded?: Yes.

History:

Comments: Surfaces were observed to be older and weathered. This component funds to periodically repaint the Restroom Building exterior and interior.

Useful Life:
10 years

Remaining Life:
0 years



Best Case: \$ 3,500

Worst Case: \$ 3,500

Cost Source: ARI Cost Database

Comp #: 892 Restrooms - Remodel

Quantity: (2) Restrooms

Location: Recreation Center - Men & women's restrooms in Restroom Building (includes interior & exterior doors)

Funded?: Yes.

History:

Comments: Observed to be older and heavily worn. Overall, these restrooms are in poor shape. This component funds to remodel the restrooms outside of the Clubhouse, which includes replacement of the lighting, sinks, counters, toilets, urinal, stalls, paint, interior doors and baby change stations. Funding to replace the exterior water heater doors is also included.

Useful Life:
20 years

Remaining Life:
0 years



Best Case: \$ 15,000

Worst Case: \$ 15,000

Cost Source: ARI Cost Database

Comp #: 894 Water Heaters - Replace

Quantity: (2) Heaters

Location: Recreation Center - Mounted in the Restroom Building exterior closets

Funded?: Yes.

History: Reportedly replaced around 2016.

Comments: Not accessible at the time of our inspection. Assumed to be functional with no issues reported.

Useful Life:
12 years

Remaining Life:
6 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 897 Flat Roof - Replace

Quantity: Approx 370 Sq Ft

Location: Recreation Center - Restroom Building exterior

Funded?: Yes.

History:

Comments: No access to inspect. We assume the flat roof on the restroom building is original and likely in need of replacement.

Useful Life:
20 years

Remaining Life:
0 years



Best Case: \$ 2,500

Worst Case: \$ 2,500

Cost Source: ARI Cost Database

Comp #: 899 Shingle Roof - Replace

Quantity: Approx 140 Sq Ft

Location: Recreation Center - Restroom Building exterior

Funded?: Yes.

History:

Comments: Appears to be older with wear and missing shingles visible.

Useful Life:
20 years

Remaining Life:
0 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

CLUBHOUSE INTERIOR

Comp #: 1000 Carpet Floor - Replace**Quantity: Approx 230 Sq Yds**

Location: Clubhouse interior - Main Room

Funded?: Yes.

History: Installed in 2012.

Comments: Staining and wear evident.

Useful Life:
10 yearsRemaining Life:
0 years

Best Case: \$ 10,000

Worst Case: \$ 10,000

Cost Source: ARI Cost Database

Comp #: 1005 Laminate Floor - Replace**Quantity: Approx 270 Sq Ft**

Location: Clubhouse interior - Main Room

Funded?: Yes.

History: Installed in 2012.

Comments: This appears to be laminate wood flooring. Observed to be intact and in fair shape.

Useful Life:
20 yearsRemaining Life:
10 years

Best Case: \$ 2,500

Worst Case: \$ 2,500

Cost Source: ARI Cost Database

Comp #: 1010 Interior Lights - Replace

Quantity: (31) Fixtures

Location: Clubhouse interior - Main Room & Fire Sprinkler/Riser Room (excludes Kitchen & Restrooms)

Funded?: Yes.

History: Installed in 2012.

Comments: Fixtures include (22) hanging lights, (1) can light, (1) fluorescent light, (2) exit lights and (5) ceiling fans. Observed to be functional and in fair shape.

Useful Life:
20 years

Remaining Life:
10 years



Best Case: \$ 10,000

Worst Case: \$ 10,000

Cost Source: ARI Cost Database

Comp #: 1020 Drinking Fountain - Replace

Quantity: (1) Elkay

Location: Clubhouse interior

Funded?: Yes.

History: Installed in 2012.

Comments: This is a dual dispenser drinking fountain. Appears to be functional and in fair shape.

Useful Life:
15 years

Remaining Life:
5 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 1030 Tables & Chairs - Replace

Quantity: (19) Tables, (150) Chairs

Location: Clubhouse interior - Main Room & Outdoor Storage Shed

Funded?: Yes.

History: Actual age unknown.

Comments: Pieces include (9) 60" round tables, (10) 96" rectangle tables and (150) chairs. These are folding tables and chairs. Pieces appear to be intact, functional and in fair shape.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: \$ 8,000

Worst Case: \$ 8,000

Cost Source: ARI Cost Database

Comp #: 1032 Window Blinds - Replace

Quantity: (12) Blinds

Location: Clubhouse interior - Main Room

Funded?: Yes.

History: Assumed to be original from 2012.

Comments: Appear to be functional and in fair shape.

Useful Life:
20 years

Remaining Life:
10 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 1034 Acoustic Panels - Replace

Quantity: (48) Panels

Location: Clubhouse interior

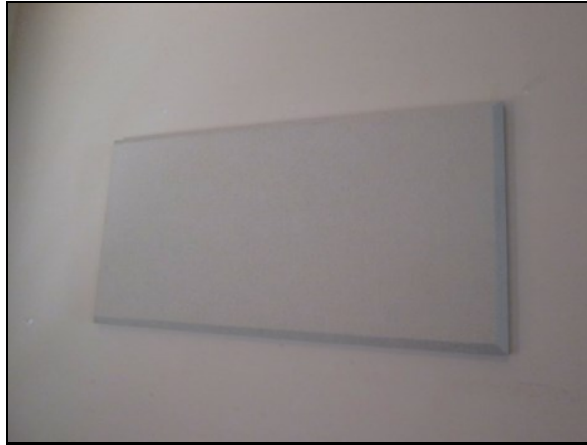
Funded?: Yes.

History: Installed in 2012.

Comments: There are (12) 2'x2' and (36) 2'x4' panels. Appear to be intact and functional.

Useful Life:
20 years

Remaining Life:
10 years



Best Case: \$ 4,200

Worst Case: \$ 4,200

Cost Source: ARI Cost Database

Comp #: 1036 Television - Replace

Quantity: (1) Sharp

Location: Clubhouse interior - Main Room

Funded?: No. Cost is below the Reserve expense threshold. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 1040 Restrooms - Remodel

Quantity: (2) Restrooms

Location: Clubhouse interior - Men & Women's Restrooms

Funded?: Yes.

History: Installed in 2012.

Comments: Observed to be intact, functional and in fair shape. This component funds to remodel the Clubhouse interior restrooms, which includes replacement of the lighting, mirrors, sinks, counters, toilets, urinal, stalls, urinal screen, tile surfaces, paint, trash cans and the baby change station.

Useful Life:
20 years

Remaining Life:
10 years



Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database

Comp #: 1045 Kitchen - Remodel

Quantity: Cabinetry & Counters

Location: Clubhouse interior - Kitchen

Funded?: Yes.

History: Installed in 2012.

Comments: Observed to be intact, functional and in fair shape. This component funds to remodel the Clubhouse interior kitchen, which includes replacement of the lighting, sink, counters, cabinets, tile floor and paint.

Useful Life:
20 years

Remaining Life:
10 years



Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database

Comp #: 1047 Kitchen Appliances - Replace

Quantity: (4) Pieces

Location: Clubhouse interior - Kitchen

Funded?: Yes.

History: Installed in 2012.

Comments: Pieces include (1) refrigerator, (1) stovetop/oven, (1) dishwasher and (1) microwave. Manufactured by Whirlpool. Appear to be functional and in decent shape.

Useful Life:
12 years

Remaining Life:
2 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 1050 Building Interior - Repaint

Quantity: Approx 6,800 Sq Ft

Location: Clubhouse interior

Funded?: Yes.

History: Painted in 2012.

Comments: Marks and scuffs evident. This component funds to periodically repaint the Clubhouse interior.

Useful Life:
10 years

Remaining Life:
0 years



Best Case: \$ 6,000

Worst Case: \$ 6,000

Cost Source: ARI Cost Database

Comp #: 1080 Audio/Video Equip - Replace

Quantity: Numerous Pieces

Location: Clubhouse interior - Audio/video rack: Fire Sprinkler/Riser Room; Speakers - Main Room

Funded?: Yes.

History: Installed in 2012.

Comments: This component funds an allowance to replace the audio/video equipment, which includes (1) Furman M-8X2, (1) Shure PGX4, (1) Alesis iMultiMix9R, (1) Crown CDi1000, (8) speakers, and various other small pieces.

Useful Life:
10 years

Remaining Life:
0 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Allowance

Comp #: 1082 Surveillance System - Replace

Quantity: (1) System

Location: DVR/NVR: Clubhouse interior - Fire Sprinkler/Riser Room; Cameras: Clubhouse interior & exterior, as well as mounted throughout Recreation Center

Funded?: Yes.

History: Reportedly installed in 2021.

Comments: Appears to be functional with no issues reported. This component funds an allowance to replace the Clubhouse and Recreation Center surveillance system, which include DVR/NVR's and various cameras.

Useful Life:
7 years

Remaining Life:
6 years



Best Case: \$ 6,000

Worst Case: \$ 6,000

Cost Source: ARI Cost Database

Comp #: 1084 Access System - Replace

Quantity: (1) System

Location: Controller: Clubhouse interior; Access points: Clubhouse exterior

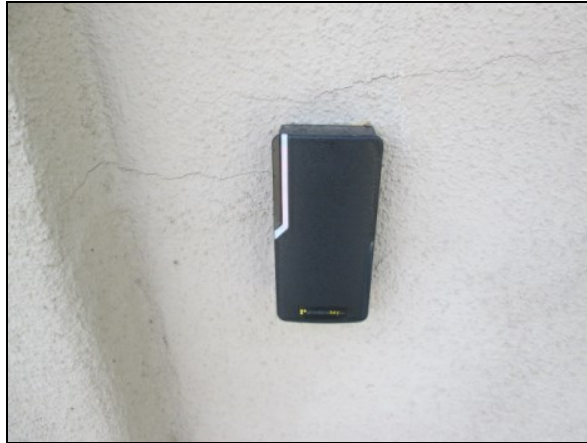
Funded?: Yes.

History:

Comments: System includes (1) controller and (2) access points. Appears to be functional with no issues reported.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 1090 Fire Alarm Panel - Replace

Quantity: (1) Fire-Lite

Location: Clubhouse interior - Fire Sprinkler/Riser Room

Funded?: Yes.

History: Installed in 2012.

Comments: Assumed to be functional.

*Model: MS-5UD, Mfg. Date: 7/2012

Useful Life:
15 years

Remaining Life:
5 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 1092 Fire Riser - Replace

Quantity: (1) Riser

Location: Clubhouse interior - Fire Sprinkler/Riser Room

Funded?: No. Expected to last indefinitely under normal circumstances.

History: Installed in 2012.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 1095 Water Heater - Replace

Quantity: (1) Bradford White

Location: Clubhouse interior - Fire Sprinkler/Riser Room

Funded?: Yes.

History: Installed in 2012.

Comments: Assumed to be functional with no issues reported.

*Model: LD50S3-1-B-090, Serial #JF16833321-77, 50-Gallon

Useful Life:
12 years

Remaining Life:
2 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

CLUBHOUSE EXTERIOR

Comp #: 1100 Doors & Windows - Replace

Quantity: (9) Doors, (12) Windows

Location: Clubhouse exterior (includes interior doors)

Funded?: Yes.

History: Installed in 2012.

Comments: There are (5) interior doors, (4) exterior doors and (12) windows totaling 240 sq ft. Future replacement should be anticipated.

Useful Life:
30 years

Remaining Life:
20 years



Best Case: \$ 23,000

Worst Case: \$ 23,000

Cost Source: ARI Cost Database

Comp #: 1110 Exterior Lights - Replace

Quantity: (10) Fixtures

Location: Clubhouse exterior

Funded?: Yes.

History: Installed in 2012.

Comments: These are wall lights. Appear to be functional and in fair shape. Some weathering noted.

Useful Life:
20 years

Remaining Life:
10 years



Best Case: \$ 2,500

Worst Case: \$ 2,500

Cost Source: ARI Cost Database

Comp #: 1150 Building Exterior - Repaint

Quantity: Approx 3,400 Sq Ft

Location: Clubhouse exterior (includes Storage Shed)

Funded?: Yes.

History: Painted in 2012.

Comments: Surfaces were observed to be older and weathered with cracking evident. This component funds to periodically repaint the Clubhouse exterior. Funding to repaint the storage shed is also included.

Useful Life:
10 years

Remaining Life:
0 years



Best Case: \$ 3,500

Worst Case: \$ 3,500

Cost Source: ARI Cost Database

Comp #: 1180 HVAC Units - Replace

Quantity: (3) Day & Night

Location: Condensers: Clubhouse exterior - Behind building on ground; Furnaces: Clubhouse interior - Fire Sprinkler/Riser Room

Funded?: Yes.

History: Installed in 2012.

Comments: There are (2) 5-ton and (1) 2-ton HVAC units. Appear to be functional and in decent shape. This component funds to replace the condensers and furnaces together.

*Model: N4H360AKB400 & N4H324AKE100, Serial #E122611415, E122611419 & E123609690, Mfg. 9/2012

Useful Life:
12 years

Remaining Life:
2 years



Best Case: \$ 22,000

Worst Case: \$ 22,000

Cost Source: ARI Cost Database

Comp #: 1182 Air Curtain - Replace

Quantity: (1) Mars

Location: Clubhouse exterior - Mounted outside kitchen

Funded?: Yes.

History: Installed in 2012.

Comments: Appears to be functional. Some weathering evident.

*Model: STD36-1UA-BG, Serial #414644

Useful Life:
15 years

Remaining Life:
5 years



Best Case: \$ 1,200

Worst Case: \$ 1,200

Cost Source: ARI Cost Database

Comp #: 1190 Tile Roofs - Refurbish

Quantity: Approx 4,200 Sq Ft

Location: Clubhouse exterior (includes Storage Shed)

Funded?: Yes.

History: Installed in 2012.

Comments: 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. Funding to refurbish the storage shed is also included.

Useful Life:
30 years

Remaining Life:
20 years



Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database



Foothills Club West Community Assoc. - Canyon Verde
Phoenix, AZ
Level of Service: "Full"

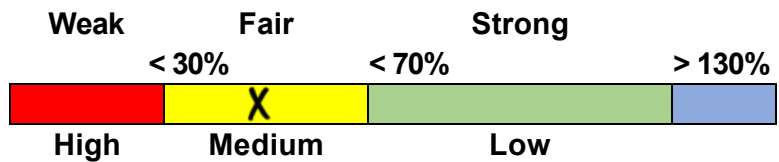
Report #: 10039-0
of Units: 48
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$174,344
Current Fully Funded Reserve Balance	\$351,163
Average Reserve Deficit (Surplus) Per Unit	\$3,684
Percent Funded	49.6 %
Current Monthly Reserve Contribution	\$1,049
Recommended 2022 Monthly Reserve Contribution	\$3,000
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 49.6%



Risk of Special Assessment:

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 49.6 % Funded. This means the Reserve Fund status is Fair, and the HOA's risk of special assessments & deferred maintenance 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.

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$3,000, followed by annual contribution increases of 9% the next several years. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
COMMUNITY ENTRANCE				
100	Monument - Refurbish	25	6	\$4,000
101	Tile Sign - Replace	15	9	\$2,000
103	Entry System - Replace	15	10	\$5,000
106	Gate Operators - Replace	15	0	\$16,000
110	Vehicle Gates - Replace	30	10	\$16,500
120	Pole Light - Replace	30	15	\$2,500
121	Landscape Lights - Replace	15	9	\$4,000
GROUNDS				
200	Asphalt - Repave (Entry)	30	3	\$35,000
200	Asphalt - Repave (Interior)	30	11	\$340,000
202	Asphalt - Seal/Repair	4	0	\$26,500
210	Pavers - Refurbish	30	11	\$24,000
220	Concrete - Repair	5	2	\$3,000
250	Street Signs - Replace	30	7	\$1,400
500	Stucco + Metal - Repaint	6	0	\$2,500
510	Metal Fence - Replace (100%)	20	6	\$10,000
520	Metal Surfaces - Repaint	6	3	\$3,000
610	Irrig Controllers - Replace	15	12	\$1,000
640	Landscape Granite - Replenish	10	4	\$22,000

18 Total Funded Components

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

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Foothills Club West Community Assoc.
Canyon Verde
Phoenix, AZ



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

June 30, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Canyon Verde
Phoenix, AZ
Level of Service: "Full"

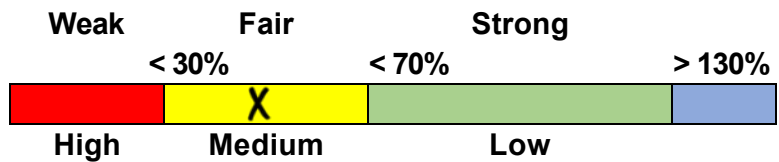
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18 Total Funded Components

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Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by visually inspecting the community entrance, followed by the 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.

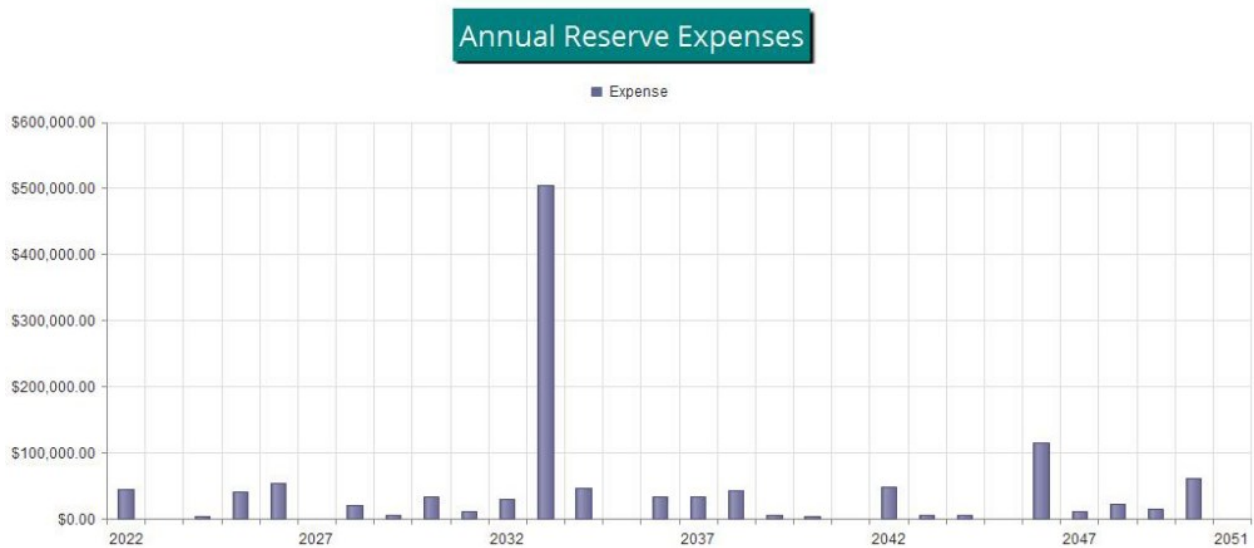


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$174,344 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$167,001 on 5/31/2021 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$351,163. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 49.6 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$3,000 this Fiscal Year. 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.

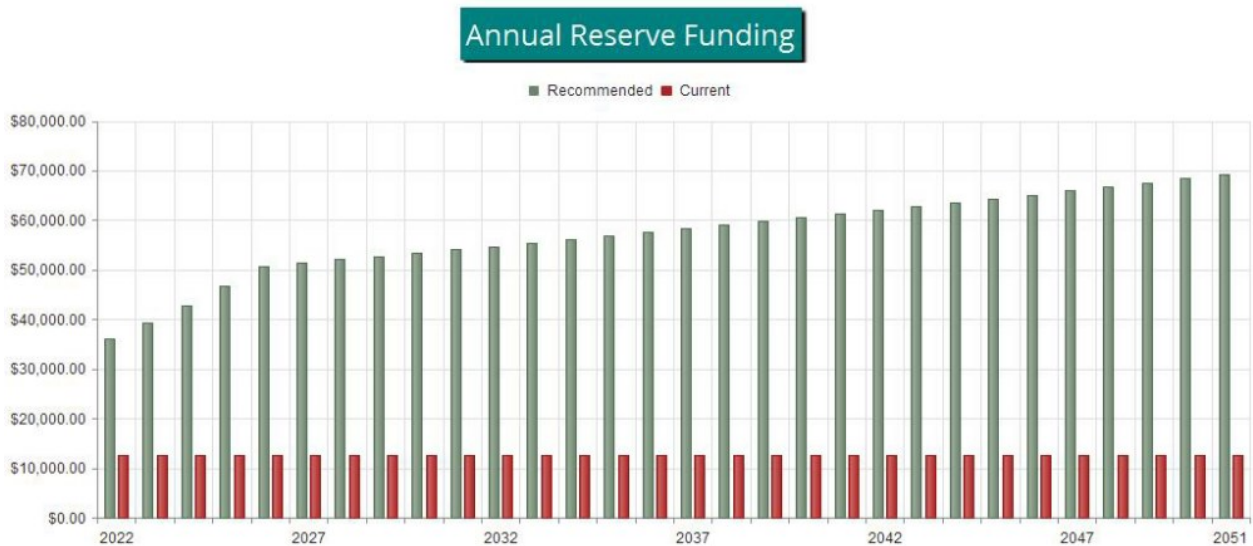


Figure 2

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.

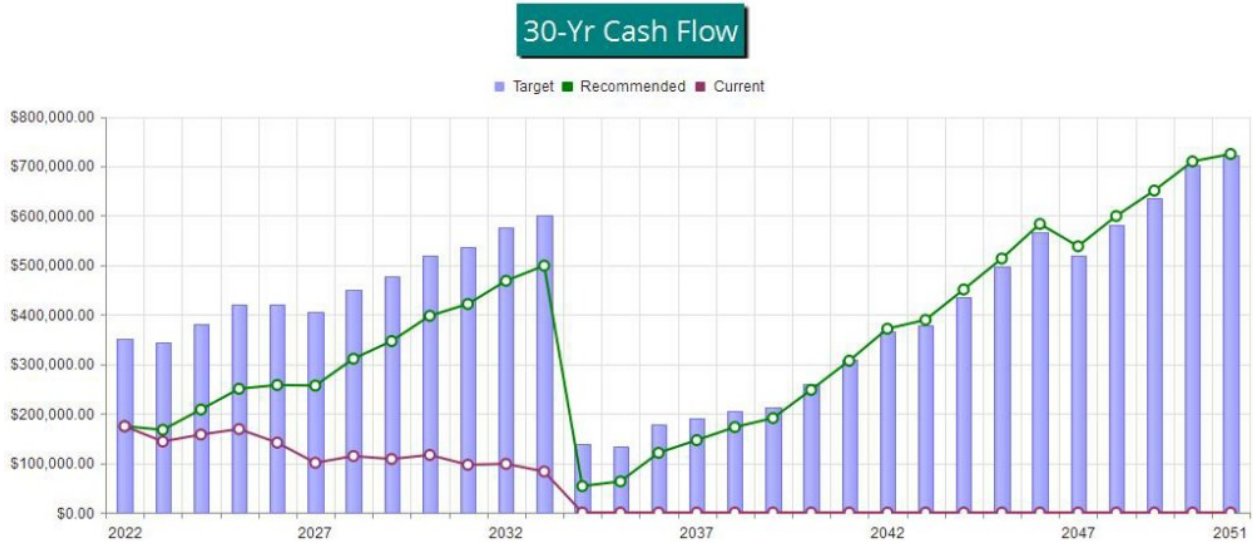


Figure 3

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

Executive Summary is a summary of your Reserve Components

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

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

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

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

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

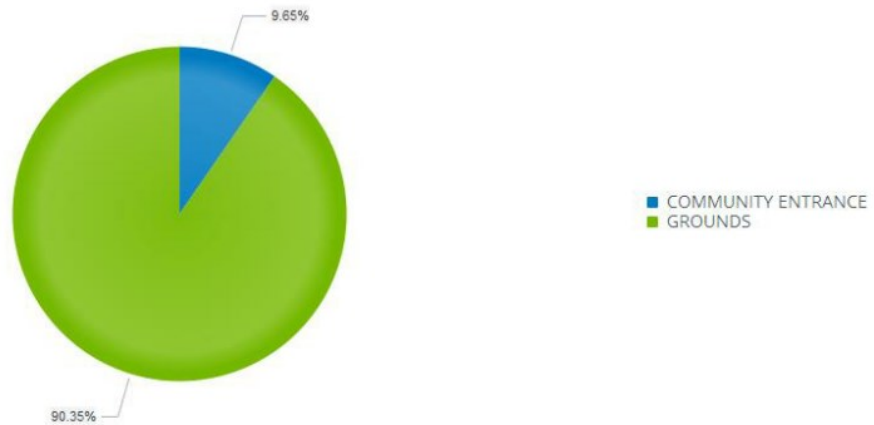
30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.



	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022	01/01/2022	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
	COMMUNITY ENTRANCE	15	30	0			15	\$50,000		
GROUNDS	4	30	0	12	\$468,400	\$29,000	\$140,237	\$315,807	\$328,163	\$32,523
					\$518,400	\$45,000	\$174,344	\$351,163	\$344,056	\$36,000

Percent Funded: 49.6%

Budget Summary



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
COMMUNITY ENTRANCE					
100	Monument - Refurbish	(1) Monument	25	6	\$4,000
101	Tile Sign - Replace	(1) Sign	15	9	\$2,000
103	Entry System - Replace	(1) DoorKing	15	10	\$5,000
106	Gate Operators - Replace	(4) Elite	15	0	\$16,000
110	Vehicle Gates - Replace	(4) Vehicle, (2) Ped.	30	10	\$16,500
120	Pole Light - Replace	(1) Pole Light	30	15	\$2,500
121	Landscape Lights - Replace	Lights & Transformers	15	9	\$4,000
GROUNDS					
200	Asphalt - Repave (Entry)	Approx 9,500 Sq Ft	30	3	\$35,000
200	Asphalt - Repave (Interior)	Approx 130,000 Sq Ft	30	11	\$340,000
202	Asphalt - Seal/Repair	Approx 139,500 Sq Ft	4	0	\$26,500
210	Pavers - Refurbish	Approx 4,400 Sq Ft	30	11	\$24,000
220	Concrete - Repair	Numerous Sq Ft	5	2	\$3,000
250	Street Signs - Replace	Approx (9) Signs	30	7	\$1,400
500	Stucco + Metal - Repaint	Stucco & Metal	6	0	\$2,500
510	Metal Fence - Replace (100%)	Approx 250 LF	20	6	\$10,000
520	Metal Surfaces - Repaint	Fence, Gates, Pole	6	3	\$3,000
610	Irrig Controllers - Replace	Approx (1) Controller	15	12	\$1,000
640	Landscape Granite - Replenish	Approx 55,300 Sq Ft	10	4	\$22,000
<hr/>					
18 Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
COMMUNITY ENTRANCE								
100	Monument - Refurbish	\$4,000	X	19	/	25	=	\$3,040
101	Tile Sign - Replace	\$2,000	X	6	/	15	=	\$800
103	Entry System - Replace	\$5,000	X	5	/	15	=	\$1,667
106	Gate Operators - Replace	\$16,000	X	15	/	15	=	\$16,000
110	Vehicle Gates - Replace	\$16,500	X	20	/	30	=	\$11,000
120	Pole Light - Replace	\$2,500	X	15	/	30	=	\$1,250
121	Landscape Lights - Replace	\$4,000	X	6	/	15	=	\$1,600
GROUNDS								
200	Asphalt - Repave (Entry)	\$35,000	X	27	/	30	=	\$31,500
200	Asphalt - Repave (Interior)	\$340,000	X	19	/	30	=	\$215,333
202	Asphalt - Seal/Repair	\$26,500	X	4	/	4	=	\$26,500
210	Pavers - Refurbish	\$24,000	X	19	/	30	=	\$15,200
220	Concrete - Repair	\$3,000	X	3	/	5	=	\$1,800
250	Street Signs - Replace	\$1,400	X	23	/	30	=	\$1,073
500	Stucco + Metal - Repaint	\$2,500	X	6	/	6	=	\$2,500
510	Metal Fence - Replace (100%)	\$10,000	X	14	/	20	=	\$7,000
520	Metal Surfaces - Repaint	\$3,000	X	3	/	6	=	\$1,500
610	Irrig Controllers - Replace	\$1,000	X	3	/	15	=	\$200
640	Landscape Granite - Replenish	\$22,000	X	6	/	10	=	\$13,200
								\$351,163

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
COMMUNITY ENTRANCE				
100 Monument - Refurbish	25	\$4,000	\$160	0.60 %
101 Tile Sign - Replace	15	\$2,000	\$133	0.50 %
103 Entry System - Replace	15	\$5,000	\$333	1.24 %
106 Gate Operators - Replace	15	\$16,000	\$1,067	3.97 %
110 Vehicle Gates - Replace	30	\$16,500	\$550	2.05 %
120 Pole Light - Replace	30	\$2,500	\$83	0.31 %
121 Landscape Lights - Replace	15	\$4,000	\$267	0.99 %
GROUNDS				
200 Asphalt - Repave (Entry)	30	\$35,000	\$1,167	4.35 %
200 Asphalt - Repave (Interior)	30	\$340,000	\$11,333	42.21 %
202 Asphalt - Seal/Repair	4	\$26,500	\$6,625	24.68 %
210 Pavers - Refurbish	30	\$24,000	\$800	2.98 %
220 Concrete - Repair	5	\$3,000	\$600	2.23 %
250 Street Signs - Replace	30	\$1,400	\$47	0.17 %
500 Stucco + Metal - Repaint	6	\$2,500	\$417	1.55 %
510 Metal Fence - Replace (100%)	20	\$10,000	\$500	1.86 %
520 Metal Surfaces - Repaint	6	\$3,000	\$500	1.86 %
610 Irrig Controllers - Replace	15	\$1,000	\$67	0.25 %
640 Landscape Granite - Replenish	10	\$22,000	\$2,200	8.19 %
18 Total Funded Components			\$26,848	100.00 %

Fiscal Year Start: 2022

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$174,344	\$351,163	49.6 %	Medium	186.00 %	\$36,000	\$0	\$1,706	\$45,000
2023	\$167,050	\$343,002	48.7 %	Medium	9.00 %	\$39,240	\$0	\$1,875	\$0
2024	\$208,165	\$381,775	54.5 %	Medium	9.00 %	\$42,772	\$0	\$2,290	\$3,183
2025	\$250,044	\$419,288	59.6 %	Medium	9.00 %	\$46,621	\$0	\$2,538	\$41,524
2026	\$257,679	\$419,316	61.5 %	Medium	9.00 %	\$50,817	\$0	\$2,570	\$54,587
2027	\$256,479	\$406,795	63.0 %	Medium	1.25 %	\$51,452	\$0	\$2,835	\$0
2028	\$310,766	\$451,057	68.9 %	Medium	1.25 %	\$52,095	\$0	\$3,285	\$19,702
2029	\$346,444	\$477,316	72.6 %	Low	1.25 %	\$52,746	\$0	\$3,718	\$5,411
2030	\$397,497	\$520,072	76.4 %	Low	1.25 %	\$53,406	\$0	\$4,093	\$33,569
2031	\$421,426	\$536,129	78.6 %	Low	1.25 %	\$54,073	\$0	\$4,446	\$11,743
2032	\$468,203	\$576,200	81.3 %	Low	1.25 %	\$54,749	\$0	\$4,833	\$28,894
2033	\$498,892	\$600,889	83.0 %	Low	1.25 %	\$55,434	\$0	\$2,759	\$503,861
2034	\$53,224	\$138,218	38.5 %	Medium	1.25 %	\$56,127	\$0	\$580	\$47,050
2035	\$62,880	\$133,331	47.2 %	Medium	1.25 %	\$56,828	\$0	\$917	\$0
2036	\$120,626	\$177,941	67.8 %	Medium	1.25 %	\$57,539	\$0	\$1,334	\$33,277
2037	\$146,221	\$190,833	76.6 %	Low	1.25 %	\$58,258	\$0	\$1,593	\$33,496
2038	\$172,576	\$205,140	84.1 %	Low	1.25 %	\$58,986	\$0	\$1,816	\$42,525
2039	\$190,853	\$211,870	90.1 %	Low	1.25 %	\$59,723	\$0	\$2,192	\$4,959
2040	\$247,810	\$258,827	95.7 %	Low	1.25 %	\$60,470	\$0	\$2,772	\$4,256
2041	\$306,796	\$309,286	99.2 %	Low	1.25 %	\$61,226	\$0	\$3,390	\$0
2042	\$371,411	\$367,056	101.2 %	Low	1.25 %	\$61,991	\$0	\$3,802	\$47,862
2043	\$389,343	\$378,716	102.8 %	Low	1.25 %	\$62,766	\$0	\$4,199	\$5,581
2044	\$450,726	\$435,773	103.4 %	Low	1.25 %	\$63,551	\$0	\$4,818	\$5,748
2045	\$513,347	\$495,913	103.5 %	Low	1.25 %	\$64,345	\$0	\$5,480	\$0
2046	\$583,172	\$565,367	103.1 %	Low	1.25 %	\$65,149	\$0	\$5,604	\$115,869
2047	\$538,056	\$519,198	103.6 %	Low	1.25 %	\$65,964	\$0	\$5,684	\$10,469
2048	\$599,234	\$581,891	103.0 %	Low	1.25 %	\$66,788	\$0	\$6,247	\$21,566
2049	\$650,704	\$636,773	102.2 %	Low	1.25 %	\$67,623	\$0	\$6,799	\$15,549
2050	\$709,576	\$701,288	101.2 %	Low	1.25 %	\$68,468	\$0	\$7,168	\$60,630
2051	\$724,582	\$723,147	100.2 %	Low	1.25 %	\$69,324	\$0	\$7,627	\$0

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$174,344	\$167,050	\$208,165	\$250,044	\$257,679
Annual Reserve Contribution	\$36,000	\$39,240	\$42,772	\$46,621	\$50,817
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,706	\$1,875	\$2,290	\$2,538	\$2,570
Total Income	\$212,050	\$208,165	\$253,227	\$299,203	\$311,066
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$16,000	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
120 Pole Light - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave (Entry)	\$0	\$0	\$0	\$38,245	\$0
200 Asphalt - Repave (Interior)	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$26,500	\$0	\$0	\$0	\$29,826
210 Pavers - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$3,183	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco + Metal - Repaint	\$2,500	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$3,278	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$24,761
Total Expenses	\$45,000	\$0	\$3,183	\$41,524	\$54,587
Ending Reserve Balance	\$167,050	\$208,165	\$250,044	\$257,679	\$256,479

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$256,479	\$310,766	\$346,444	\$397,497	\$421,426
Annual Reserve Contribution	\$51,452	\$52,095	\$52,746	\$53,406	\$54,073
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,835	\$3,285	\$3,718	\$4,093	\$4,446
Total Income	\$310,766	\$366,146	\$402,909	\$454,996	\$479,946
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$4,776	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$2,610
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
120 Pole Light - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$5,219
GROUNDS					
200 Asphalt - Repave (Entry)	\$0	\$0	\$0	\$0	\$0
200 Asphalt - Repave (Interior)	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$33,569	\$0
210 Pavers - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$3,690	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$1,722	\$0	\$0
500 Stucco + Metal - Repaint	\$0	\$2,985	\$0	\$0	\$0
510 Metal Fence - Replace (100%)	\$0	\$11,941	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$3,914
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$19,702	\$5,411	\$33,569	\$11,743
Ending Reserve Balance	\$310,766	\$346,444	\$397,497	\$421,426	\$468,203

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$468,203	\$498,892	\$53,224	\$62,880	\$120,626
Annual Reserve Contribution	\$54,749	\$55,434	\$56,127	\$56,828	\$57,539
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,833	\$2,759	\$580	\$917	\$1,334
Total Income	\$527,786	\$557,085	\$109,930	\$120,626	\$179,498
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$6,720	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$22,175	\$0	\$0	\$0	\$0
120 Pole Light - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave (Entry)	\$0	\$0	\$0	\$0	\$0
200 Asphalt - Repave (Interior)	\$0	\$470,640	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$37,783	\$0	\$0
210 Pavers - Refurbish	\$0	\$33,222	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$4,277	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco + Metal - Repaint	\$0	\$0	\$3,564	\$0	\$0
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$1,426	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$33,277
Total Expenses	\$28,894	\$503,861	\$47,050	\$0	\$33,277
Ending Reserve Balance	\$498,892	\$53,224	\$62,880	\$120,626	\$146,221

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$146,221	\$172,576	\$190,853	\$247,810	\$306,796
Annual Reserve Contribution	\$58,258	\$58,986	\$59,723	\$60,470	\$61,226
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,593	\$1,816	\$2,192	\$2,772	\$3,390
Total Income	\$206,072	\$233,378	\$252,769	\$311,052	\$371,411
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$24,927	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
120 Pole Light - Replace	\$3,895	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave (Entry)	\$0	\$0	\$0	\$0	\$0
200 Asphalt - Repave (Interior)	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$42,525	\$0	\$0	\$0
210 Pavers - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$4,959	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco + Metal - Repaint	\$0	\$0	\$0	\$4,256	\$0
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$4,674	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$33,496	\$42,525	\$4,959	\$4,256	\$0
Ending Reserve Balance	\$172,576	\$190,853	\$247,810	\$306,796	\$371,411

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$371,411	\$389,343	\$450,726	\$513,347	\$583,172
Annual Reserve Contribution	\$61,991	\$62,766	\$63,551	\$64,345	\$65,149
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,802	\$4,199	\$4,818	\$5,480	\$5,604
Total Income	\$437,205	\$456,307	\$519,095	\$583,172	\$653,925
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$4,066
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
120 Pole Light - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$8,131
GROUNDS					
200 Asphalt - Repave (Entry)	\$0	\$0	\$0	\$0	\$0
200 Asphalt - Repave (Interior)	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$47,862	\$0	\$0	\$0	\$53,869
210 Pavers - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$5,748	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco + Metal - Repaint	\$0	\$0	\$0	\$0	\$5,082
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$5,581	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$44,721
Total Expenses	\$47,862	\$5,581	\$5,748	\$0	\$115,869
Ending Reserve Balance	\$389,343	\$450,726	\$513,347	\$583,172	\$538,056

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$538,056	\$599,234	\$650,704	\$709,576	\$724,582
Annual Reserve Contribution	\$65,964	\$66,788	\$67,623	\$68,468	\$69,324
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,684	\$6,247	\$6,799	\$7,168	\$7,627
Total Income	\$609,703	\$672,270	\$725,125	\$785,212	\$801,533
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$10,469	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
120 Pole Light - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave (Entry)	\$0	\$0	\$0	\$0	\$0
200 Asphalt - Repave (Interior)	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$60,630	\$0
210 Pavers - Refurbish	\$0	\$0	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$6,664	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco + Metal - Repaint	\$0	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (100%)	\$0	\$21,566	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$6,664	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$2,221	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$10,469	\$21,566	\$15,549	\$60,630	\$0
Ending Reserve Balance	\$599,234	\$650,704	\$709,576	\$724,582	\$801,533



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.

COMMUNITY ENTRANCE

Comp #: 100 Monument - Refurbish**Quantity: (1) Monument**

Location: Canyon Verde (Parcel 13C): Community entrance

Funded?: Yes.

History:

Comments: Appears to be intact and in fair shape. This component funds to refurbish the monument, which includes replacement of the letters, as well as general repairs.

Useful Life:
25 yearsRemaining Life:
6 years

Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 101 Tile Sign - Replace**Quantity: (1) Sign**

Location: Canyon Verde (Parcel 13C): Community entrance

Funded?: Yes.

History: Actual age unknown.

Comments: Appears to be intact and in good shape.

Useful Life:
15 yearsRemaining Life:
9 years

Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 103 Entry System - Replace

Quantity: (1) DoorKing

Location: Canyon Verde (Parcel 13C): Community entrance

Funded?: Yes.

History:

Comments: Appears to be functional and in good shape.

Useful Life:
15 years

Remaining Life:
10 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 106 Gate Operators - Replace

Quantity: (4) Elite

Location: Canyon Verde (Parcel 13C): Community entrance

Funded?: Yes.

History: Installed around 2003.

Comments: Based on age, replacement should be expected soon.

*Model: CSW-200-UL, Mfg. Date: 12/2002

Useful Life:
15 years

Remaining Life:
0 years



Best Case: \$ 16,000

Worst Case: \$ 16,000

Cost Source: ARI Cost Database

Comp #: 110 Vehicle Gates - Replace

Quantity: (4) Vehicle, (2) Ped.

Location: Canyon Verde (Parcel 13C): Community entrance (includes metal fencing)

Funded?: Yes.

History:

Comments: Vehicle gates can often be repaired or rebuilt as needed. Replacement resulting from vehicle damage should be addressed as an insurance issue. We recommend planning eventual replacement to restore and modernize the gates. Funding to replace (2) pedestrian gates and approximately 20 LF of 6' metal fence is also included.

Useful Life:
30 years

Remaining Life:
10 years



Best Case: \$ 16,500

Worst Case: \$ 16,500

Cost Source: ARI Cost Database

Comp #: 114 Strobe Detectors - Replace

Quantity: (2) Detectors

Location: Canyon Verde (Parcel 13C): Community entrance

Funded?: No. These switches detect strobe signals from emergency vehicles and automatically open gate systems. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 120 Pole Light - Replace

Quantity: (1) Pole Light

Location: Canyon Verde (Parcel 13C): Community entrance

Funded?: Yes.

History:

Comments: We assume this pole light is owned by the HOA and not leased through SRP. Appears to be functional and in fair shape. Replace the LED fixture as needed with Operating funds.

Useful Life:
30 years

Remaining Life:
15 years



Best Case: \$ 2,500

Worst Case: \$ 2,500

Cost Source: ARI Cost Database

Comp #: 121 Landscape Lights - Replace

Quantity: Lights & Transformers

Location: Canyon Verde (Parcel 13C): Community entrance

Funded?: Yes.

History:

Comments: There are approximately (9) landscape lights, (5) monument lights and (2) transformers. Appear to be functional and in fair shape. This component funds to replace the landscape lights and the low-voltage transformer.

Useful Life:
15 years

Remaining Life:
9 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

GROUNDS

Comp #: 200 Asphalt - Repave (Entry)

Quantity: Approx 9,500 Sq Ft

Location: Canyon Verde (Parcel 13C): Entry street before vehicle gates

Funded?: Yes.

History:

Comments: Heavy cracking evident. Life span is based on periodically seal coating and maintaining the surface. This component funds to completely remove and repave the entry asphalt.

Useful Life:
30 years

Remaining Life:
3 years



Best Case: \$ 35,000

Worst Case: \$ 35,000

Cost Source: ARI Cost Database

Comp #: 200 Asphalt - Repave (Interior)

Quantity: Approx 130,000 Sq Ft

Location: Canyon Verde (Parcel 13C): Streets within parcel

Funded?: Yes.

History:

Comments: Moderate cracking evident. Large cracks were also noted. Overall, the asphalt is still generally smooth and in fair shape. Life span is based on periodically seal coating and maintaining the surface. This component funds to completely remove and repave the interior asphalt.

Useful Life:
30 years

Remaining Life:
11 years



Best Case: \$ 340,000

Worst Case: \$ 340,000

Cost Source: ARI Cost Database

Comp #: 202 Asphalt - Seal/Repair

Quantity: Approx 139,500 Sq Ft

Location: Canyon Verde (Parcel 13C): Entry street & streets within parcel

Funded?: Yes.

History:

Comments: Seal coat is wearing off. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life:
4 years

Remaining Life:
0 years



Best Case: \$ 26,500

Worst Case: \$ 26,500

Cost Source: ARI Cost Database

Comp #: 210 Pavers - Refurbish

Quantity: Approx 4,400 Sq Ft

Location: Canyon Verde (Parcel 13C): Community entrance

Funded?: Yes.

History:

Comments: Complete replacement of the pavers is not anticipated. This component funds to remove pavers and rehab or re-level the sand base, then re-install existing pavers.

Useful Life:
30 years

Remaining Life:
11 years



Best Case: \$ 24,000

Worst Case: \$ 24,000

Cost Source: ARI Cost Database

Comp #: 220 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Canyon Verde (Parcel 13C): Walkways, curbs & gutters throughout parcel

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and/or partial replacements as needed.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Allowance

Comp #: 250 Street Signs - Replace

Quantity: Approx (9) Signs

Location: Canyon Verde (Parcel 13C): Mounted adjacent to streets throughout parcel

Funded?: Yes.

History:

Comments: Appear to be intact and visible. Some weathering noted.

Useful Life:
30 years

Remaining Life:
7 years



Best Case: \$ 1,400

Worst Case: \$ 1,400

Cost Source: ARI Cost Database

Comp #: 320 Street Lights - Replace

Quantity: (2) Street Lights

Location: Canyon Verde (Parcel 13C): Mounted adjacent to streets along Nighthawk Way & Mountain Stone Trail and Amberwood Dr Mountain Stone Trail

Funded?: No. The street lights appear to be leased through SRP and not owned by the HOA.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 380 Mailboxes - Replace

Quantity: (6) Clusters

Location: Canyon Verde (Parcel 13C): Mounted along Mountain Stone Trail

Funded?: No. We assume these mailboxes are the responsibility of the U.S. Postal Service, not the HOA.

History:

Comments: Mailboxes include (4) 12-clusters and (2) 2-box parcel locker.

*Mfg. Date: 5/1999

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 15,300 Sq Ft

Location: Canyon Verde (Parcel 13C): Perimeter of parcel

Funded?: No. Funding to repaint and repair the perimeter block/stucco walls is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Stucco + Metal - Repaint

Quantity: Stucco & Metal

Location: Canyon Verde (Parcel 13C): Mounted along Mountain Stone Trail, South of Nighthawk Way

Funded?: Yes.

History:

Comments: Surfaces were observed to be worn and weathered. This component funds to repaint approximately 1,000 Sq Ft of stucco and 250 LF of metal fencing.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 2,500

Worst Case: \$ 2,500

Cost Source: ARI Cost Database

Comp #: 510 Metal Fence - Replace (100%)

Quantity: Approx 250 LF

Location: Canyon Verde (Parcel 13C): Mounted along Mountain Stone Trail, South of Nighthawk Way

Funded?: Yes.

History:

Comments: Appears to be intact, secure and in fair shape. Future replacement should be anticipated.

Useful Life:
20 years

Remaining Life:
6 years



Best Case: \$ 10,000

Worst Case: \$ 10,000

Cost Source: ARI Cost Database

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 5,000 LF

Location: Canyon Verde (Parcel 13C): Perimeter of parcel

Funded?: No. Funding to repaint and replace the perimeter view fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 520 Metal Surfaces - Repaint

Quantity: Fence, Gates, Pole

Location: Canyon Verde (Parcel 13C): Common areas with in parcel (excludes metal fence mounted along Mountain Stone Trail, South of Nighthawk Way)

Funded?: Yes.

History:

Comments: Surfaces appear to be generally uniform and in fair shape. This component funds to periodically repaint the metal surfaces, which includes (4) vehicle gates, (2) pedestrian gates, 20 LF of metal fence, (1) pole light and the monument letters.

Useful Life:
6 years

Remaining Life:
3 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Canyon Verde (Parcel 13C): Common areas throughout parcel

Funded?: No. It is beyond the scope of this Reserve Study to quantify and assess conditions of the irrigation system. Funding can be provided for future replacement at the client's request, but we would need to be provided with cost and life expectancy estimates. Repairs and partial replacements should be included in the annual landscape maintenance budget.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 610 Irrig Controllers - Replace

Quantity: Approx (1) Controller

Location: Canyon Verde (Parcel 13C): Common areas within parcel

Funded?: Yes.

History:

Comments: We did not locate an irrigation controller, however, we assume there is at least one controller in this parcel.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 11,000 Sq Ft

Location: Canyon Verde (Parcel 13C): Common areas along Central Ave & Nighthawk Way (outside of the vehicle gates)

Funded?: No. The Master HOA replenishes landscape granite as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 55,300 Sq Ft

Location: Canyon Verde (Parcel 13C): Common areas within the parcel

Funded?: Yes.

History:

Comments: Complete replacement of the landscape granite is not anticipated. Coverage will deplete over time, so this component funds an allowance to top dress the existing granite with a new 1" layer.

Useful Life:
10 years

Remaining Life:
4 years



Best Case: \$ 22,000

Worst Case: \$ 22,000

Cost Source: ARI Cost Database



Foothills Club West Community Assoc. - Desert Vista II
Phoenix, AZ
Level of Service: "Full"

Report #: 10039-0
of Units: 69

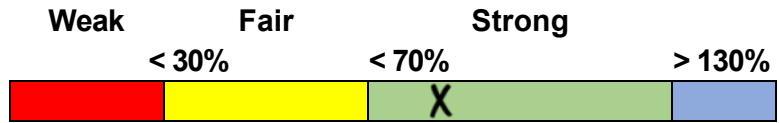
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$93,572
Current Fully Funded Reserve Balance	\$109,300
Average Reserve Deficit (Surplus) Per Unit	\$228
Percent Funded	85.6 %
Current Monthly Reserve Contribution	\$1,224
Recommended 2022 Monthly Reserve Contribution	\$1,300
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 85.6%



Risk of Special Assessment:

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 85.6 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$1,300. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
380	Mailboxes - Replace	20	12	\$10,000
600	Irrigation System - Replace	25	10	\$45,500
610	Irrig Controller - Replace	15	12	\$1,000
PLAYGROUND				
800	Pole Lights - Replace	30	22	\$25,000
802	Pet Stations - Replace	12	4	\$1,000
805	Park Furniture - Replace	15	7	\$8,000
810	Playground Equip - Replace	20	12	\$85,000
814	Playground Sand - Replenish	10	2	\$3,000
815	Playground Turf - Replace	12	4	\$25,000
818	Shade Screen - Replace	10	1	\$10,000
820	Ramada Roof - Replace	30	22	\$5,000
850	Metal Surfaces - Repaint	10	2	\$3,500

12 Total Funded Components

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

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**Foothills Club West Community Assoc.
Desert Vista II
Phoenix, AZ**



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

July 12, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Desert Vista II
Phoenix, AZ
Level of Service: "Full"

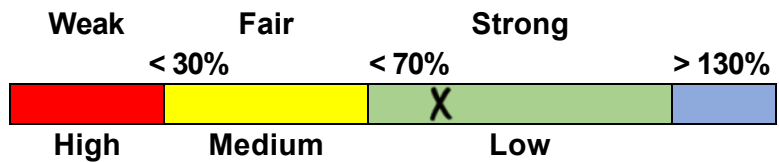
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as of January 1, 2022

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Average Reserve Deficit (Surplus) Per Unit	\$228
Percent Funded	85.6 %
Current Monthly Reserve Contribution	\$1,224
Recommended 2022 Monthly Reserve Contribution	\$1,300
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 85.6%



Risk of Special Assessment:

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 85.6 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$1,300. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
380	Mailboxes - Replace	20	12	\$10,000
600	Irrigation System - Replace	25	10	\$45,500
610	Irrig Controller - Replace	15	12	\$1,000
PLAYGROUND				
800	Pole Lights - Replace	30	22	\$25,000
802	Pet Stations - Replace	12	4	\$1,000
805	Park Furniture - Replace	15	7	\$8,000
810	Playground Equip - Replace	20	12	\$85,000
814	Playground Sand - Replenish	10	2	\$3,000
815	Playground Turf - Replace	12	4	\$25,000
818	Shade Screen - Replace	10	1	\$10,000
820	Ramada Roof - Replace	30	22	\$5,000
850	Metal Surfaces - Repaint	10	2	\$3,500

12 Total Funded Components

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

Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by visually inspecting the playground, followed by the 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.

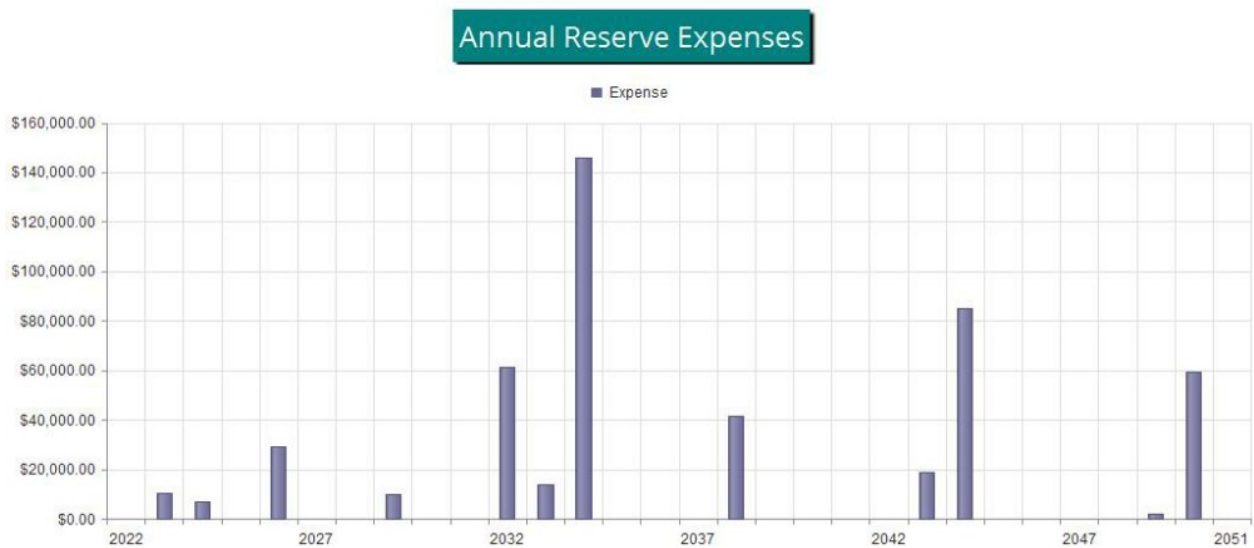


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$93,572 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$78,886 on 12/31/2020 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$109,300. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 85.6 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$1,300 this Fiscal Year. 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.

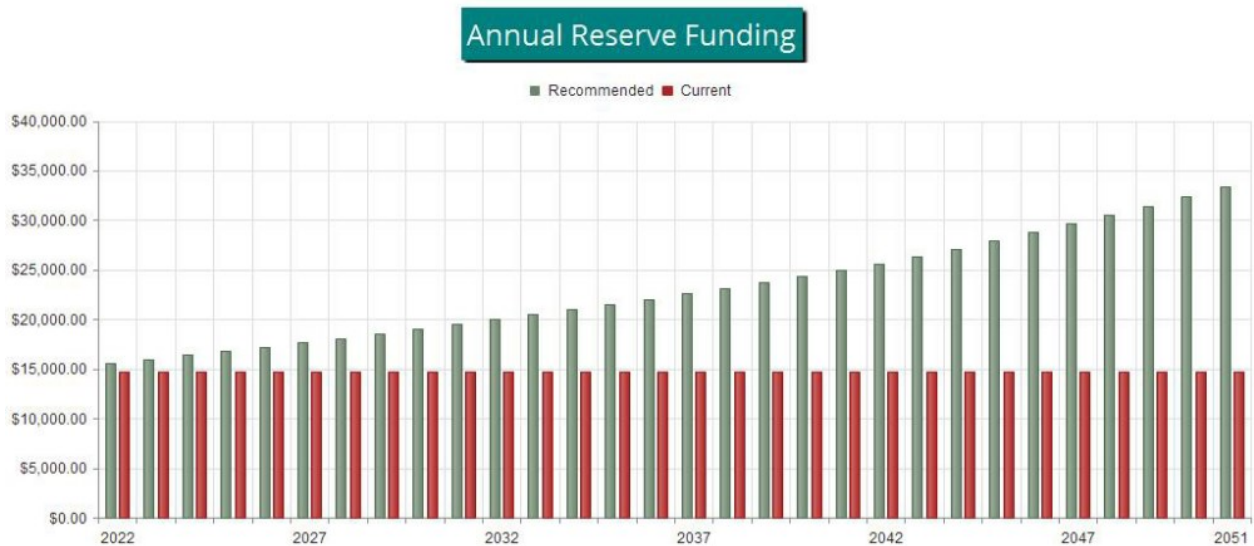


Figure 2

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.

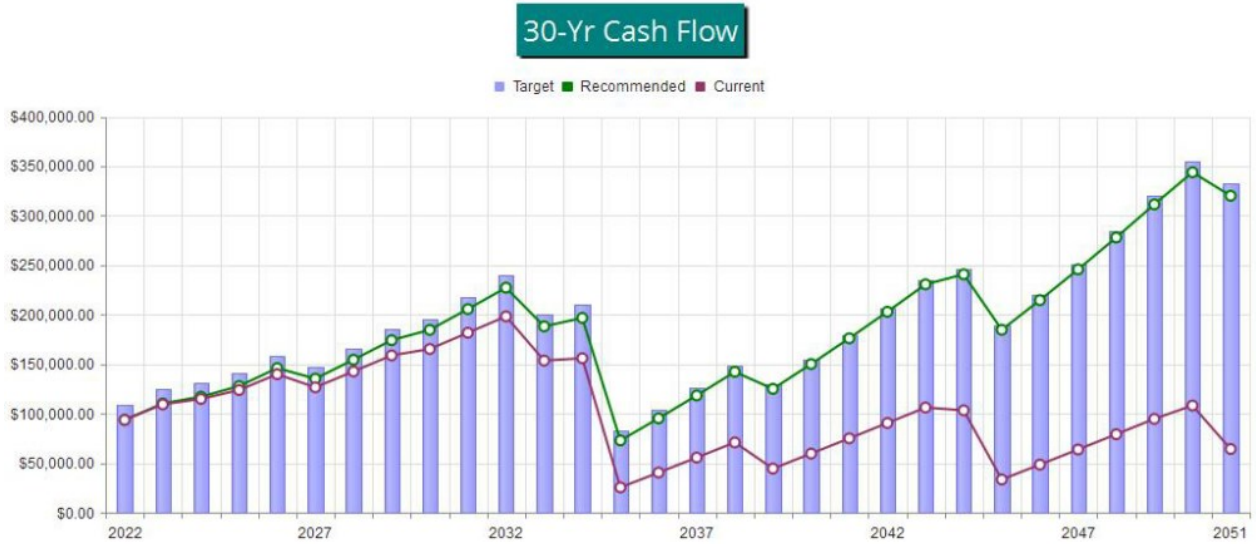


Figure 3

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



Executive Summary is a summary of your Reserve Components

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

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

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

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

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

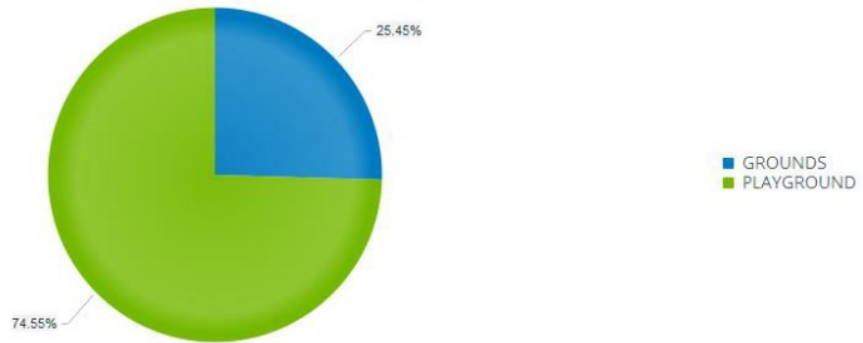
30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.



	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022	01/01/2022	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
GROUNDS	15	25	10	12	\$56,500	\$0	\$31,500	\$31,500	\$25,000	\$3,106
PLAYGROUND	10	30	1	22	\$165,500	\$0	\$62,072	\$77,800	\$103,428	\$12,494
					\$222,000	\$0	\$93,572	\$109,300	\$128,428	\$15,600

Percent Funded: 85.6%

Budget Summary



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
GROUNDS					
380	Mailboxes - Replace	(4) Clusters	20	12	\$10,000
600	Irrigation System - Replace	Lines, Valves, Heads	25	10	\$45,500
610	Irrig Controller - Replace	(1) Weathermatic	15	12	\$1,000
PLAYGROUND					
800	Pole Lights - Replace	(10) Pole Lights	30	22	\$25,000
802	Pet Stations - Replace	(2) Stations	12	4	\$1,000
805	Park Furniture - Replace	(7) Pieces	15	7	\$8,000
810	Playground Equip - Replace	(2) Pieces	20	12	\$85,000
814	Playground Sand - Replenish	Approx 1,000 Sq Ft	10	2	\$3,000
815	Playground Turf - Replace	Approx 1,000 Sq Ft	12	4	\$25,000
818	Shade Screen - Replace	(1) Screen: ~2,000 Sq Ft	10	1	\$10,000
820	Ramada Roof - Replace	(1) Roof: ~280 Sq Ft	30	22	\$5,000
850	Metal Surfaces - Repaint	Poles, Ramada, Etc.	10	2	\$3,500
<hr/>					
12	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
GROUNDS								
380	Mailboxes - Replace	\$10,000	X	8	/	20	=	\$4,000
600	Irrigation System - Replace	\$45,500	X	15	/	25	=	\$27,300
610	Irrig Controller - Replace	\$1,000	X	3	/	15	=	\$200
PLAYGROUND								
800	Pole Lights - Replace	\$25,000	X	8	/	30	=	\$6,667
802	Pet Stations - Replace	\$1,000	X	8	/	12	=	\$667
805	Park Furniture - Replace	\$8,000	X	8	/	15	=	\$4,267
810	Playground Equip - Replace	\$85,000	X	8	/	20	=	\$34,000
814	Playground Sand - Replenish	\$3,000	X	8	/	10	=	\$2,400
815	Playground Turf - Replace	\$25,000	X	8	/	12	=	\$16,667
818	Shade Screen - Replace	\$10,000	X	9	/	10	=	\$9,000
820	Ramada Roof - Replace	\$5,000	X	8	/	30	=	\$1,333
850	Metal Surfaces - Repaint	\$3,500	X	8	/	10	=	\$2,800
								\$109,300

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
GROUNDS				
380 Mailboxes - Replace	20	\$10,000	\$500	4.17 %
600 Irrigation System - Replace	25	\$45,500	\$1,820	15.18 %
610 Irrig Controller - Replace	15	\$1,000	\$67	0.56 %
PLAYGROUND				
800 Pole Lights - Replace	30	\$25,000	\$833	6.95 %
802 Pet Stations - Replace	12	\$1,000	\$83	0.70 %
805 Park Furniture - Replace	15	\$8,000	\$533	4.45 %
810 Playground Equip - Replace	20	\$85,000	\$4,250	35.46 %
814 Playground Sand - Replenish	10	\$3,000	\$300	2.50 %
815 Playground Turf - Replace	12	\$25,000	\$2,083	17.38 %
818 Shade Screen - Replace	10	\$10,000	\$1,000	8.34 %
820 Ramada Roof - Replace	30	\$5,000	\$167	1.39 %
850 Metal Surfaces - Repaint	10	\$3,500	\$350	2.92 %
12 Total Funded Components			\$11,987	100.00 %

Fiscal Year Start: 2022

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$93,572	\$109,300	85.6 %	Low	6.23 %	\$15,600	\$0	\$1,018	\$0
2023	\$110,190	\$124,925	88.2 %	Low	2.50 %	\$15,990	\$0	\$1,136	\$10,300
2024	\$117,015	\$130,781	89.5 %	Low	2.50 %	\$16,390	\$0	\$1,223	\$6,896
2025	\$127,733	\$140,700	90.8 %	Low	2.50 %	\$16,799	\$0	\$1,368	\$0
2026	\$145,900	\$158,412	92.1 %	Low	2.50 %	\$17,219	\$0	\$1,405	\$29,263
2027	\$135,261	\$146,919	92.1 %	Low	2.50 %	\$17,650	\$0	\$1,447	\$0
2028	\$154,359	\$165,639	93.2 %	Low	2.50 %	\$18,091	\$0	\$1,642	\$0
2029	\$174,091	\$185,350	93.9 %	Low	2.50 %	\$18,543	\$0	\$1,793	\$9,839
2030	\$184,588	\$195,961	94.2 %	Low	2.50 %	\$19,007	\$0	\$1,950	\$0
2031	\$205,545	\$217,480	94.5 %	Low	2.50 %	\$19,482	\$0	\$2,163	\$0
2032	\$227,190	\$240,113	94.6 %	Low	2.50 %	\$19,969	\$0	\$2,076	\$61,148
2033	\$188,087	\$200,926	93.6 %	Low	2.50 %	\$20,469	\$0	\$1,923	\$13,842
2034	\$196,636	\$209,786	93.7 %	Low	2.50 %	\$20,980	\$0	\$1,347	\$146,140
2035	\$72,823	\$83,158	87.6 %	Low	2.50 %	\$21,505	\$0	\$840	\$0
2036	\$95,167	\$103,784	91.7 %	Low	2.50 %	\$22,042	\$0	\$1,067	\$0
2037	\$118,276	\$125,572	94.2 %	Low	2.50 %	\$22,593	\$0	\$1,302	\$0
2038	\$142,171	\$148,574	95.7 %	Low	2.50 %	\$23,158	\$0	\$1,335	\$41,722
2039	\$124,942	\$129,870	96.2 %	Low	2.50 %	\$23,737	\$0	\$1,374	\$0
2040	\$150,054	\$154,172	97.3 %	Low	2.50 %	\$24,331	\$0	\$1,630	\$0
2041	\$176,014	\$179,816	97.9 %	Low	2.50 %	\$24,939	\$0	\$1,893	\$0
2042	\$202,847	\$206,860	98.1 %	Low	2.50 %	\$25,562	\$0	\$2,166	\$0
2043	\$230,575	\$235,364	98.0 %	Low	3.00 %	\$26,329	\$0	\$2,355	\$18,603
2044	\$240,657	\$246,232	97.7 %	Low	3.00 %	\$27,119	\$0	\$2,126	\$85,267
2045	\$184,635	\$189,451	97.5 %	Low	3.00 %	\$27,933	\$0	\$1,995	\$0
2046	\$214,563	\$219,501	97.8 %	Low	3.00 %	\$28,771	\$0	\$2,300	\$0
2047	\$245,633	\$251,184	97.8 %	Low	3.00 %	\$29,634	\$0	\$2,616	\$0
2048	\$277,884	\$284,569	97.7 %	Low	3.00 %	\$30,523	\$0	\$2,945	\$0
2049	\$311,351	\$319,732	97.4 %	Low	3.00 %	\$31,439	\$0	\$3,275	\$2,221
2050	\$343,843	\$354,461	97.0 %	Low	3.00 %	\$32,382	\$0	\$3,318	\$59,486
2051	\$320,057	\$332,072	96.4 %	Low	3.00 %	\$33,353	\$0	\$3,383	\$0

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$93,572	\$110,190	\$117,015	\$127,733	\$145,900
Annual Reserve Contribution	\$15,600	\$15,990	\$16,390	\$16,799	\$17,219
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,018	\$1,136	\$1,223	\$1,368	\$1,405
Total Income	\$110,190	\$127,315	\$134,628	\$145,900	\$164,524
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
PLAYGROUND					
800 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
802 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$1,126
805 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
814 Playground Sand - Replenish	\$0	\$0	\$3,183	\$0	\$0
815 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$28,138
818 Shade Screen - Replace	\$0	\$10,300	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
850 Metal Surfaces - Repaint	\$0	\$0	\$3,713	\$0	\$0
Total Expenses	\$0	\$10,300	\$6,896	\$0	\$29,263
Ending Reserve Balance	\$110,190	\$117,015	\$127,733	\$145,900	\$135,261

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$135,261	\$154,359	\$174,091	\$184,588	\$205,545
Annual Reserve Contribution	\$17,650	\$18,091	\$18,543	\$19,007	\$19,482
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,447	\$1,642	\$1,793	\$1,950	\$2,163
Total Income	\$154,359	\$174,091	\$194,427	\$205,545	\$227,190
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
PLAYGROUND					
800 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
802 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
805 Park Furniture - Replace	\$0	\$0	\$9,839	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
814 Playground Sand - Replenish	\$0	\$0	\$0	\$0	\$0
815 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
818 Shade Screen - Replace	\$0	\$0	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
850 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$9,839	\$0	\$0
Ending Reserve Balance	\$154,359	\$174,091	\$184,588	\$205,545	\$227,190

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$227,190	\$188,087	\$196,636	\$72,823	\$95,167
Annual Reserve Contribution	\$19,969	\$20,469	\$20,980	\$21,505	\$22,042
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,076	\$1,923	\$1,347	\$840	\$1,067
Total Income	\$249,235	\$210,478	\$218,963	\$95,167	\$118,276
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$14,258	\$0	\$0
600 Irrigation System - Replace	\$61,148	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$1,426	\$0	\$0
PLAYGROUND					
800 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
802 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
805 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$121,190	\$0	\$0
814 Playground Sand - Replenish	\$0	\$0	\$4,277	\$0	\$0
815 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
818 Shade Screen - Replace	\$0	\$13,842	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
850 Metal Surfaces - Repaint	\$0	\$0	\$4,990	\$0	\$0
Total Expenses	\$61,148	\$13,842	\$146,140	\$0	\$0
Ending Reserve Balance	\$188,087	\$196,636	\$72,823	\$95,167	\$118,276

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$118,276	\$142,171	\$124,942	\$150,054	\$176,014
Annual Reserve Contribution	\$22,593	\$23,158	\$23,737	\$24,331	\$24,939
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,302	\$1,335	\$1,374	\$1,630	\$1,893
Total Income	\$142,171	\$166,664	\$150,054	\$176,014	\$202,847
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
PLAYGROUND					
800 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
802 Pet Stations - Replace	\$0	\$1,605	\$0	\$0	\$0
805 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
814 Playground Sand - Replenish	\$0	\$0	\$0	\$0	\$0
815 Playground Turf - Replace	\$0	\$40,118	\$0	\$0	\$0
818 Shade Screen - Replace	\$0	\$0	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
850 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$41,722	\$0	\$0	\$0
Ending Reserve Balance	\$142,171	\$124,942	\$150,054	\$176,014	\$202,847

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$202,847	\$230,575	\$240,657	\$184,635	\$214,563
Annual Reserve Contribution	\$25,562	\$26,329	\$27,119	\$27,933	\$28,771
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,166	\$2,355	\$2,126	\$1,995	\$2,300
Total Income	\$230,575	\$259,260	\$269,901	\$214,563	\$245,633
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
PLAYGROUND					
800 Pole Lights - Replace	\$0	\$0	\$47,903	\$0	\$0
802 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
805 Park Furniture - Replace	\$0	\$0	\$15,329	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
814 Playground Sand - Replenish	\$0	\$0	\$5,748	\$0	\$0
815 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
818 Shade Screen - Replace	\$0	\$18,603	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$9,581	\$0	\$0
850 Metal Surfaces - Repaint	\$0	\$0	\$6,706	\$0	\$0
Total Expenses	\$0	\$18,603	\$85,267	\$0	\$0
Ending Reserve Balance	\$230,575	\$240,657	\$184,635	\$214,563	\$245,633

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$245,633	\$277,884	\$311,351	\$343,843	\$320,057
Annual Reserve Contribution	\$29,634	\$30,523	\$31,439	\$32,382	\$33,353
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,616	\$2,945	\$3,275	\$3,318	\$3,383
Total Income	\$277,884	\$311,351	\$346,065	\$379,543	\$356,793
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$2,221	\$0	\$0
PLAYGROUND					
800 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
802 Pet Stations - Replace	\$0	\$0	\$0	\$2,288	\$0
805 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
814 Playground Sand - Replenish	\$0	\$0	\$0	\$0	\$0
815 Playground Turf - Replace	\$0	\$0	\$0	\$57,198	\$0
818 Shade Screen - Replace	\$0	\$0	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
850 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$2,221	\$59,486	\$0
Ending Reserve Balance	\$277,884	\$311,351	\$343,843	\$320,057	\$356,793



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.

GROUNDS

Comp #: 100 Monument - Refurbish**Quantity: (1) Monument**

Location: Desert Vista II (Parcel 24): Mounted on Southwest corner of 17th Ave & Liberty Ln

Funded?: No. Funding to refurbish this monument is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 380 Mailboxes - Replace**Quantity: (4) Clusters**

Location: Desert Vista II (Parcel 24): Mounted along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: Mailboxes include (1) 9-box and (3) 20-box clusters. Appear to be functional and in fair shape. Some wear and weathering evident. Future replacement should be anticipated. This component funds to replace the clusters and free standing enclosures.

*Mfg. Date: 8/2014

Useful Life:
20 yearsRemaining Life:
12 years

Best Case: \$ 10,000

Worst Case: \$ 10,000

Cost Source: ARI Cost Database

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 15,000 Sq Ft

Location: Desert Vista II (Parcel 24): Bordering common areas throughout parcel

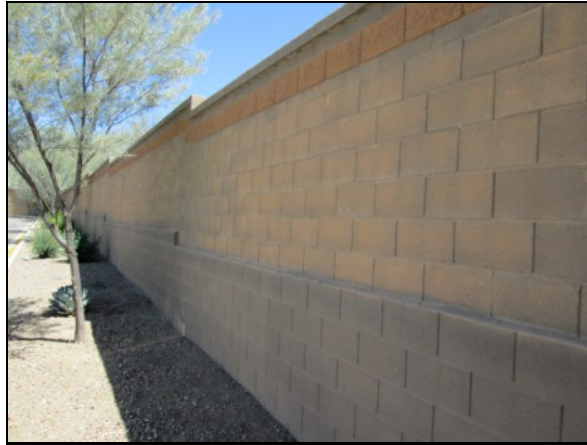
Funded?: No. Funding to repaint and repair the block/stucco walls is included in the Foothills Club West Master Reserve Study.

History: Installed in 2014.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Desert Vista II (Parcel 24): Common areas throughout parcel

Funded?: Yes.

History: Installed in 2014.

Comments: This component funds to replace the irrigation system. The client reported that the system will need to be replaced sooner rather than later.

Useful Life:
25 years

Remaining Life:
10 years



Best Case: \$ 45,500

Worst Case: \$ 45,500

Cost Source: Estimate Provided by Client

Comp #: 610 Irrig Controller - Replace

Quantity: (1) Weathermatic

Location: Desert Vista II (Parcel 24): Mounted on wall adjacent to mailboxes

Funded?: Yes.

History: Replaced in 2019 as part of landscape management contract.

Comments: Appears to be functional with no issues reported. ProQual notified us that the irrigation controller was installed as part of the landscape management contract. While the landscape management contract could be sustained, it would be prudent to still plan for future replacement, as this service/contract may not be continued in the future.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 196,000 Sq Ft

Location: Desert Vista II (Parcel 24): Common areas throughout parcel

Funded?: No. The Master HOA replenishes landscape granite as needed with Operating funds.

History: Installed in 2014.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

PLAYGROUND

Comp #: 800 Pole Lights - Replace

Quantity: (10) Pole Lights

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: Appear to be functional and in good shape. Replacement costs will vary depending on the style and quality of fixtures and poles purchased.

Useful Life:
30 years

Remaining Life:
22 years



Best Case: \$ 25,000

Worst Case: \$ 25,000

Cost Source: ARI Cost Database

Comp #: 802 Pet Stations - Replace

Quantity: (2) Stations

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: Appear to be intact, functional and in fair shape.

Useful Life:
12 years

Remaining Life:
4 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 805 Park Furniture - Replace

Quantity: (7) Pieces

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: Pieces include (2) 4' square picnic tables, (2) 6' benches, (1) BBQ grill, (1) trash can and (1) bike rack. Appear to be intact, functional and in fair shape.

Useful Life:
15 years

Remaining Life:
7 years



Best Case: \$ 8,000

Worst Case: \$ 8,000

Cost Source: ARI Cost Database

Comp #: 810 Playground Equip - Replace

Quantity: (2) Pieces

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: Pieces include (1) large play structure and (1) stand and spin. Normal wear and weathering evident. Future replacement should be anticipated.

Useful Life:
20 years

Remaining Life:
12 years



Best Case: \$ 85,000

Worst Case: \$ 85,000

Cost Source: ARI Cost Database

Comp #: 814 Playground Sand - Replenish

Quantity: Approx 1,000 Sq Ft

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: There is no expectancy to completely replace the sand. This component funds to replenish the sand with a 2" layer.

Useful Life:
10 years

Remaining Life:
2 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 815 Playground Turf - Replace

Quantity: Approx 1,000 Sq Ft

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: This is a cushioned surface designed to help absorb a child's fall. It also provides better access to the play structures for handicapped children. Appears to be soft and intact. Some separation from the sidewalk evident.

Useful Life:
12 years

Remaining Life:
4 years



Best Case: \$ 25,000

Worst Case: \$ 25,000

Cost Source: ARI Cost Database

Comp #: 818 Shade Screen - Replace

Quantity: (1) Screen: ~2,000 Sq Ft

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: Several holes and tears evident. There is no expectancy to replace the entire frame structure under normal circumstances. This component funds to periodically replace the shade screen only.

Useful Life:
10 years

Remaining Life:
1 years



Best Case: \$ 10,000

Worst Case: \$ 10,000

Cost Source: ARI Cost Database

Comp #: 820 Ramada Roof - Replace

Quantity: (1) Roof: ~280 Sq Ft

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr

Funded?: Yes.

History: Installed in 2014.

Comments: Observed to be intact and in good shape. Long life expectancy under normal circumstances. Future replacement should still be planned, even if just for an aesthetic restoration.

Useful Life:
30 years

Remaining Life:
22 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 850 Metal Surfaces - Repaint

Quantity: Poles, Ramada, Etc.

Location: Desert Vista II (Parcel 24): Playground along Satinwood Dr (includes mailbox enclosures)

Funded?: Yes.

History:

Comments: Surfaces appear to be in decent shape. This component funds to periodically repaint the metal surfaces, which includes (10) pole lights, (1) ramada and (1) shade structure.

Useful Life:
10 years

Remaining Life:
2 years



Best Case: \$ 3,500

Worst Case: \$ 3,500

Cost Source: ARI Cost Database



Foothills Club West Community Assoc. - Fairway Hills
Phoenix, AZ
Level of Service: "Full"

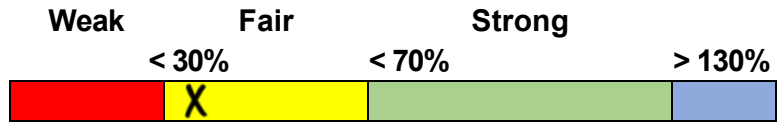
Report #: 10039-0
of Units: 110
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$209,032
Current Fully Funded Reserve Balance	\$574,100
Average Reserve Deficit (Surplus) Per Unit	\$3,319
Percent Funded	36.4 %
Current Monthly Reserve Contribution	\$1,456
Recommended 2022 Monthly Reserve Contribution	\$4,000
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 36.4%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 36.4 % Funded. This means the Reserve Fund status is Fair, and the HOA's risk of special assessments & deferred maintenance 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.

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$4,000. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

In addition, we recommend annual contribution increases of 13% the next several years. This will be necessary to provide Reserves with sufficient funding to complete the future asphalt repavement project.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
COMMUNITY ENTRY/EXITS				
100	Monument - Refurbish	25	0	\$4,000
101	Tile Signs - Replace	15	9	\$4,000
103	Entry System - Replace	15	2	\$5,000
106	Gate Operators - Replace (A)	15	0	\$16,000
106	Gate Operators - Replace (B)	15	14	\$8,000
110	Vehicle Gates - Replace	30	6	\$32,000
121	Landscape Lights - Replace	15	9	\$2,000
GROUNDS				
200	Asphalt - Repave	30	11	\$416,000
202	Asphalt - Seal/Repair	4	0	\$30,000
220	Concrete - Repair	5	2	\$4,000
250	Street Signs - Replace	30	7	\$4,000
320	Street Lights - Replace	30	6	\$84,000
500	Block/Stucco Walls - Repair	25	12	\$5,000
502	Block/Stucco Walls - Repaint	6	0	\$7,000
512	View Fence - Replace (50%)	30	6	\$3,500
520	Metal Surfaces - Repaint	6	0	\$9,000
600	Irrigation System - Replace	25	0	\$121,300
610	Irrig Controllers - Replace	15	12	\$2,000
640	Landscape Granite - Replenish	10	4	\$20,000
19 Total Funded Components				

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

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Foothills Club West Community Assoc.
Fairway Hills
Phoenix, AZ



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

June 30, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Fairway Hills
Phoenix, AZ
Level of Service: "Full"

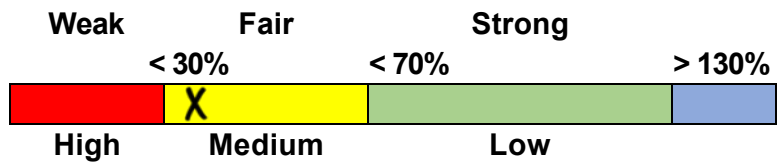
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Risk of Special Assessment:

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 36.4 % Funded. This means the Reserve Fund status is Fair, and the HOA's risk of special assessments & deferred maintenance 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.

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$4,000. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

In addition, we recommend annual contribution increases of 13% the next several years. This will be necessary to provide Reserves with sufficient funding to complete the future asphalt repavement project.

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19 Total Funded Components				

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

Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by visually inspecting the community entrance, followed by the 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.

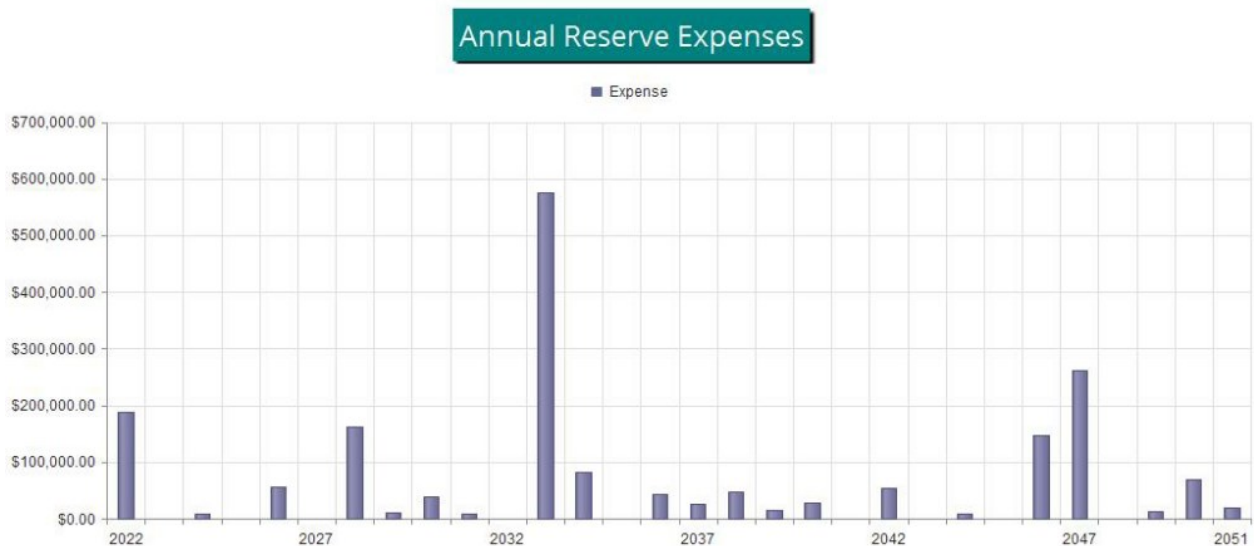


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$209,032 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$198,838 on 5/31/2021 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$574,100. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 36.4 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$4,000 this Fiscal Year. 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.

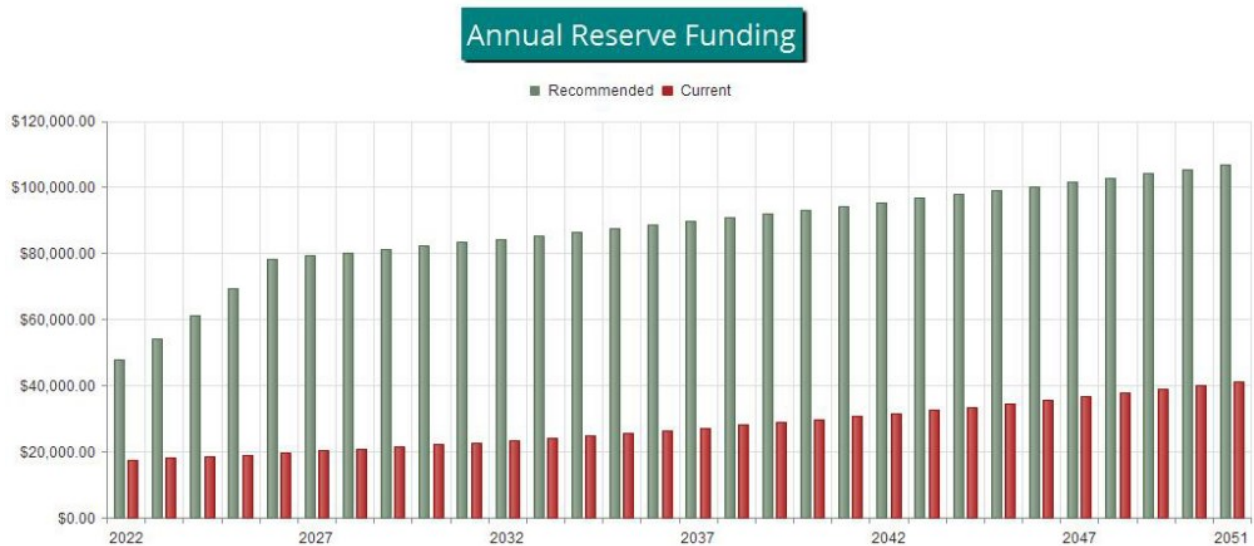


Figure 2

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.

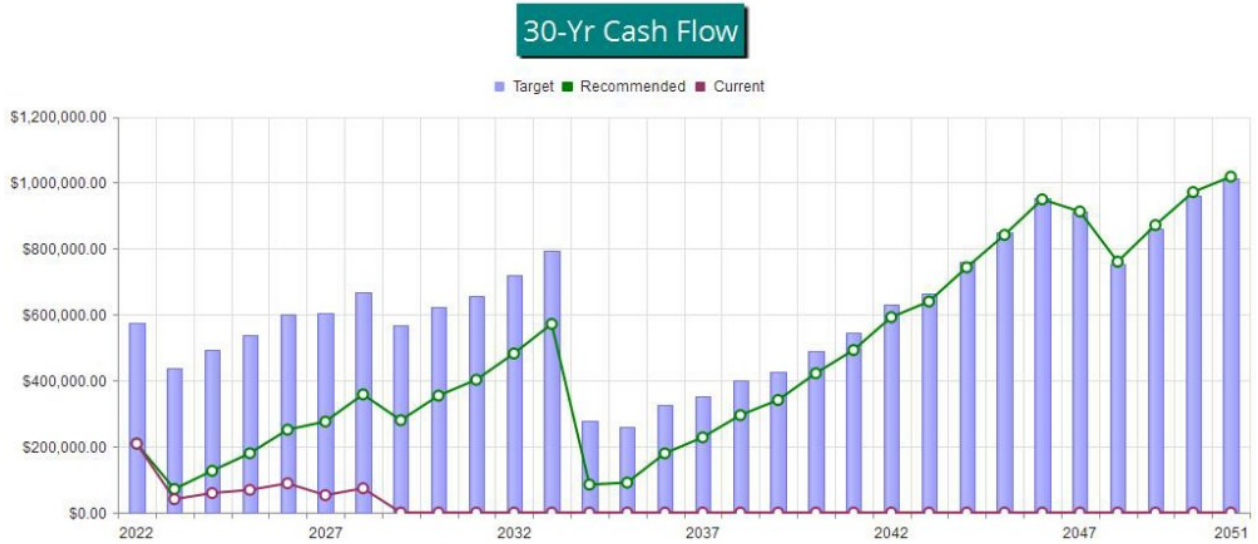


Figure 3

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



Executive Summary is a summary of your Reserve Components

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

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

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

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

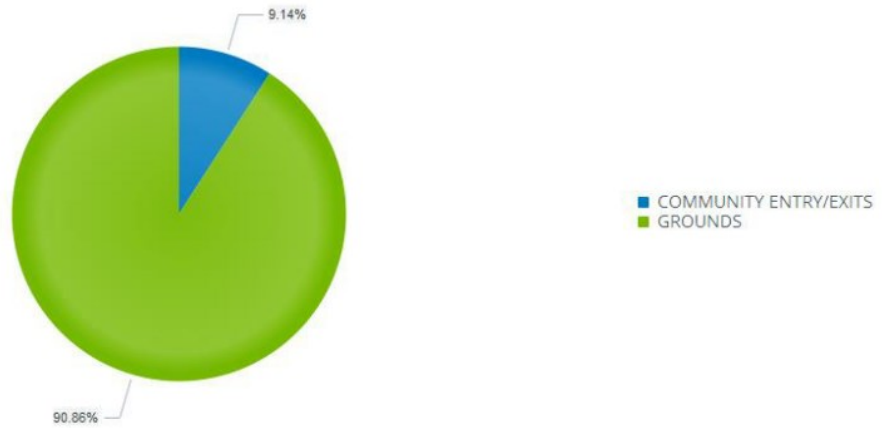
30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

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

	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022	01/01/2022	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
	COMMUNITY ENTRY/EXITS	15	30	0			14	\$71,000		
GROUNDS	4	30	0	12	\$705,800	\$167,300	\$184,500	\$521,233	\$521,300	\$43,576
					\$776,800	\$187,300	\$209,032	\$574,100	\$567,768	\$48,000

Percent Funded: 36.4%

Budget Summary



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
COMMUNITY ENTRY/EXITS					
100	Monument - Refurbish	(1) Monument	25	0	\$4,000
101	Tile Signs - Replace	(2) Signs	15	9	\$4,000
103	Entry System - Replace	(1) DoorKing	15	2	\$5,000
106	Gate Operators - Replace (A)	(4) Elite	15	0	\$16,000
106	Gate Operators - Replace (B)	(2) LiftMaster	15	14	\$8,000
110	Vehicle Gates - Replace	(6) Vehicle Gates	30	6	\$32,000
121	Landscape Lights - Replace	Lights & Transformers	15	9	\$2,000
GROUNDS					
200	Asphalt - Repave	Approx 160,000 Sq Ft	30	11	\$416,000
202	Asphalt - Seal/Repair	Approx 160,000 Sq Ft	4	0	\$30,000
220	Concrete - Repair	Numerous Sq Ft	5	2	\$4,000
250	Street Signs - Replace	Approx (26) Signs	30	7	\$4,000
320	Street Lights - Replace	Approx (28) Street Lights	30	6	\$84,000
500	Block/Stucco Walls - Repair	Approx 11,300 Sq Ft	25	12	\$5,000
502	Block/Stucco Walls - Repaint	Approx 11,300 LF	6	0	\$7,000
512	View Fence - Replace (50%)	Approx 175 LF	30	6	\$3,500
520	Metal Surfaces - Repaint	Fence, Gates, Poles	6	0	\$9,000
600	Irrigation System - Replace	Lines, Valves, Heads	25	0	\$121,300
610	Irrig Controllers - Replace	(2) Weathermatic	15	12	\$2,000
640	Landscape Granite - Replenish	Approx 50,000 Sq Ft	10	4	\$20,000

19 Total Funded Components

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
COMMUNITY ENTRY/EXITS								
100	Monument - Refurbish	\$4,000	X	25	/	25	=	\$4,000
101	Tile Signs - Replace	\$4,000	X	6	/	15	=	\$1,600
103	Entry System - Replace	\$5,000	X	13	/	15	=	\$4,333
106	Gate Operators - Replace (A)	\$16,000	X	15	/	15	=	\$16,000
106	Gate Operators - Replace (B)	\$8,000	X	1	/	15	=	\$533
110	Vehicle Gates - Replace	\$32,000	X	24	/	30	=	\$25,600
121	Landscape Lights - Replace	\$2,000	X	6	/	15	=	\$800
GROUNDS								
200	Asphalt - Repave	\$416,000	X	19	/	30	=	\$263,467
202	Asphalt - Seal/Repair	\$30,000	X	4	/	4	=	\$30,000
220	Concrete - Repair	\$4,000	X	3	/	5	=	\$2,400
250	Street Signs - Replace	\$4,000	X	23	/	30	=	\$3,067
320	Street Lights - Replace	\$84,000	X	24	/	30	=	\$67,200
500	Block/Stucco Walls - Repair	\$5,000	X	13	/	25	=	\$2,600
502	Block/Stucco Walls - Repaint	\$7,000	X	6	/	6	=	\$7,000
512	View Fence - Replace (50%)	\$3,500	X	24	/	30	=	\$2,800
520	Metal Surfaces - Repaint	\$9,000	X	6	/	6	=	\$9,000
600	Irrigation System - Replace	\$121,300	X	25	/	25	=	\$121,300
610	Irrig Controllers - Replace	\$2,000	X	3	/	15	=	\$400
640	Landscape Granite - Replenish	\$20,000	X	6	/	10	=	\$12,000
								\$574,100

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
COMMUNITY ENTRY/EXITS				
100 Monument - Refurbish	25	\$4,000	\$160	0.41 %
101 Tile Signs - Replace	15	\$4,000	\$267	0.69 %
103 Entry System - Replace	15	\$5,000	\$333	0.86 %
106 Gate Operators - Replace (A)	15	\$16,000	\$1,067	2.76 %
106 Gate Operators - Replace (B)	15	\$8,000	\$533	1.38 %
110 Vehicle Gates - Replace	30	\$32,000	\$1,067	2.76 %
121 Landscape Lights - Replace	15	\$2,000	\$133	0.35 %
GROUNDS				
200 Asphalt - Repave	30	\$416,000	\$13,867	35.90 %
202 Asphalt - Seal/Repair	4	\$30,000	\$7,500	19.42 %
220 Concrete - Repair	5	\$4,000	\$800	2.07 %
250 Street Signs - Replace	30	\$4,000	\$133	0.35 %
320 Street Lights - Replace	30	\$84,000	\$2,800	7.25 %
500 Block/Stucco Walls - Repair	25	\$5,000	\$200	0.52 %
502 Block/Stucco Walls - Repaint	6	\$7,000	\$1,167	3.02 %
512 View Fence - Replace (50%)	30	\$3,500	\$117	0.30 %
520 Metal Surfaces - Repaint	6	\$9,000	\$1,500	3.88 %
600 Irrigation System - Replace	25	\$121,300	\$4,852	12.56 %
610 Irrig Controllers - Replace	15	\$2,000	\$133	0.35 %
640 Landscape Granite - Replenish	10	\$20,000	\$2,000	5.18 %
19 Total Funded Components			\$38,629	100.00 %

30-Year Reserve Plan Summary

Report # 10039-0
Full

Fiscal Year Start: 2022

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$209,032	\$574,100	36.4 %	Medium	174.66 %	\$48,000	\$0	\$1,400	\$187,300
2023	\$71,132	\$438,192	16.2 %	High	13.00 %	\$54,240	\$0	\$987	\$0
2024	\$126,359	\$492,318	25.7 %	High	13.00 %	\$61,291	\$0	\$1,529	\$9,548
2025	\$179,632	\$539,464	33.3 %	Medium	13.00 %	\$69,259	\$0	\$2,152	\$0
2026	\$251,043	\$599,125	41.9 %	Medium	13.00 %	\$78,263	\$0	\$2,632	\$56,275
2027	\$275,663	\$603,916	45.6 %	Medium	1.25 %	\$79,241	\$0	\$3,167	\$0
2028	\$358,071	\$668,158	53.6 %	Medium	1.25 %	\$80,232	\$0	\$3,187	\$161,794
2029	\$279,696	\$569,063	49.2 %	Medium	1.25 %	\$81,234	\$0	\$3,168	\$9,839
2030	\$354,260	\$624,935	56.7 %	Medium	1.25 %	\$82,250	\$0	\$3,781	\$38,003
2031	\$402,288	\$654,941	61.4 %	Medium	1.25 %	\$83,278	\$0	\$4,420	\$7,829
2032	\$482,158	\$718,440	67.1 %	Medium	1.25 %	\$84,319	\$0	\$5,267	\$0
2033	\$571,744	\$793,464	72.1 %	Low	1.25 %	\$85,373	\$0	\$3,280	\$575,841
2034	\$84,556	\$279,227	30.3 %	Medium	1.25 %	\$86,440	\$0	\$875	\$81,268
2035	\$90,603	\$260,625	34.8 %	Medium	1.25 %	\$87,521	\$0	\$1,350	\$0
2036	\$179,473	\$326,873	54.9 %	Medium	1.25 %	\$88,615	\$0	\$2,035	\$42,353
2037	\$227,771	\$353,238	64.5 %	Medium	1.25 %	\$89,722	\$0	\$2,614	\$24,927
2038	\$295,179	\$400,147	73.8 %	Low	1.25 %	\$90,844	\$0	\$3,180	\$48,141
2039	\$341,062	\$426,414	80.0 %	Low	1.25 %	\$91,979	\$0	\$3,814	\$14,876
2040	\$421,979	\$489,647	86.2 %	Low	1.25 %	\$93,129	\$0	\$4,570	\$27,239
2041	\$492,439	\$544,016	90.5 %	Low	1.25 %	\$94,293	\$0	\$5,421	\$0
2042	\$592,153	\$630,104	94.0 %	Low	1.25 %	\$95,472	\$0	\$6,156	\$54,183
2043	\$639,598	\$665,059	96.2 %	Low	1.25 %	\$96,665	\$0	\$6,911	\$0
2044	\$743,174	\$759,027	97.9 %	Low	1.25 %	\$97,874	\$0	\$7,919	\$7,664
2045	\$841,302	\$850,141	99.0 %	Low	1.25 %	\$99,097	\$0	\$8,949	\$0
2046	\$949,349	\$954,169	99.5 %	Low	1.25 %	\$100,336	\$0	\$9,306	\$146,361
2047	\$912,629	\$912,922	100.0 %	Low	1.25 %	\$101,590	\$0	\$8,361	\$262,350
2048	\$760,230	\$753,395	100.9 %	Low	1.25 %	\$102,860	\$0	\$8,154	\$0
2049	\$871,243	\$861,802	101.1 %	Low	1.25 %	\$104,146	\$0	\$9,209	\$13,328
2050	\$971,270	\$962,308	100.9 %	Low	1.25 %	\$105,447	\$0	\$9,942	\$68,638
2051	\$1,018,022	\$1,011,512	100.6 %	Low	1.25 %	\$106,765	\$0	\$10,669	\$18,853

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$209,032	\$71,132	\$126,359	\$179,632	\$251,043
Annual Reserve Contribution	\$48,000	\$54,240	\$61,291	\$69,259	\$78,263
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,400	\$987	\$1,529	\$2,152	\$2,632
Total Income	\$258,432	\$126,359	\$189,180	\$251,043	\$331,938
# Component					
COMMUNITY ENTRY/EXITS					
100 Monument - Refurbish	\$4,000	\$0	\$0	\$0	\$0
101 Tile Signs - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$5,305	\$0	\$0
106 Gate Operators - Replace (A)	\$16,000	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (B)	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$30,000	\$0	\$0	\$0	\$33,765
220 Concrete - Repair	\$0	\$0	\$4,244	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$7,000	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$9,000	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$121,300	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$22,510
Total Expenses	\$187,300	\$0	\$9,548	\$0	\$56,275
Ending Reserve Balance	\$71,132	\$126,359	\$179,632	\$251,043	\$275,663

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$275,663	\$358,071	\$279,696	\$354,260	\$402,288
Annual Reserve Contribution	\$79,241	\$80,232	\$81,234	\$82,250	\$83,278
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,167	\$3,187	\$3,168	\$3,781	\$4,420
Total Income	\$358,071	\$441,490	\$364,099	\$440,291	\$489,986
# Component					
COMMUNITY ENTRY/EXITS					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Signs - Replace	\$0	\$0	\$0	\$0	\$5,219
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (A)	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (B)	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$38,210	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$2,610
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$38,003	\$0
220 Concrete - Repair	\$0	\$0	\$4,919	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$4,919	\$0	\$0
320 Street Lights - Replace	\$0	\$100,300	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$8,358	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$4,179	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$10,746	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$161,794	\$9,839	\$38,003	\$7,829
Ending Reserve Balance	\$358,071	\$279,696	\$354,260	\$402,288	\$482,158

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$482,158	\$571,744	\$84,556	\$90,603	\$179,473
Annual Reserve Contribution	\$84,319	\$85,373	\$86,440	\$87,521	\$88,615
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,267	\$3,280	\$875	\$1,350	\$2,035
Total Income	\$571,744	\$660,397	\$171,871	\$179,473	\$270,123
# Component					
COMMUNITY ENTRY/EXITS					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Signs - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (A)	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (B)	\$0	\$0	\$0	\$0	\$12,101
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$575,841	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$42,773	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$5,703	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$7,129	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$9,980	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$12,832	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$2,852	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$30,252
Total Expenses	\$0	\$575,841	\$81,268	\$0	\$42,353
Ending Reserve Balance	\$571,744	\$84,556	\$90,603	\$179,473	\$227,771

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$227,771	\$295,179	\$341,062	\$421,979	\$492,439
Annual Reserve Contribution	\$89,722	\$90,844	\$91,979	\$93,129	\$94,293
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,614	\$3,180	\$3,814	\$4,570	\$5,421
Total Income	\$320,107	\$389,203	\$436,855	\$519,678	\$592,153
# Component					
COMMUNITY ENTRY/EXITS					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Signs - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$8,264	\$0	\$0
106 Gate Operators - Replace (A)	\$24,927	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (B)	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$48,141	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$6,611	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$11,917	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$15,322	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$24,927	\$48,141	\$14,876	\$27,239	\$0
Ending Reserve Balance	\$295,179	\$341,062	\$421,979	\$492,439	\$592,153

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$592,153	\$639,598	\$743,174	\$841,302	\$949,349
Annual Reserve Contribution	\$95,472	\$96,665	\$97,874	\$99,097	\$100,336
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,156	\$6,911	\$7,919	\$8,949	\$9,306
Total Income	\$693,781	\$743,174	\$848,967	\$949,349	\$1,058,990
# Component					
COMMUNITY ENTRY/EXITS					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Signs - Replace	\$0	\$0	\$0	\$0	\$8,131
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (A)	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (B)	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$4,066
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$54,183	\$0	\$0	\$0	\$60,984
220 Concrete - Repair	\$0	\$0	\$7,664	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$14,230
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$18,295
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$40,656
Total Expenses	\$54,183	\$0	\$7,664	\$0	\$146,361
Ending Reserve Balance	\$639,598	\$743,174	\$841,302	\$949,349	\$912,629

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$912,629	\$760,230	\$871,243	\$971,270	\$1,018,022
Annual Reserve Contribution	\$101,590	\$102,860	\$104,146	\$105,447	\$106,765
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,361	\$8,154	\$9,209	\$9,942	\$10,669
Total Income	\$1,022,580	\$871,243	\$984,598	\$1,086,659	\$1,135,456
# Component					
COMMUNITY ENTRY/EXITS					
100 Monument - Refurbish	\$8,375	\$0	\$0	\$0	\$0
101 Tile Signs - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (A)	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace (B)	\$0	\$0	\$0	\$0	\$18,853
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$68,638	\$0
220 Concrete - Repair	\$0	\$0	\$8,885	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$253,975	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$4,443	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$262,350	\$0	\$13,328	\$68,638	\$18,853
Ending Reserve Balance	\$760,230	\$871,243	\$971,270	\$1,018,022	\$1,116,603



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.

COMMUNITY ENTRY/EXITS

Comp #: 100 Monument - Refurbish**Quantity: (1) Monument**

Location: Fairway Hills (Parcels 13D & 21): Community entrance on Central Ave & Glenhaven Dr

Funded?: Yes.

History:

Comments: Appears to be older, dated and weathered. This component funds to refurbish the monument, which includes replacement of the tile surfaces and letters, as well as general repairs and light replacement.

Useful Life:
25 yearsRemaining Life:
0 years

Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 101 Tile Signs - Replace**Quantity: (2) Signs**

Location: Fairway Hills (Parcels 13D & 21): Community entrance on Central Ave & Glenhaven Dr (exit side) and exit on Central Ave & Redwood Ln

Funded?: Yes.

History: Actual age unknown.

Comments: Appear to be intact and in good shape.

Useful Life:
15 yearsRemaining Life:
9 years

Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 103 Entry System - Replace

Quantity: (1) DoorKing

Location: Fairway Hills (Parcels 13D & 21): Community entrance on Central Ave & Glenhaven Dr

Funded?: Yes.

History: Actual age unknown.

Comments: Appears to be functional with wear evident.

Useful Life:
15 years

Remaining Life:
2 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 106 Gate Operators - Replace (A)

Quantity: (4) Elite

Location: Fairway Hills (Parcels 13D & 21): Community entrance on Central Ave & Glenhaven Dr (exit side) and exit on Central Ave & Redwood Ln

Funded?: Yes.

History: Installed in 1999.

Comments: Based on age, replacement should be expected soon.

*Model: CSW-200-UL-DM, Mfg. Date: 5/1999

Useful Life:
15 years

Remaining Life:
0 years



Best Case: \$ 16,000

Worst Case: \$ 16,000

Cost Source: ARI Cost Database

Comp #: 106 Gate Operators - Replace (B)

Quantity: (2) LiftMaster

Location: Fairway Hills (Parcels 13D & 21): Community entrance on Central Ave & Glenhaven Dr (entry side)

Funded?: Yes.

History: Replaced in 2020-2021. Previously original from 1999.

Comments: Appear to be new, functional and in good shape.

*Model: CSW24UL, Mfg. Date: 11/2020

Useful Life:
15 years

Remaining Life:
14 years



Best Case: \$ 8,000

Worst Case: \$ 8,000

Cost Source: ARI Cost Database

Comp #: 110 Vehicle Gates - Replace

Quantity: (6) Vehicle Gates

Location: Fairway Hills (Parcels 13D & 21): Community entrance on Central Ave & Glenhaven Dr and exit on Central Ave & Redwood Ln (includes metal fencing)

Funded?: Yes.

History: Installed in 1999.

Comments: Vehicle gates can often be repaired or rebuilt as needed. Replacement resulting from vehicle damage should be addressed as an insurance issue. We recommend planning eventual replacement to restore and modernize the gates. Funding to replace approximately 120 LF of 6' metal fence is also included.

Useful Life:
30 years

Remaining Life:
6 years



Best Case: \$ 32,000

Worst Case: \$ 32,000

Cost Source: ARI Cost Database

Comp #: 114 Strobe Detectors - Replace

Quantity: (4) Detectors

Location: Fairway Hills (Parcels 13D & 21): Community entrance on Central Ave & Glenhaven Dr and exit on Central Ave & Redwood Ln

Funded?: No. These switches detect strobe signals from emergency vehicles and automatically open gate systems. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 121 Landscape Lights - Replace

Quantity: Lights & Transformers

Location: Fairway Hills (Parcels 13D & 21): Community entrance on Central Ave & Glenhaven Dr

Funded?: Yes.

History:

Comments: There are approximately (7) landscape lights and (1) transformer. Appear to be functional and in fair shape. This component funds to replace the landscape lights and the low-voltage transformer.

Useful Life:
15 years

Remaining Life:
9 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

GROUNDS

Comp #: 200 Asphalt - Repave**Quantity: Approx 160,000 Sq Ft**

Location: Fairway Hills (Parcels 13D & 21): Streets & parking areas throughout parcels

Funded?: Yes.

History:

Comments: Moderate cracking throughout. Some large cracks noted. Overall, the asphalt is generally intact and in decent shape.

Life span is based on periodically seal coating and maintaining the surface.

Useful Life:
30 yearsRemaining Life:
11 years

Best Case: \$ 416,000

Worst Case: \$ 416,000

Cost Source: ARI Cost Database

Comp #: 202 Asphalt - Seal/Repair**Quantity: Approx 160,000 Sq Ft**

Location: Fairway Hills (Parcels 13D & 21): Streets & parking areas throughout parcels

Funded?: Yes.

History: Seal/repaved in 2014, based on satellite imagery.

Comments: Seal coat was observed to be wearing off. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life:
4 yearsRemaining Life:
0 years

Best Case: \$ 30,000

Worst Case: \$ 30,000

Cost Source: ARI Cost Database

Comp #: 220 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Fairway Hills (Parcels 13D & 21): Walkways, curbs & gutters throughout parcels

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and/or partial replacements as needed.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Allowance

Comp #: 250 Street Signs - Replace

Quantity: Approx (26) Signs

Location: Fairway Hills (Parcels 13D & 21): Mounted adjacent to streets throughout parcels

Funded?: Yes.

History: Installed in 1999.

Comments: Appear to be intact, visible and in fair shape. Future replacement should be anticipated.

Useful Life:
30 years

Remaining Life:
7 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 320 Street Lights - Replace

Quantity: Approx (28) Street Lights

Location: Fairway Hills (Parcels 13D & 21): Mounted adjacent to streets throughout parcels

Funded?: Yes.

History: Installed in 1999.

Comments: Appear to be functional and in fair shape. Future replacement should be anticipated to modernize and restore the appearance.

Useful Life:
30 years

Remaining Life:
6 years



Best Case: \$ 84,000

Worst Case: \$ 84,000

Cost Source: ARI Cost Database

Comp #: 380 Mailboxes - Replace

Quantity: (10) Clusters

Location: Fairway Hills (Parcels 13D & 21): Mounted at along Magenta Rd & Redwood Ln

Funded?: No. We assume these mailboxes are the responsibility of the U.S. Postal Service, not the HOA.

History:

Comments: Mailboxes include (3) 12-box and (5) 16-box clusters. There are also (2) 2-box parcel lockers.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 402 Pet Station - Replace

Quantity: (1) Station

Location: Fairway Hills (Parcels 13D & 21): Mounted adjacent to mailboxes on Redwood Ln

Funded?: No. Cost is below the Reserve expense threshold. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 30,000 Sq Ft

Location: Fairway Hills (Parcels 13D & 21): Perimeter of parcels

Funded?: No. Funding to repaint and repair the perimeter block/stucco walls is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Block/Stucco Walls - Repair

Quantity: Approx 11,300 Sq Ft

Location: Fairway Hills (Parcels 13D & 21): Bordering interior common areas throughout parcels

Funded?: Yes.

History:

Comments: Walls are expected to last the life of the community under normal circumstances. This component funds an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life:
25 years

Remaining Life:
12 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Allowance

Comp #: 502 Block/Stucco Walls - Repaint

Quantity: Approx 11,300 LF

Location: Fairway Hills (Parcels 13D & 21): Bordering interior common areas throughout parcels

Funded?: Yes.

History:

Comments: Observed to be faded and generally weathered. This component funds to periodically repaint the parcel interior walls.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 7,000

Worst Case: \$ 7,000

Cost Source: ARI Cost Database

Comp #: 510 Metal Fence - Repaint/Replace

Quantity: Approx 35 LF

Location: Fairway Hills (Parcels 13D & 21): Mounted at the Southeast corner of the community

Funded?: No. Funding to repaint and replace the metal fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 1,000 LF

Location: Fairway Hills (Parcels 13D & 21): Perimeter of parcels bordering Master HOA common areas (Lots #24-29, 36-39, 40-43, 48, 49, 89, 99 & 100)

Funded?: No. Funding to repaint and replace these sections of view fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 1,000 LF

Location: Fairway Hills (Parcels 13D & 21): Perimeter of parcels bordering golf course

Funded?: No. Repainting and replacement of these sections of view fencing is the responsibility of the owner and golf course, not the HOA.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 512 View Fence - Replace (50%)

Quantity: Approx 175 LF

Location: Fairway Hills (Parcels 13D & 21): Mounted on stucco walls bordering common areas & lot backyards (lots #61, 63, 96 & 109)

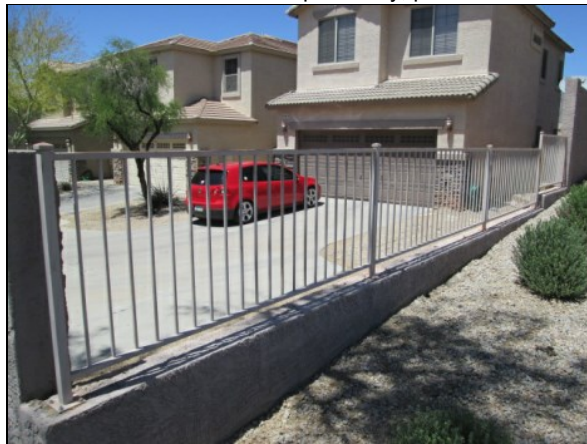
Funded?: Yes.

History:

Comments: This is ~3' tall metal view fence. Observed to be intact, secure and in decent shape. Some rust noted. Future replacement should be anticipated. Cost reflects 50% HOA responsibility, per the CC&R's.

Useful Life:
30 years

Remaining Life:
6 years



Best Case: \$ 3,500

Worst Case: \$ 3,500

Cost Source: ARI Cost Database

Comp #: 520 Metal Surfaces - Repaint

Quantity: Fence, Gates, Poles

Location: Fairway Hills (Parcels 13D & 21): Common areas throughout parcels

Funded?: Yes.

History:

Comments: Surfaces were observed to be faded and oxidized. This component funds to periodically repaint the metal surfaces, which includes (6) vehicle gates, (2) pedestrian gates, 120 LF of metal fence, 175 LF of view fence and (28) street lights.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 9,000

Worst Case: \$ 9,000

Cost Source: ARI Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Fairway Hills (Parcels 13D & 21): Common areas throughout parcels

Funded?: Yes.

History: Installed in 1999.

Comments: This component funds to replace the irrigation system. The client reported that the system needs to be replaced.

Useful Life:
25 years

Remaining Life:
0 years



Best Case: \$ 121,300

Worst Case: \$ 121,300

Cost Source: Estimate Provided by Client

Comp #: 610 Irrig Controllers - Replace

Quantity: (2) Weathermatic

Location: Fairway Hills (Parcels 13D & 21): Mounted on wall adjacent to mailboxes on Magenta Rd & roundabout on Redwood Ln
Funded?: Yes.

History: Replaced in 2019 as part of landscape management contract.

Comments: Appear to be functional with no issues reported. ProQual notified us that the irrigation controller was installed as part of the landscape management contract. While the landscape management contract could be sustained, it would be prudent to still plan for future replacement, as this service/contract may not be continued in the future.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 63,000 Sq Ft

Location: Fairway Hills (Parcels 13D & 21): Common areas along Central Ave

Funded?: No. The Master HOA replenishes this landscape granite as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 50,000 Sq Ft

Location: Fairway Hills (Parcels 13D & 21): Common areas within parcels

Funded?: Yes.

History:

Comments: Complete replacement of the landscape granite is not anticipated. Coverage will deplete over time, so this component funds an allowance to top dress the existing granite with a new 1" layer.

Useful Life:
10 years

Remaining Life:
4 years



Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database



Foothills Club West Community Assoc. - Montana Vista
Phoenix, AZ
Level of Service: "Full"

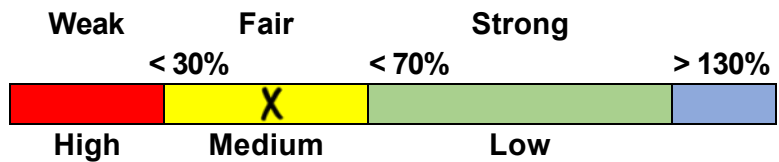
Report #: **10039-0**
of Units: 124
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of **January 1, 2022**

Projected Starting Reserve Balance	\$279,216
Current Fully Funded Reserve Balance	\$535,193
Average Reserve Deficit (Surplus) Per Unit	\$2,064
Percent Funded	52.2 %
Current Monthly Reserve Contribution	\$1,795
Recommended 2022 Monthly Reserve Contribution	\$3,000
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 52.2%



Risk of Special Assessment:

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 52.2 % Funded. This means the Reserve Fund status is Fair, and the HOA's risk of special assessments & deferred maintenance 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.

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$3,000. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

Due to the current Reserve position and the upcoming asphalt repavement project, our recommendation includes annual contribution increases of 20% the next several years. Once the asphalt repavement project is completed, the association will be in a position to reduce Reserve contributions as seen in the 30-Year Reserve Plan Summary. Nominal annual increases are scheduled thereafter to help offset inflation (see tables herein for details).

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
COMMUNITY ENTRANCE				
100	Monument - Refurbish	25	0	\$4,000
101	Tile Sign - Replace	15	9	\$2,000
103	Entry System - Replace	15	7	\$5,000
106	Gate Operators - Replace	15	0	\$16,000
110	Vehicle Gates - Replace	30	12	\$17,500
112	Decorative Rails - Replace	30	12	\$4,000
321	Landscape Lights - Replace	15	9	\$6,500
GROUNDS				
200	Asphalt - Repave	30	7	\$565,000
202	Asphalt - Seal/Repair	4	0	\$40,000
220	Concrete - Repair	5	2	\$3,000
250	Street Signs - Replace	30	0	\$2,000
500	Stucco Walls - Repair	25	12	\$3,000
502	Stucco Walls - Repaint	6	0	\$3,500
520	Metal Surfaces - Repaint	6	0	\$5,000
610	Irrig Controllers - Replace	15	12	\$1,000
640	Landscape Granite - Replenish	10	4	\$15,000
16 Total Funded Components				

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

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Foothills Club West Community Assoc.
Montana Vista
Phoenix, AZ



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

June 30, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Montana Vista
Phoenix, AZ
Level of Service: "Full"

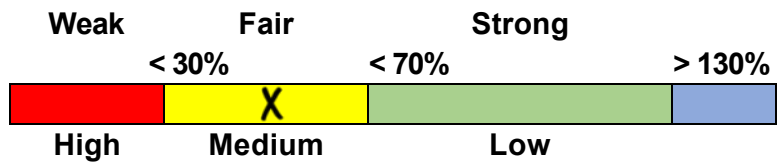
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Annual Inflation Rate	3.00 %

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Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$3,000. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

Due to the current Reserve position and the upcoming asphalt repavement project, our recommendation includes annual contribution increases of 20% the next several years. Once the asphalt repavement project is completed, the association will be in a position to reduce Reserve contributions as seen in the 30-Year Reserve Plan Summary. Nominal annual increases are scheduled thereafter to help offset inflation (see tables herein for details).

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
COMMUNITY ENTRANCE				
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112	Decorative Rails - Replace	30	12	\$4,000
321	Landscape Lights - Replace	15	9	\$6,500
GROUNDS				
200	Asphalt - Repave	30	7	\$565,000
202	Asphalt - Seal/Repair	4	0	\$40,000
220	Concrete - Repair	5	2	\$3,000
250	Street Signs - Replace	30	0	\$2,000
500	Stucco Walls - Repair	25	12	\$3,000
502	Stucco Walls - Repaint	6	0	\$3,500
520	Metal Surfaces - Repaint	6	0	\$5,000
610	Irrig Controllers - Replace	15	12	\$1,000
640	Landscape Granite - Replenish	10	4	\$15,000
16 Total Funded Components				

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

Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by visually inspecting the community entrance, followed by the 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.

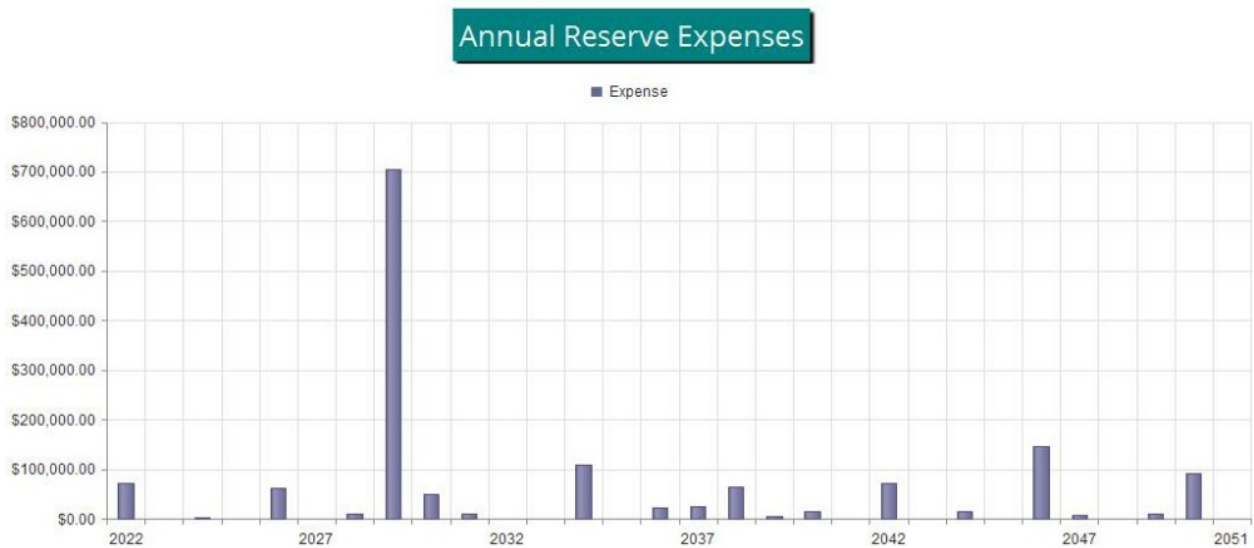


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$279,216 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$266,649 on 5/31/2021 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$535,193. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 52.2 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$3,000 this Fiscal Year. 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.

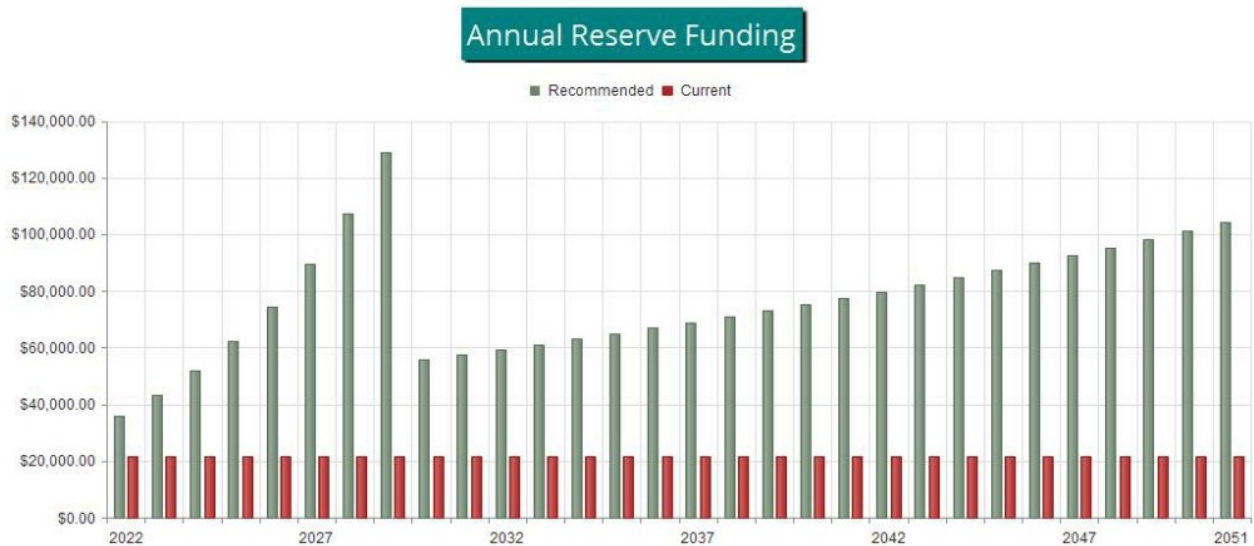


Figure 2

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.

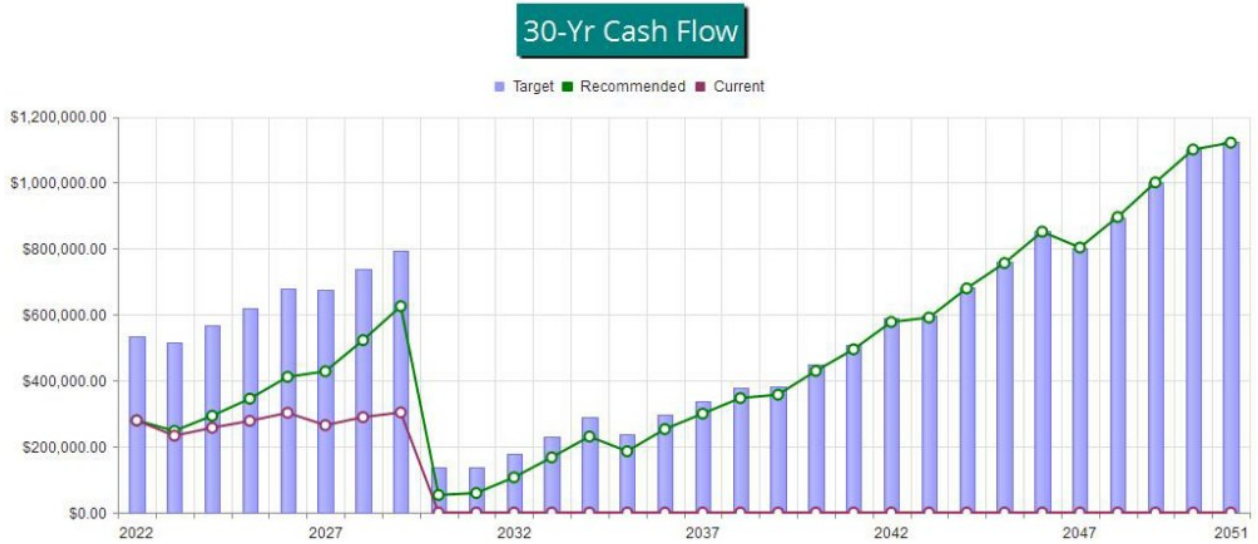


Figure 3

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



Executive Summary is a summary of your Reserve Components

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

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

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

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

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

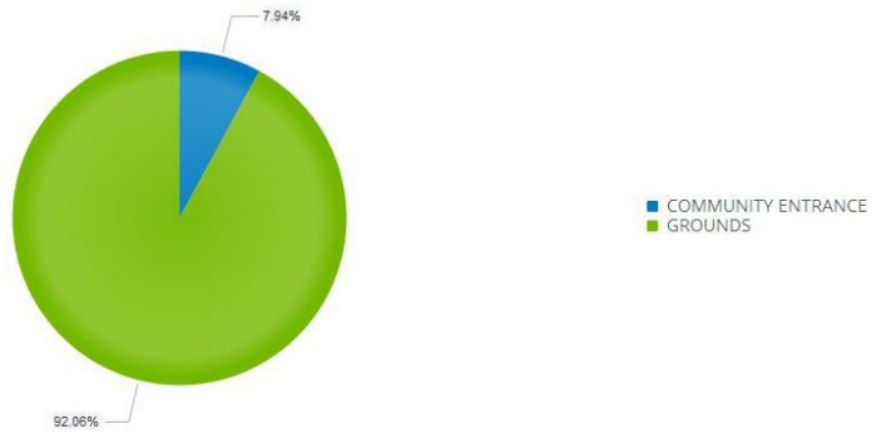
30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.



	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022	01/01/2022	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
	COMMUNITY ENTRANCE	15	30	0			12	\$55,000		
GROUNDS	4	30	0	12	\$637,500	\$50,500	\$256,550	\$496,227	\$380,950	\$33,112
					\$692,500	\$70,500	\$279,216	\$535,193	\$413,284	\$36,000

Percent Funded: 52.2%

Budget Summary



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
COMMUNITY ENTRANCE					
100	Monument - Refurbish	(1) Monument	25	0	\$4,000
101	Tile Sign - Replace	(1) Sign	15	9	\$2,000
103	Entry System - Replace	(1) DoorKing	15	7	\$5,000
106	Gate Operators - Replace	(4) Elite	15	0	\$16,000
110	Vehicle Gates - Replace	(4) Vehicle, (2) Ped.	30	12	\$17,500
112	Decorative Rails - Replace	Approx 50 LF	30	12	\$4,000
321	Landscape Lights - Replace	Lights & Transformers	15	9	\$6,500
GROUNDS					
200	Asphalt - Repave	Approx 218,000 Sq Ft	30	7	\$565,000
202	Asphalt - Seal/Repair	Approx 218,000 Sq Ft	4	0	\$40,000
220	Concrete - Repair	Numerous Sq Ft	5	2	\$3,000
250	Street Signs - Replace	Approx (13) Signs	30	0	\$2,000
500	Stucco Walls - Repair	Approx 5,600 Sq Ft	25	12	\$3,000
502	Stucco Walls - Repaint	Approx 5,600 LF	6	0	\$3,500
520	Metal Surfaces - Repaint	Fence, Gates, Rails	6	0	\$5,000
610	Irrig Controllers - Replace	Approx (1) Controller	15	12	\$1,000
640	Landscape Granite - Replenish	Approx 38,000 Sq Ft	10	4	\$15,000
<hr/>					
16	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
COMMUNITY ENTRANCE								
100	Monument - Refurbish	\$4,000	X	25	/	25	=	\$4,000
101	Tile Sign - Replace	\$2,000	X	6	/	15	=	\$800
103	Entry System - Replace	\$5,000	X	8	/	15	=	\$2,667
106	Gate Operators - Replace	\$16,000	X	15	/	15	=	\$16,000
110	Vehicle Gates - Replace	\$17,500	X	18	/	30	=	\$10,500
112	Decorative Rails - Replace	\$4,000	X	18	/	30	=	\$2,400
321	Landscape Lights - Replace	\$6,500	X	6	/	15	=	\$2,600
GROUNDS								
200	Asphalt - Repave	\$565,000	X	23	/	30	=	\$433,167
202	Asphalt - Seal/Repair	\$40,000	X	4	/	4	=	\$40,000
220	Concrete - Repair	\$3,000	X	3	/	5	=	\$1,800
250	Street Signs - Replace	\$2,000	X	30	/	30	=	\$2,000
500	Stucco Walls - Repair	\$3,000	X	13	/	25	=	\$1,560
502	Stucco Walls - Repaint	\$3,500	X	6	/	6	=	\$3,500
520	Metal Surfaces - Repaint	\$5,000	X	6	/	6	=	\$5,000
610	Irrig Controllers - Replace	\$1,000	X	3	/	15	=	\$200
640	Landscape Granite - Replenish	\$15,000	X	6	/	10	=	\$9,000
								\$535,193

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
COMMUNITY ENTRANCE				
100 Monument - Refurbish	25	\$4,000	\$160	0.45 %
101 Tile Sign - Replace	15	\$2,000	\$133	0.38 %
103 Entry System - Replace	15	\$5,000	\$333	0.94 %
106 Gate Operators - Replace	15	\$16,000	\$1,067	3.01 %
110 Vehicle Gates - Replace	30	\$17,500	\$583	1.65 %
112 Decorative Rails - Replace	30	\$4,000	\$133	0.38 %
321 Landscape Lights - Replace	15	\$6,500	\$433	1.22 %
GROUNDS				
200 Asphalt - Repave	30	\$565,000	\$18,833	53.13 %
202 Asphalt - Seal/Repair	4	\$40,000	\$10,000	28.21 %
220 Concrete - Repair	5	\$3,000	\$600	1.69 %
250 Street Signs - Replace	30	\$2,000	\$67	0.19 %
500 Stucco Walls - Repair	25	\$3,000	\$120	0.34 %
502 Stucco Walls - Repaint	6	\$3,500	\$583	1.65 %
520 Metal Surfaces - Repaint	6	\$5,000	\$833	2.35 %
610 Irrig Controllers - Replace	15	\$1,000	\$67	0.19 %
640 Landscape Granite - Replenish	10	\$15,000	\$1,500	4.23 %
16 Total Funded Components			\$35,447	100.00 %

Fiscal Year Start: 2022

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$279,216	\$535,193	52.2 %	Medium	67.11 %	\$36,000	\$0	\$2,632	\$70,500
2023	\$247,348	\$515,144	48.0 %	Medium	20.00 %	\$43,200	\$0	\$2,702	\$0
2024	\$293,250	\$568,204	51.6 %	Medium	20.00 %	\$51,840	\$0	\$3,190	\$3,183
2025	\$345,098	\$620,705	55.6 %	Medium	20.00 %	\$62,208	\$0	\$3,779	\$0
2026	\$411,085	\$679,222	60.5 %	Medium	20.00 %	\$74,650	\$0	\$4,194	\$61,903
2027	\$428,025	\$676,931	63.2 %	Medium	20.00 %	\$89,580	\$0	\$4,750	\$0
2028	\$522,355	\$739,564	70.6 %	Low	20.00 %	\$107,495	\$0	\$5,737	\$10,149
2029	\$625,437	\$794,892	78.7 %	Low	20.00 %	\$128,995	\$0	\$3,391	\$704,718
2030	\$53,105	\$137,782	38.5 %	Medium	-56.59 %	\$56,000	\$0	\$560	\$50,671
2031	\$58,995	\$135,975	43.4 %	Medium	3.00 %	\$57,680	\$0	\$827	\$11,091
2032	\$106,411	\$176,268	60.4 %	Medium	3.00 %	\$59,410	\$0	\$1,367	\$0
2033	\$167,189	\$230,623	72.5 %	Low	3.00 %	\$61,193	\$0	\$1,987	\$0
2034	\$230,368	\$288,080	80.0 %	Low	3.00 %	\$63,028	\$0	\$2,079	\$109,784
2035	\$185,693	\$235,700	78.8 %	Low	3.00 %	\$64,919	\$0	\$2,192	\$0
2036	\$252,804	\$296,387	85.3 %	Low	3.00 %	\$66,867	\$0	\$2,762	\$22,689
2037	\$299,743	\$337,134	88.9 %	Low	3.00 %	\$68,873	\$0	\$3,232	\$24,927
2038	\$346,921	\$378,454	91.7 %	Low	3.00 %	\$70,939	\$0	\$3,519	\$64,188
2039	\$357,190	\$382,282	93.4 %	Low	3.00 %	\$73,067	\$0	\$3,930	\$4,959
2040	\$429,230	\$448,988	95.6 %	Low	3.00 %	\$75,259	\$0	\$4,617	\$14,471
2041	\$494,636	\$509,709	97.0 %	Low	3.00 %	\$77,517	\$0	\$5,358	\$0
2042	\$577,511	\$589,021	98.0 %	Low	3.00 %	\$79,843	\$0	\$5,840	\$72,244
2043	\$590,949	\$598,221	98.8 %	Low	3.00 %	\$82,238	\$0	\$6,350	\$0
2044	\$679,537	\$684,087	99.3 %	Low	3.00 %	\$84,705	\$0	\$7,175	\$15,329
2045	\$756,088	\$758,778	99.6 %	Low	3.00 %	\$87,246	\$0	\$8,034	\$0
2046	\$851,368	\$853,597	99.7 %	Low	3.00 %	\$89,864	\$0	\$8,269	\$146,361
2047	\$803,140	\$802,671	100.1 %	Low	3.00 %	\$92,559	\$0	\$8,491	\$8,375
2048	\$895,815	\$894,568	100.1 %	Low	3.00 %	\$95,336	\$0	\$9,478	\$0
2049	\$1,000,630	\$1,000,143	100.0 %	Low	3.00 %	\$98,196	\$0	\$10,501	\$8,885
2050	\$1,100,442	\$1,102,095	99.8 %	Low	3.00 %	\$101,142	\$0	\$11,103	\$91,517
2051	\$1,121,170	\$1,124,427	99.7 %	Low	3.00 %	\$104,176	\$0	\$11,787	\$0

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$279,216	\$247,348	\$293,250	\$345,098	\$411,085
Annual Reserve Contribution	\$36,000	\$43,200	\$51,840	\$62,208	\$74,650
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,632	\$2,702	\$3,190	\$3,779	\$4,194
Total Income	\$317,848	\$293,250	\$348,280	\$411,085	\$489,928
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$4,000	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$16,000	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
321 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$40,000	\$0	\$0	\$0	\$45,020
220 Concrete - Repair	\$0	\$0	\$3,183	\$0	\$0
250 Street Signs - Replace	\$2,000	\$0	\$0	\$0	\$0
500 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$3,500	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$5,000	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$16,883
Total Expenses	\$70,500	\$0	\$3,183	\$0	\$61,903
Ending Reserve Balance	\$247,348	\$293,250	\$345,098	\$411,085	\$428,025

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$428,025	\$522,355	\$625,437	\$53,105	\$58,995
Annual Reserve Contribution	\$89,580	\$107,495	\$128,995	\$56,000	\$57,680
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,750	\$5,737	\$3,391	\$560	\$827
Total Income	\$522,355	\$635,587	\$757,823	\$109,666	\$117,501
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$2,610
103 Entry System - Replace	\$0	\$0	\$6,149	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
321 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$8,481
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$694,879	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$50,671	\$0
220 Concrete - Repair	\$0	\$0	\$3,690	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$4,179	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$5,970	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$10,149	\$704,718	\$50,671	\$11,091
Ending Reserve Balance	\$522,355	\$625,437	\$53,105	\$58,995	\$106,411

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$106,411	\$167,189	\$230,368	\$185,693	\$252,804
Annual Reserve Contribution	\$59,410	\$61,193	\$63,028	\$64,919	\$66,867
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,367	\$1,987	\$2,079	\$2,192	\$2,762
Total Income	\$167,189	\$230,368	\$295,476	\$252,804	\$322,432
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$24,951	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$5,703	\$0	\$0
321 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$57,030	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$4,277	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco Walls - Repair	\$0	\$0	\$4,277	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$0	\$4,990	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$7,129	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$1,426	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$22,689
Total Expenses	\$0	\$0	\$109,784	\$0	\$22,689
Ending Reserve Balance	\$167,189	\$230,368	\$185,693	\$252,804	\$299,743

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$299,743	\$346,921	\$357,190	\$429,230	\$494,636
Annual Reserve Contribution	\$68,873	\$70,939	\$73,067	\$75,259	\$77,517
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,232	\$3,519	\$3,930	\$4,617	\$5,358
Total Income	\$371,848	\$421,379	\$434,188	\$509,106	\$577,511
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$24,927	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
321 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$64,188	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$4,959	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$0	\$0	\$5,959	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$8,512	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$24,927	\$64,188	\$4,959	\$14,471	\$0
Ending Reserve Balance	\$346,921	\$357,190	\$429,230	\$494,636	\$577,511

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$577,511	\$590,949	\$679,537	\$756,088	\$851,368
Annual Reserve Contribution	\$79,843	\$82,238	\$84,705	\$87,246	\$89,864
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,840	\$6,350	\$7,175	\$8,034	\$8,269
Total Income	\$663,194	\$679,537	\$771,417	\$851,368	\$949,501
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$4,066
103 Entry System - Replace	\$0	\$0	\$9,581	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
321 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$13,213
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$72,244	\$0	\$0	\$0	\$81,312
220 Concrete - Repair	\$0	\$0	\$5,748	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$7,115
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$10,164
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$30,492
Total Expenses	\$72,244	\$0	\$15,329	\$0	\$146,361
Ending Reserve Balance	\$590,949	\$679,537	\$756,088	\$851,368	\$803,140

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$803,140	\$895,815	\$1,000,630	\$1,100,442	\$1,121,170
Annual Reserve Contribution	\$92,559	\$95,336	\$98,196	\$101,142	\$104,176
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,491	\$9,478	\$10,501	\$11,103	\$11,787
Total Income	\$904,190	\$1,000,630	\$1,109,327	\$1,212,687	\$1,237,133
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$8,375	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
321 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$91,517	\$0
220 Concrete - Repair	\$0	\$0	\$6,664	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
500 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$2,221	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$8,375	\$0	\$8,885	\$91,517	\$0
Ending Reserve Balance	\$895,815	\$1,000,630	\$1,100,442	\$1,121,170	\$1,237,133



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.

COMMUNITY ENTRANCE

Comp #: 100 Monument - Refurbish**Quantity: (1) Monument**

Location: Montana Vista (Parcel 15C): Community entrance

Funded?: Yes.

History:

Comments: This is a double-sided monument. Appears to be older and dated. This component funds to refurbish the monument, which includes replacement of the letters, as well as general repairs.

Useful Life:
25 yearsRemaining Life:
0 years

Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 101 Tile Sign - Replace**Quantity: (1) Sign**

Location: Montana Vista (Parcel 15C): Community entrance

Funded?: Yes.

History:

Comments: Appear to be intact and in good shape.

Useful Life:
15 yearsRemaining Life:
9 years

Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 103 Entry System - Replace

Quantity: (1) DoorKing

Location: Montana Vista (Parcel 15C): Community entrance

Funded?: Yes.

History:

Comments: Appears to be functional and in fair shape. Wear and marks evident.

Useful Life:
15 years

Remaining Life:
7 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 106 Gate Operators - Replace

Quantity: (4) Elite

Location: Montana Vista (Parcel 15C): Community entrance

Funded?: Yes.

History:

Comments: These operators appear to be original. Based on age, replacement should be expected soon.

*Model: CSW-200-UL

Useful Life:
15 years

Remaining Life:
0 years



Best Case: \$ 16,000

Worst Case: \$ 16,000

Cost Source: ARI Cost Database

Comp #: 110 Vehicle Gates - Replace

Quantity: (4) Vehicle, (2) Ped.

Location: Montana Vista (Parcel 15C): Community entrance (includes metal fencing)

Funded?: Yes.

History:

Comments: Vehicle gates can often be repaired or rebuilt as needed. Replacement resulting from vehicle damage should be addressed as an insurance issue. We recommend planning eventual replacement to restore and modernize the gates. Funding to replace (2) pedestrian gates and approximately 10 LF of metal fencing is also included.

Useful Life:
30 years

Remaining Life:
12 years



Best Case: \$ 17,500

Worst Case: \$ 17,500

Cost Source: ARI Cost Database

Comp #: 112 Decorative Rails - Replace

Quantity: Approx 50 LF

Location: Montana Vista (Parcel 15C): Community entrance

Funded?: Yes.

History:

Comments: Appear to be intact, secure and in fair shape. Future replacement has been scheduled to coincide with vehicle gate replacement to maintain similar styles.

Useful Life:
30 years

Remaining Life:
12 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 114 Strobe Detectors - Replace

Quantity: (2) Detectors

Location: Montana Vista (Parcel 15C): Community entrance

Funded?: No. These switches detect strobe signals from emergency vehicles and automatically open gate systems. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 321 Landscape Lights - Replace

Quantity: Lights & Transformers

Location: Montana Vista (Parcel 15C): Community entrance

Funded?: Yes.

History:

Comments: There are approximately (24) landscape lights and (3) transformers. This component funds to replace the landscape lights and low-voltage transformers.

Useful Life:
15 years

Remaining Life:
9 years



Best Case: \$ 6,500

Worst Case: \$ 6,500

Cost Source: ARI Cost Database

GROUNDS

Comp #: 200 Asphalt - Repave**Quantity: Approx 218,000 Sq Ft**

Location: Montana Vista (Parcel 15C): Streets throughout parcel

Funded?: Yes.

History:

Comments: Heavy cracking throughout. Large cracks also noted. Life span is based on periodically seal coating and maintaining the surface. This component funds to completely remove and repave the asphalt.

Useful Life:
30 yearsRemaining Life:
7 years

Best Case: \$ 565,000

Worst Case: \$ 565,000

Cost Source: ARI Cost Database

Comp #: 202 Asphalt - Seal/Repair**Quantity: Approx 218,000 Sq Ft**

Location: Montana Vista (Parcel 15C): Streets throughout parcel

Funded?: Yes.

History:

Comments: Seal coat is wearing off. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life:
4 yearsRemaining Life:
0 years

Best Case: \$ 40,000

Worst Case: \$ 40,000

Cost Source: ARI Cost Database

Comp #: 208 Stamped Concrete - Replace

Quantity: Approx 1,300 Sq Ft

Location: Montana Vista (Parcel 15C): Community entrance

Funded?: No. This component has an extended life span under normal circumstances.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 220 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Montana Vista (Parcel 15C): Walkways, curbs & gutters throughout parcel

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and/or partial replacements as needed.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Allowance

Comp #: 250 Street Signs - Replace

Quantity: Approx (13) Signs

Location: Montana Vista (Parcel 15C): Mounted adjacent to streets throughout parcel

Funded?: Yes.

History:

Comments: Appear to be faded and generally weathered. Overall, poor conditions were observed.

Useful Life:
30 years

Remaining Life:
0 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 320 Street Lights - Replace

Quantity: Approx (30) Street Lights

Location: Montana Vista (Parcel 15C): Mounted adjacent to streets throughout parcel

Funded?: No. We assume the street lights are leased through SRP and not owned by the HOA.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 380 Mailboxes - Replace

Quantity: (12) Clusters

Location: Montana Vista (Parcel 15C): Mounted adjacent to streets throughout parcel

Funded?: No. We assume these mailboxes are the responsibility of the U.S. Postal Service, not the HOA.

History:

Comments: Mailboxes include (3) 12-box and (6) 16-box clusters. There are also (3) 2-box parcel lockers.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 34,500 Sq Ft

Location: Montana Vista (Parcel 15C): Perimeter of parcel

Funded?: No. Funding to repaint and repair the perimeter block/stucco walls is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Stucco Walls - Repair

Quantity: Approx 5,600 Sq Ft

Location: Montana Vista (Parcel 15C): Common areas along Desert Flower Ln & 3rd Ave

Funded?: Yes.

History:

Comments: Walls are expected to last the life of the community under normal circumstances. This component funds an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life:
25 years

Remaining Life:
12 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Allowance

Comp #: 502 Stucco Walls - Repaint

Quantity: Approx 5,600 LF

Location: Montana Vista (Parcel 15C): Common areas along Desert Flower Ln & 3rd Ave

Funded?: Yes.

History:

Comments: Surfaces were observed to be faded and generally weathered.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 3,500

Worst Case: \$ 3,500

Cost Source: ARI Cost Database

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 7,500 LF

Location: Montana Vista (Parcel 15C): Perimeter of parcel

Funded?: No. Funding to repaint and replace the perimeter view fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 515 Culvert Rails - Replace

Quantity: Numerous LF

Location: Montana Vista (Parcel 15C): Common areas throughout parcel

Funded?: No. These are iron pipe rails mounted on top of concrete culverts. They have an extended life span with no expectancy to replace in the foreseeable future. Repairs should be addressed as a maintenance expense when needed.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 520 Metal Surfaces - Repaint

Quantity: Fence, Gates, Rails

Location: Montana Vista (Parcel 15C): Common areas throughout parcel

Funded?: Yes.

History:

Comments: Surfaces were observed to be faded and oxidized. This component funds to periodically repaint the metal surfaces, which includes (4) vehicle gates, (2) pedestrian gates, 10 LF of metal fence and 50 LF of decorative rails. Funding to repaint the culvert rails is also included.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Montana Vista (Parcel 15C): Common areas throughout parcel

Funded?: No. It is beyond the scope of this Reserve Study to quantify and assess conditions of the irrigation system. Funding can be provided for future replacement at the client's request, but we would need to be provided with cost and life expectancy estimates. Repairs and partial replacements should be included in the annual landscape maintenance budget.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 610 Irrig Controllers - Replace

Quantity: Approx (1) Controller

Location: Montana Vista (Parcel 15C): Common areas within parcel

Funded?: Yes.

History:

Comments: We did not locate an irrigation controller, however, we assume there is at least one controller in this parcel.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 90,000 Sq Ft

Location: Montana Vista (Parcel 15C): Common areas along Desert Foothills Pkwy

Funded?: No. The Master HOA replenishes this landscape granite as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 38,000 Sq Ft

Location: Montana Vista (Parcel 15C): Common areas within the parcel

Funded?: Yes.

History:

Comments: Complete replacement of the landscape granite is not anticipated. Coverage will deplete over time, so this component funds an allowance to top dress the existing granite with a new 1" layer.

Useful Life:
10 years

Remaining Life:
4 years



Best Case: \$ 15,000

Worst Case: \$ 15,000

Cost Source: ARI Cost Database



Foothills Club West Community Assoc. - Privada
Phoenix, AZ
Level of Service: "Full"

Report #: 10039-0
of Units: 129

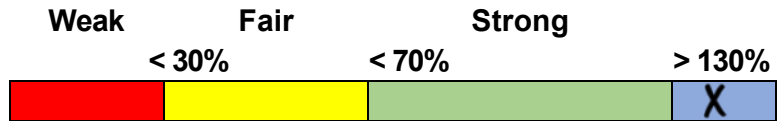
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$222,128
Current Fully Funded Reserve Balance	\$138,200
Average Reserve Deficit (Surplus) Per Unit	(\$651)
Percent Funded	160.7 %
Current Monthly Reserve Contribution	\$1,044
Recommended 2022 Monthly Reserve Contribution	\$1,044
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 160.7%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 160.7 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend keeping Monthly Reserve contributions at \$1,044 the next several years.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
230	Concrete Drives - Repair	10	5	\$10,000
500	Block/Stucco Walls - Repair	25	12	\$5,000
502	Stucco Walls - Repaint	6	0	\$6,000
510	Metal Fence - Replace (100%)	30	12	\$50,000
520	Metal Surfaces - Repaint	6	3	\$6,000
600	Irrigation System - Replace	25	0	\$91,000
610	Irrig Controllers - Replace	15	12	\$3,000

7 Total Funded Components

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

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Foothills Club West Community Assoc.
Privada
Phoenix, AZ



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

June 30, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Privada
Phoenix, AZ
Level of Service: "Full"

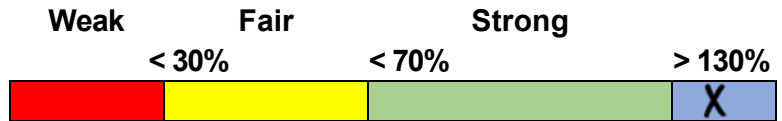
Report #: **10039-0**
of Units: 129
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of **January 1, 2022**

Projected Starting Reserve Balance	\$222,128
Current Fully Funded Reserve Balance	\$138,200
Average Reserve Deficit (Surplus) Per Unit	(\$651)
Percent Funded	160.7 %
Current Monthly Reserve Contribution	\$1,044
Recommended 2022 Monthly Reserve Contribution	\$1,044
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 160.7%



Risk of Special Assessment:

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 160.7 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend keeping Monthly Reserve contributions at \$1,044 the next several years.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
230	Concrete Drives - Repair	10	5	\$10,000
500	Block/Stucco Walls - Repair	25	12	\$5,000
502	Stucco Walls - Repaint	6	0	\$6,000
510	Metal Fence - Replace (100%)	30	12	\$50,000
520	Metal Surfaces - Repaint	6	3	\$6,000
600	Irrigation System - Replace	25	0	\$91,000
610	Irrig Controllers - Replace	15	12	\$3,000

7 Total Funded Components

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

Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by visually inspect the concrete drives, followed by the 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.

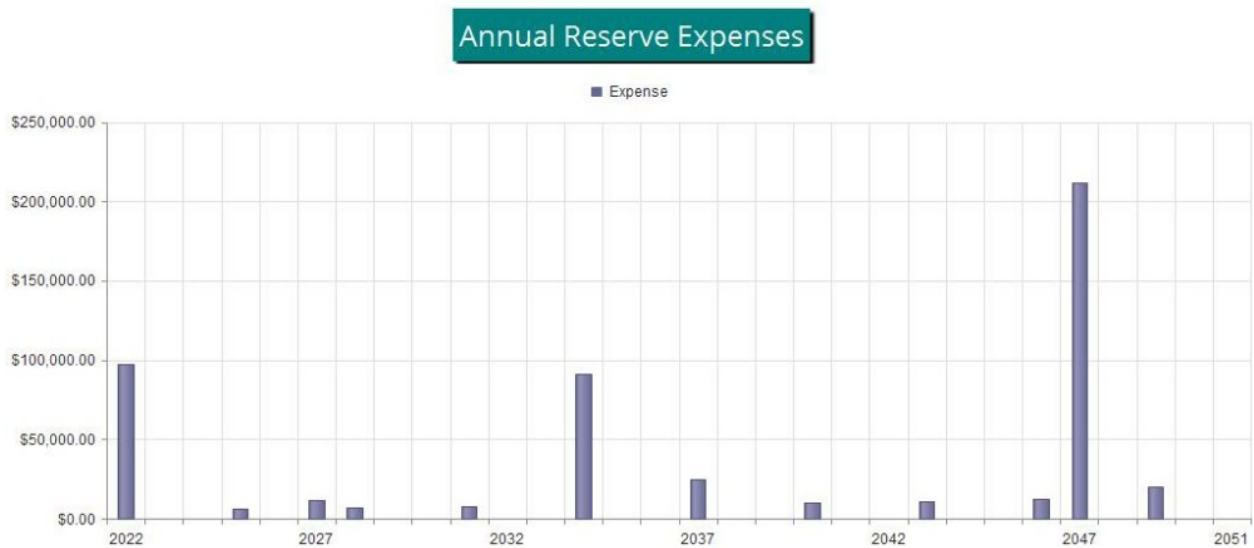


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$222,128 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$214,818 on 5/31/2021 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$138,200. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 160.7 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend keeping Monthly Reserve contributions at \$1,044 this Fiscal Year. 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.

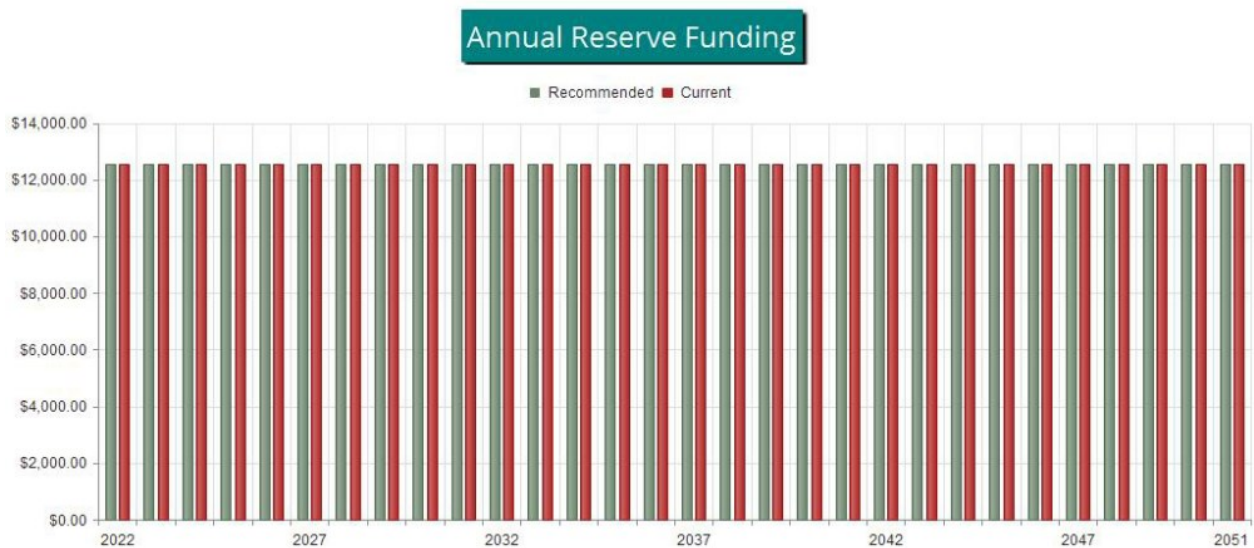


Figure 2

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.

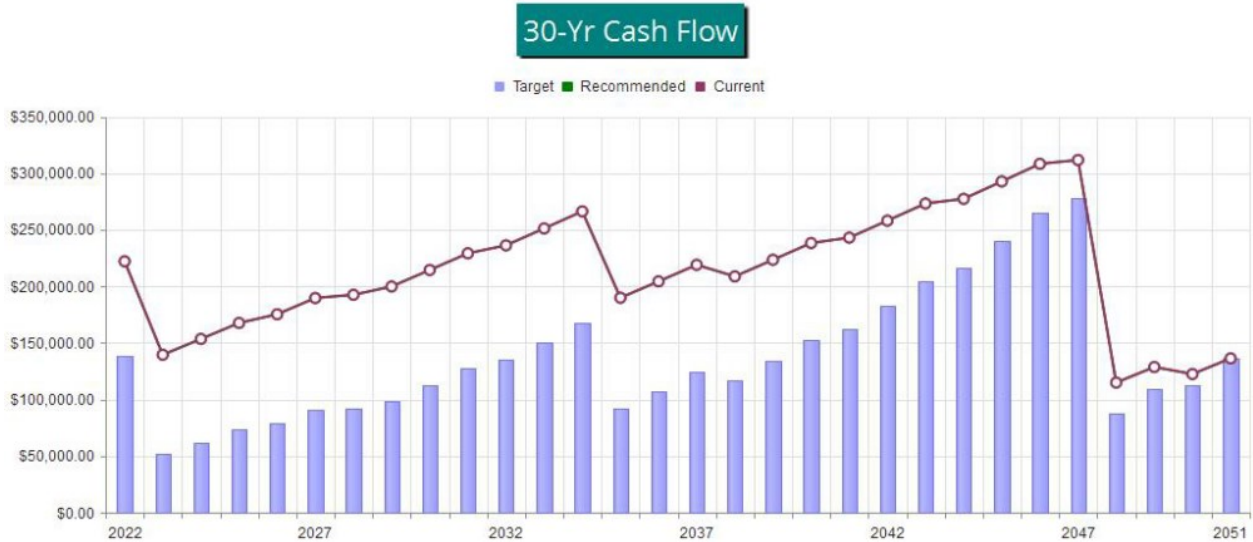


Figure 3

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



Executive Summary is a summary of your Reserve Components

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

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

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

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
GROUNDS				
230 Concrete Drives - Repair	Numerous Sq Ft	10	5	\$10,000
500 Block/Stucco Walls - Repair	Approx 10,000 Sq Ft	25	12	\$5,000
502 Stucco Walls - Repaint	Approx 10,000 Sq Ft	6	0	\$6,000
510 Metal Fence - Replace (100%)	Approx 1,350 LF	30	12	\$50,000
520 Metal Surfaces - Repaint	Fence & Rails	6	3	\$6,000
600 Irrigation System - Replace	Lines, Valves, Heads	25	0	\$91,000
610 Irrig Controllers - Replace	(3) Weathermatic	15	12	\$3,000
<hr/>				
7 Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
GROUNDS								
230	Concrete Drives - Repair	\$10,000	X	5	/	10	=	\$5,000
500	Block/Stucco Walls - Repair	\$5,000	X	13	/	25	=	\$2,600
502	Stucco Walls - Repaint	\$6,000	X	6	/	6	=	\$6,000
510	Metal Fence - Replace (100%)	\$50,000	X	18	/	30	=	\$30,000
520	Metal Surfaces - Repaint	\$6,000	X	3	/	6	=	\$3,000
600	Irrigation System - Replace	\$91,000	X	25	/	25	=	\$91,000
610	Irrig Controllers - Replace	\$3,000	X	3	/	15	=	\$600
								\$138,200

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
GROUNDS				
230 Concrete Drives - Repair	10	\$10,000	\$1,000	11.49 %
500 Block/Stucco Walls - Repair	25	\$5,000	\$200	2.30 %
502 Stucco Walls - Repaint	6	\$6,000	\$1,000	11.49 %
510 Metal Fence - Replace (100%)	30	\$50,000	\$1,667	19.14 %
520 Metal Surfaces - Repaint	6	\$6,000	\$1,000	11.49 %
600 Irrigation System - Replace	25	\$91,000	\$3,640	41.81 %
610 Irrig Controllers - Replace	15	\$3,000	\$200	2.30 %
7 Total Funded Components			\$8,707	100.00 %

Fiscal Year Start: 2022

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$222,128	\$138,200	160.7 %	Low	0.00 %	\$12,532	\$0	\$1,807	\$97,000
2023	\$139,468	\$51,404	271.3 %	Low	0.00 %	\$12,532	\$0	\$1,464	\$0
2024	\$153,464	\$62,183	246.8 %	Low	0.00 %	\$12,532	\$0	\$1,605	\$0
2025	\$167,601	\$73,562	227.8 %	Low	0.00 %	\$12,532	\$0	\$1,714	\$6,556
2026	\$175,291	\$78,816	222.4 %	Low	0.00 %	\$12,532	\$0	\$1,824	\$0
2027	\$189,647	\$91,274	207.8 %	Low	0.00 %	\$12,532	\$0	\$1,910	\$11,593
2028	\$192,496	\$92,467	208.2 %	Low	0.00 %	\$12,532	\$0	\$1,961	\$7,164
2029	\$199,825	\$98,570	202.7 %	Low	0.00 %	\$12,532	\$0	\$2,070	\$0
2030	\$214,428	\$112,557	190.5 %	Low	0.00 %	\$12,532	\$0	\$2,217	\$0
2031	\$229,177	\$127,294	180.0 %	Low	0.00 %	\$12,532	\$0	\$2,326	\$7,829
2032	\$236,207	\$134,750	175.3 %	Low	0.00 %	\$12,532	\$0	\$2,436	\$0
2033	\$251,175	\$150,845	166.5 %	Low	0.00 %	\$12,532	\$0	\$2,586	\$0
2034	\$266,294	\$167,784	158.7 %	Low	0.00 %	\$12,532	\$0	\$2,280	\$91,249
2035	\$189,857	\$91,617	207.2 %	Low	0.00 %	\$12,532	\$0	\$1,970	\$0
2036	\$204,360	\$107,535	190.0 %	Low	0.00 %	\$12,532	\$0	\$2,116	\$0
2037	\$219,008	\$124,326	176.2 %	Low	0.00 %	\$12,532	\$0	\$2,138	\$24,927
2038	\$208,751	\$116,352	179.4 %	Low	0.00 %	\$12,532	\$0	\$2,160	\$0
2039	\$223,443	\$134,233	166.5 %	Low	0.00 %	\$12,532	\$0	\$2,308	\$0
2040	\$238,283	\$153,083	155.7 %	Low	0.00 %	\$12,532	\$0	\$2,405	\$10,215
2041	\$243,006	\$162,421	149.6 %	Low	0.00 %	\$12,532	\$0	\$2,504	\$0
2042	\$258,043	\$183,019	141.0 %	Low	0.00 %	\$12,532	\$0	\$2,655	\$0
2043	\$273,230	\$204,707	133.5 %	Low	0.00 %	\$12,532	\$0	\$2,752	\$11,162
2044	\$277,352	\$216,034	128.4 %	Low	0.00 %	\$12,532	\$0	\$2,849	\$0
2045	\$292,734	\$239,699	122.1 %	Low	0.00 %	\$12,532	\$0	\$3,004	\$0
2046	\$308,270	\$264,588	116.5 %	Low	0.00 %	\$12,532	\$0	\$3,099	\$12,197
2047	\$311,704	\$278,193	112.0 %	Low	0.00 %	\$12,532	\$0	\$2,132	\$211,472
2048	\$114,897	\$87,500	131.3 %	Low	0.00 %	\$12,532	\$0	\$1,217	\$0
2049	\$128,646	\$109,465	117.5 %	Low	0.00 %	\$12,532	\$0	\$1,255	\$19,992
2050	\$122,442	\$112,078	109.2 %	Low	0.00 %	\$12,532	\$0	\$1,293	\$0
2051	\$136,267	\$135,958	100.2 %	Low	0.00 %	\$12,532	\$0	\$1,432	\$0

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$222,128	\$139,468	\$153,464	\$167,601	\$175,291
Annual Reserve Contribution	\$12,532	\$12,532	\$12,532	\$12,532	\$12,532
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,807	\$1,464	\$1,605	\$1,714	\$1,824
Total Income	\$236,468	\$153,464	\$167,601	\$181,847	\$189,647
# Component					
GROUPS					
230 Concrete Drives - Repair	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$6,000	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$6,556	\$0
600 Irrigation System - Replace	\$91,000	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$97,000	\$0	\$0	\$6,556	\$0
Ending Reserve Balance	\$139,468	\$153,464	\$167,601	\$175,291	\$189,647

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$189,647	\$192,496	\$199,825	\$214,428	\$229,177
Annual Reserve Contribution	\$12,532	\$12,532	\$12,532	\$12,532	\$12,532
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,910	\$1,961	\$2,070	\$2,217	\$2,326
Total Income	\$204,089	\$206,989	\$214,428	\$229,177	\$244,035
# Component					
GROUNDS					
230 Concrete Drives - Repair	\$11,593	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$7,164	\$0	\$0	\$0
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$7,829
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$11,593	\$7,164	\$0	\$0	\$7,829
Ending Reserve Balance	\$192,496	\$199,825	\$214,428	\$229,177	\$236,207

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$236,207	\$251,175	\$266,294	\$189,857	\$204,360
Annual Reserve Contribution	\$12,532	\$12,532	\$12,532	\$12,532	\$12,532
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,436	\$2,586	\$2,280	\$1,970	\$2,116
Total Income	\$251,175	\$266,294	\$281,106	\$204,360	\$219,008
# Component					
GROUNDS					
230 Concrete Drives - Repair	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$7,129	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$0	\$8,555	\$0	\$0
510 Metal Fence - Replace (100%)	\$0	\$0	\$71,288	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$4,277	\$0	\$0
Total Expenses	\$0	\$0	\$91,249	\$0	\$0
Ending Reserve Balance	\$251,175	\$266,294	\$189,857	\$204,360	\$219,008

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$219,008	\$208,751	\$223,443	\$238,283	\$243,006
Annual Reserve Contribution	\$12,532	\$12,532	\$12,532	\$12,532	\$12,532
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,138	\$2,160	\$2,308	\$2,405	\$2,504
Total Income	\$233,678	\$223,443	\$238,283	\$253,221	\$258,043
# Component					
GROUNDS					
230 Concrete Drives - Repair	\$15,580	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$0	\$0	\$10,215	\$0
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$9,348	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$24,927	\$0	\$0	\$10,215	\$0
Ending Reserve Balance	\$208,751	\$223,443	\$238,283	\$243,006	\$258,043

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$258,043	\$273,230	\$277,352	\$292,734	\$308,270
Annual Reserve Contribution	\$12,532	\$12,532	\$12,532	\$12,532	\$12,532
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,655	\$2,752	\$2,849	\$3,004	\$3,099
Total Income	\$273,230	\$288,514	\$292,734	\$308,270	\$323,901
# Component					
GROUNDS					
230 Concrete Drives - Repair	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$12,197
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$11,162	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$11,162	\$0	\$0	\$12,197
Ending Reserve Balance	\$273,230	\$277,352	\$292,734	\$308,270	\$311,704

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$311,704	\$114,897	\$128,646	\$122,442	\$136,267
Annual Reserve Contribution	\$12,532	\$12,532	\$12,532	\$12,532	\$12,532
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,132	\$1,217	\$1,255	\$1,293	\$1,432
Total Income	\$326,369	\$128,646	\$142,434	\$136,267	\$150,232
# Component					
GROUNDS					
230 Concrete Drives - Repair	\$20,938	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$0
510 Metal Fence - Replace (100%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$13,328	\$0	\$0
600 Irrigation System - Replace	\$190,534	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$6,664	\$0	\$0
Total Expenses	\$211,472	\$0	\$19,992	\$0	\$0
Ending Reserve Balance	\$114,897	\$128,646	\$122,442	\$136,267	\$150,232



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.

GROUNDS

Comp #: 100 Monuments - Refurbish

Quantity: (2) Monuments

Location: Privada (Parcel 14B): Mounted along Desert Foothills Pkwy

Funded?: No. Funding to refurbish these monuments is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 230 Concrete Drives - Repair

Quantity: Numerous Sq Ft

Location: Privada (Parcel 14B): Shared driveways

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and/or partial replacements as needed.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: \$ 10,000

Worst Case: \$ 10,000

Cost Source: ARI Cost Allowance

Comp #: 380 Mailboxes - Replace

Quantity: (12) Clusters

Location: Privada (Parcel 14B): Mounted along Mountain Sage Dr

Funded?: No. We assume these mailboxes are the responsibility of the U.S. Postal Service, not the HOA.

History:

Comments: Mailboxes include (3) 12-box and (6) 16-box clusters. There are also (3) 2-box parcel lockers.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 21,600 Sq Ft

Location: Privada (Parcel 14B): Perimeter of parcel

Funded?: No. Funding to repaint and repair the perimeter block/stucco walls is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Block/Stucco Walls - Repair

Quantity: Approx 10,000 Sq Ft

Location: Privada (Parcel 14B): Interior walls bordering common areas

Funded?: Yes.

History:

Comments: Walls are expected to last the life of the community under normal circumstances. This component funds an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life:
25 years

Remaining Life:
12 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Allowance

Comp #: 502 Stucco Walls - Repaint

Quantity: Approx 10,000 Sq Ft

Location: Privada (Parcel 14B): Interior walls bordering common areas

Funded?: Yes.

History:

Comments: Fading and chipping noted. Overall, the stucco surfaces appear to be generally weathered and in poor shape.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 6,000

Worst Case: \$ 6,000

Cost Source: ARI Cost Database

Comp #: 510 Metal Fence - Replace (100%)

Quantity: Approx 1,350 LF

Location: Privada (Parcel 14B): Mounted along Mountain Sage Dr

Funded?: Yes.

History: Installed in 1998.

Comments: This is 3' metal fencing mounted on stucco retaining walls. We assume the HOA is 100% responsibility for replacement of this fencing. Observed to be intact, secure and in fair shape. Future replacement should be anticipated.

Useful Life:
30 years

Remaining Life:
12 years



Best Case: \$ 50,000

Worst Case: \$ 50,000

Cost Source: ARI Cost Database

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 1,800 LF

Location: Privada (Parcel 14B): Perimeter of parcel

Funded?: No. Funding to repaint and replace the view fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 515 Culvert Rails - Replace

Quantity: Numerous LF

Location: Privada (Parcel 14B): Common areas within the parcel

Funded?: No. These are iron pipe rails mounted on top of concrete culverts. They have an extended life span with no expectancy to replace in the foreseeable future. Repairs should be addressed as a maintenance expense when needed.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 520 Metal Surfaces - Repaint

Quantity: Fence & Rails

Location: Privada (Parcel 14B): Common areas within the parcel

Funded?: Yes.

History:

Comments: Surfaces appear to be uniform and in fair shape. This component funds to periodically repaint approximately 1,350 LF of metal fencing, as well as the culvert rails.

Useful Life:
6 years

Remaining Life:
3 years



Best Case: \$ 6,000

Worst Case: \$ 6,000

Cost Source: ARI Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Privada (Parcel 14B): Common areas throughout parcel

Funded?: Yes.

History:

Comments: This component funds to replace the irrigation system. The client reported that the system needs to be replaced.

Useful Life:
25 years

Remaining Life:
0 years



Best Case: \$ 91,000

Worst Case: \$ 91,000

Cost Source: Estimate Provided by Client

Comp #: 610 Irrig Controllers - Replace

Quantity: (3) Weathermatic

Location: Privada (Parcel 14B): Mounted on walls along 4th Dr, 2nd Ave & the South end of Mountain Sage Dr

Funded?: Yes.

History: Replaced in 2019 as part of landscape management contract.

Comments: Appear to be functional with no issues reported. ProQual notified us that the irrigation controller was installed as part of the landscape management contract. While the landscape management contract could be sustained, it would be prudent to still plan for future replacement, as this service/contract may not be continued in the future.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 160,000 Sq Ft

Location: Privada (Parcel 14B): Common areas throughout parcel

Funded?: No. The Master HOA replenishes landscape granite as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:



Foothills Club West Community Assoc. - Rosewood
Phoenix, AZ
Level of Service: "Full"

Report #: 10039-0
of Units: 40

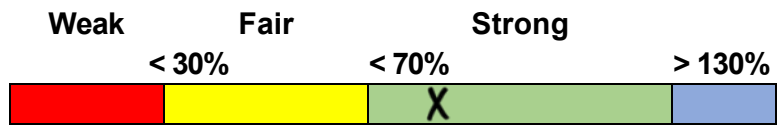
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$88,327
Current Fully Funded Reserve Balance	\$103,740
Average Reserve Deficit (Surplus) Per Unit	\$385
Percent Funded	85.1 %
Current Monthly Reserve Contribution	\$1,616
Recommended 2022 Monthly Reserve Contribution	\$1,700
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 85.1%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 85.1 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$1,700. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
COMMUNITY ENTRANCE				
100	Monuments - Refurbish	25	19	\$4,000
103	Entry System - Replace	15	9	\$5,000
106	Gate Operators - Replace	15	9	\$16,000
110	Vehicle Gates - Replace	30	24	\$18,000
121	Landscape Lights - Replace	15	9	\$8,000
GROUNDS				
200	Asphalt - Repave	30	23	\$135,000
202	Asphalt - Seal/Repair	4	0	\$7,000
220	Concrete - Repair	5	2	\$2,000
250	Street Signs - Replace	30	24	\$1,500
320	Street Lights - Replace	30	24	\$18,000
380	Mailboxes - Replace	20	14	\$9,000
402	Pet Stations - Replace	12	6	\$1,000
500	Block/Stucco Walls - Repair	25	19	\$5,000
502	Block/Stucco Walls - Repaint	6	0	\$6,000
512	View Fence - Replace (50%)	30	24	\$3,000
520	Metal Surfaces - Repaint	6	0	\$4,000
600	Irrigation System - Replace	25	10	\$30,300
610	Irrig Controller - Replace	15	12	\$1,000
640	Landscape Granite - Replenish	10	4	\$15,000
660	Drywells - Inspect/Clean	5	1	\$2,000
20 Total Funded Components				

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

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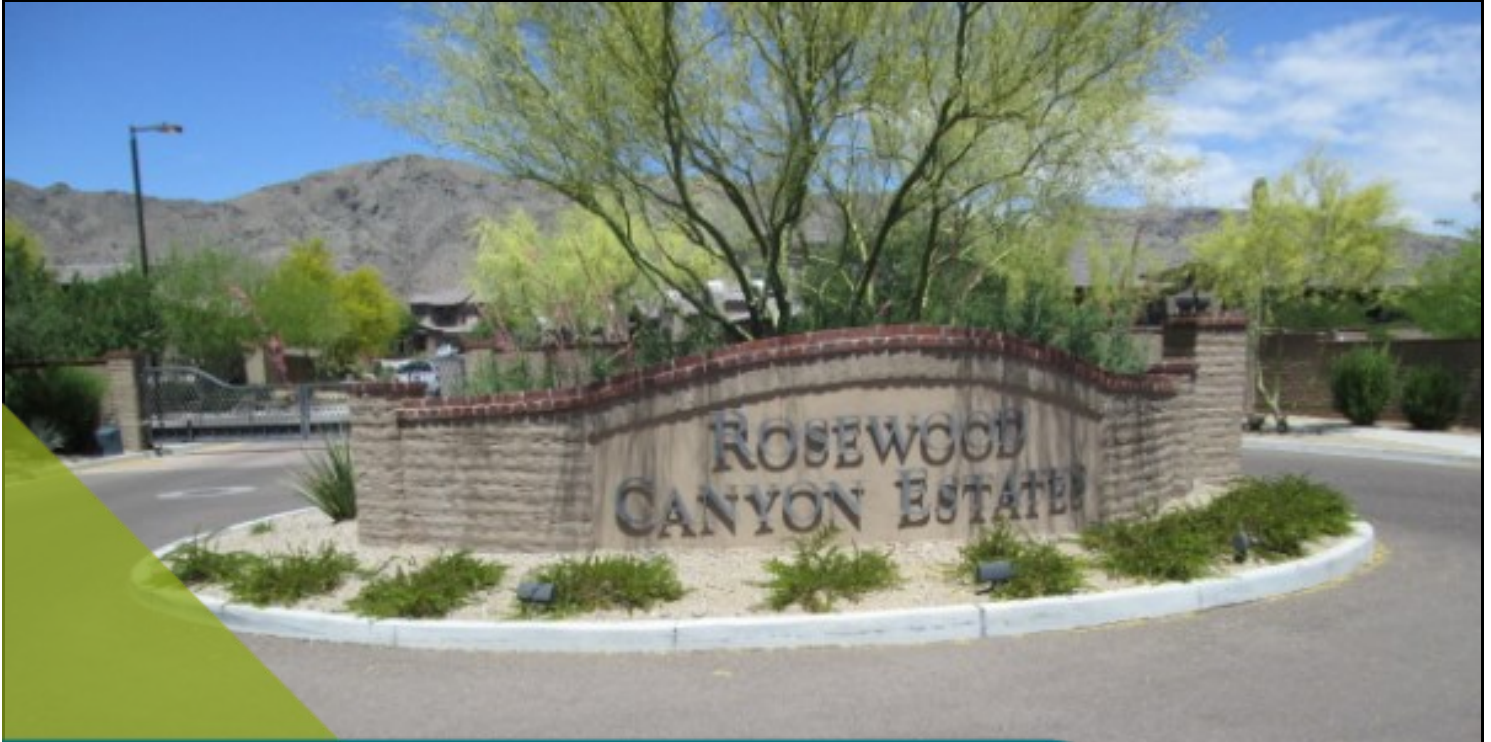


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**Foothills Club West Community Assoc.
Rosewood
Phoenix, AZ**



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

June 30, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Rosewood
Phoenix, AZ
Level of Service: "Full"

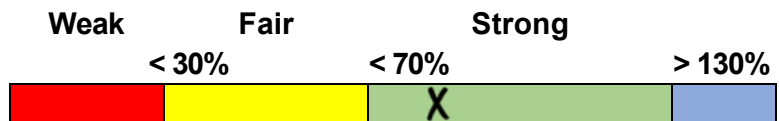
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Reserve Fund Strength: 85.1%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 85.1 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$1,700. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

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200	Asphalt - Repave	30	23	\$135,000
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380	Mailboxes - Replace	20	14	\$9,000
402	Pet Stations - Replace	12	6	\$1,000
500	Block/Stucco Walls - Repair	25	19	\$5,000
502	Block/Stucco Walls - Repaint	6	0	\$6,000
512	View Fence - Replace (50%)	30	24	\$3,000
520	Metal Surfaces - Repaint	6	0	\$4,000
600	Irrigation System - Replace	25	10	\$30,300
610	Irrig Controller - Replace	15	12	\$1,000
640	Landscape Granite - Replenish	10	4	\$15,000
660	Drywells - Inspect/Clean	5	1	\$2,000
20 Total Funded Components				

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

Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by visually inspecting the community entrance, followed by the 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.

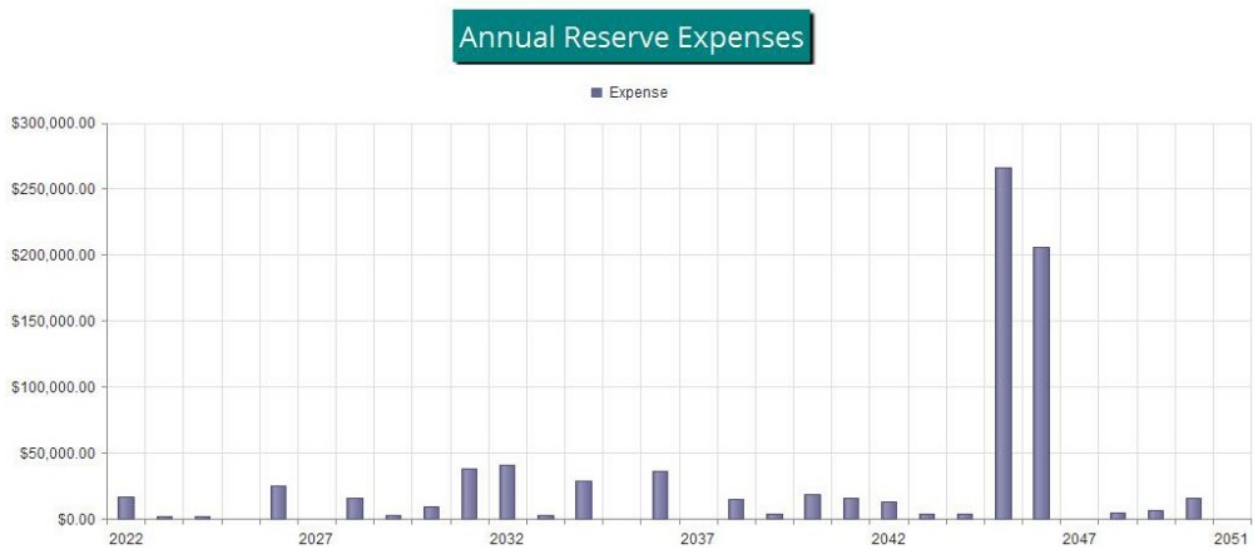


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$88,327 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$77,018 on 5/31/2021 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$103,740. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 85.1 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$1,700 this Fiscal Year. 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.

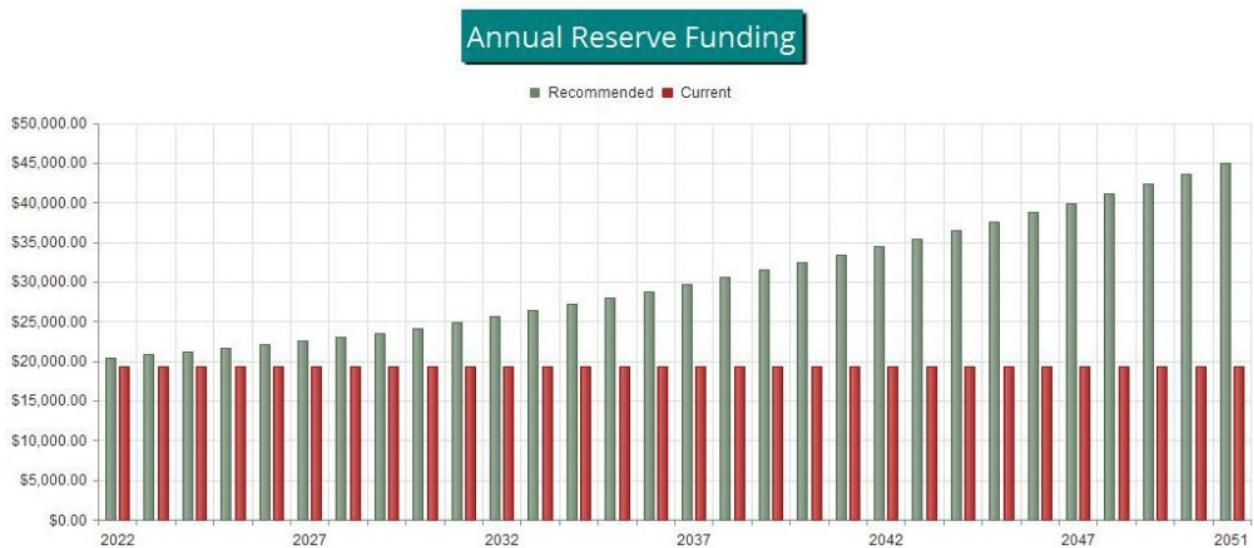


Figure 2

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.

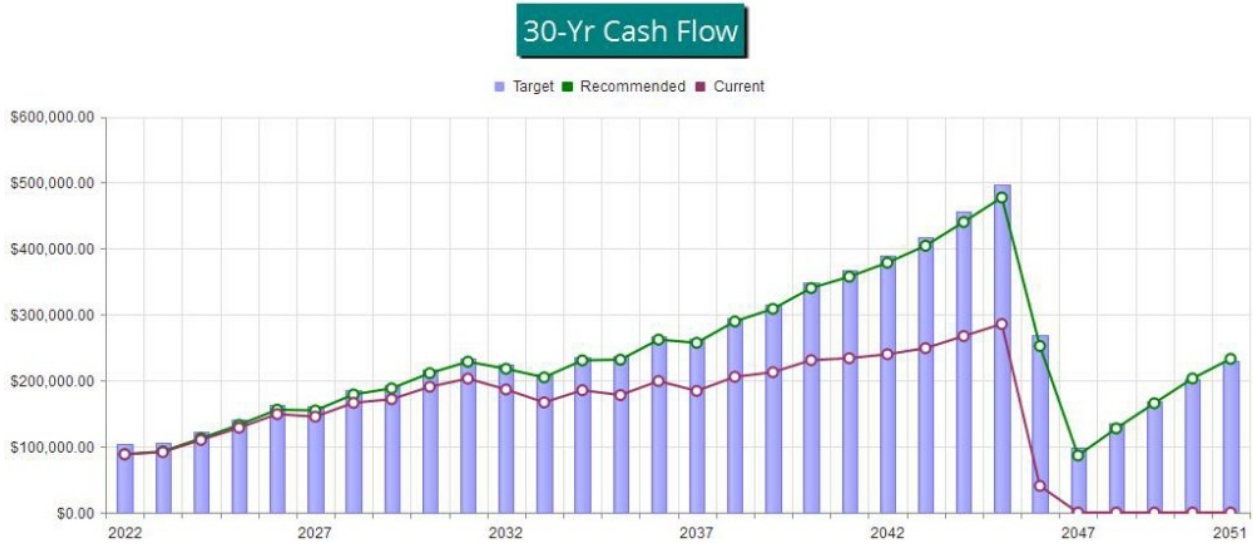


Figure 3

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



Executive Summary is a summary of your Reserve Components

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

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

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

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

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

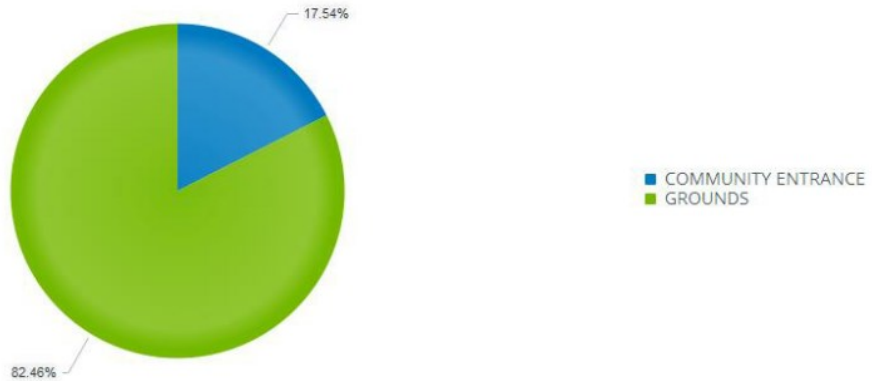
30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.



	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022	01/01/2022	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
	COMMUNITY ENTRANCE	15	30	9			24	\$51,000		
GROUNDS	4	30	0	24	\$239,800	\$17,000	\$75,767	\$87,580	\$164,033	\$16,894
					\$290,800	\$17,000	\$88,327	\$103,740	\$202,473	\$20,400

Percent Funded: 85.1%

Budget Summary



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
COMMUNITY ENTRANCE					
100	Monuments - Refurbish	(1) Monument	25	19	\$4,000
103	Entry System - Replace	(1) DoorKing	15	9	\$5,000
106	Gate Operators - Replace	(4) LiftMaster	15	9	\$16,000
110	Vehicle Gates - Replace	(4) Vehicle, (2) Ped.	30	24	\$18,000
121	Landscape Lights - Replace	Lights & Transformers	15	9	\$8,000
GROUNDS					
200	Asphalt - Repave	Approx 44,000 Sq Ft	30	23	\$135,000
202	Asphalt - Seal/Repair	Approx 44,000 Sq Ft	4	0	\$7,000
220	Concrete - Repair	Numerous Sq Ft	5	2	\$2,000
250	Street Signs - Replace	(11) Signs	30	24	\$1,500
320	Street Lights - Replace	(6) Street Lights	30	24	\$18,000
380	Mailboxes - Replace	(3) Clusters	20	14	\$9,000
402	Pet Stations - Replace	(2) Stations	12	6	\$1,000
500	Block/Stucco Walls - Repair	Approx 10,100 Sq Ft	25	19	\$5,000
502	Block/Stucco Walls - Repaint	Approx 10,100 Sq Ft	6	0	\$6,000
512	View Fence - Replace (50%)	Approx 240 LF	30	24	\$3,000
520	Metal Surfaces - Repaint	Gates, Fence, Poles	6	0	\$4,000
600	Irrigation System - Replace	Lines, Valves, Heads	25	10	\$30,300
610	Irrig Controller - Replace	(1) Weathermatic	15	12	\$1,000
640	Landscape Granite - Replenish	Approx 37,000 Sq Ft	10	4	\$15,000
660	Drywells - Inspect/Clean	(1) Drywell, (1) Basin	5	1	\$2,000
20	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
COMMUNITY ENTRANCE								
100	Monuments - Refurbish	\$4,000	X	6	/	25	=	\$960
103	Entry System - Replace	\$5,000	X	6	/	15	=	\$2,000
106	Gate Operators - Replace	\$16,000	X	6	/	15	=	\$6,400
110	Vehicle Gates - Replace	\$18,000	X	6	/	30	=	\$3,600
121	Landscape Lights - Replace	\$8,000	X	6	/	15	=	\$3,200
GROUNDS								
200	Asphalt - Repave	\$135,000	X	7	/	30	=	\$31,500
202	Asphalt - Seal/Repair	\$7,000	X	4	/	4	=	\$7,000
220	Concrete - Repair	\$2,000	X	3	/	5	=	\$1,200
250	Street Signs - Replace	\$1,500	X	6	/	30	=	\$300
320	Street Lights - Replace	\$18,000	X	6	/	30	=	\$3,600
380	Mailboxes - Replace	\$9,000	X	6	/	20	=	\$2,700
402	Pet Stations - Replace	\$1,000	X	6	/	12	=	\$500
500	Block/Stucco Walls - Repair	\$5,000	X	6	/	25	=	\$1,200
502	Block/Stucco Walls - Repaint	\$6,000	X	6	/	6	=	\$6,000
512	View Fence - Replace (50%)	\$3,000	X	6	/	30	=	\$600
520	Metal Surfaces - Repaint	\$4,000	X	6	/	6	=	\$4,000
600	Irrigation System - Replace	\$30,300	X	15	/	25	=	\$18,180
610	Irrig Controller - Replace	\$1,000	X	3	/	15	=	\$200
640	Landscape Granite - Replenish	\$15,000	X	6	/	10	=	\$9,000
660	Drywells - Inspect/Clean	\$2,000	X	4	/	5	=	\$1,600
								\$103,740

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
COMMUNITY ENTRANCE				
100 Monuments - Refurbish	25	\$4,000	\$160	1.02 %
103 Entry System - Replace	15	\$5,000	\$333	2.13 %
106 Gate Operators - Replace	15	\$16,000	\$1,067	6.81 %
110 Vehicle Gates - Replace	30	\$18,000	\$600	3.83 %
121 Landscape Lights - Replace	15	\$8,000	\$533	3.40 %
GROUNDS				
200 Asphalt - Repave	30	\$135,000	\$4,500	28.71 %
202 Asphalt - Seal/Repair	4	\$7,000	\$1,750	11.17 %
220 Concrete - Repair	5	\$2,000	\$400	2.55 %
250 Street Signs - Replace	30	\$1,500	\$50	0.32 %
320 Street Lights - Replace	30	\$18,000	\$600	3.83 %
380 Mailboxes - Replace	20	\$9,000	\$450	2.87 %
402 Pet Stations - Replace	12	\$1,000	\$83	0.53 %
500 Block/Stucco Walls - Repair	25	\$5,000	\$200	1.28 %
502 Block/Stucco Walls - Repaint	6	\$6,000	\$1,000	6.38 %
512 View Fence - Replace (50%)	30	\$3,000	\$100	0.64 %
520 Metal Surfaces - Repaint	6	\$4,000	\$667	4.25 %
600 Irrigation System - Replace	25	\$30,300	\$1,212	7.73 %
610 Irrig Controller - Replace	15	\$1,000	\$67	0.43 %
640 Landscape Granite - Replenish	10	\$15,000	\$1,500	9.57 %
660 Drywells - Inspect/Clean	5	\$2,000	\$400	2.55 %
20 Total Funded Components			\$15,672	100.00 %

Fiscal Year Start: 2022

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$88,327	\$103,740	85.1 %	Low	5.22 %	\$20,400	\$0	\$904	\$17,000
2023	\$92,632	\$105,484	87.8 %	Low	2.00 %	\$20,808	\$0	\$1,025	\$2,060
2024	\$112,404	\$123,154	91.3 %	Low	2.00 %	\$21,224	\$0	\$1,225	\$2,122
2025	\$132,732	\$141,788	93.6 %	Low	2.00 %	\$21,649	\$0	\$1,442	\$0
2026	\$155,823	\$163,681	95.2 %	Low	2.00 %	\$22,082	\$0	\$1,552	\$24,761
2027	\$154,695	\$161,255	95.9 %	Low	2.00 %	\$22,523	\$0	\$1,667	\$0
2028	\$178,885	\$184,806	96.8 %	Low	2.00 %	\$22,974	\$0	\$1,835	\$15,523
2029	\$188,171	\$193,636	97.2 %	Low	2.00 %	\$23,433	\$0	\$1,996	\$2,460
2030	\$211,140	\$216,765	97.4 %	Low	3.00 %	\$24,136	\$0	\$2,198	\$8,867
2031	\$228,607	\$234,583	97.5 %	Low	3.00 %	\$24,860	\$0	\$2,231	\$37,838
2032	\$217,860	\$223,708	97.4 %	Low	3.00 %	\$25,606	\$0	\$2,113	\$40,721
2033	\$204,858	\$210,171	97.5 %	Low	3.00 %	\$26,374	\$0	\$2,177	\$2,768
2034	\$230,640	\$235,969	97.7 %	Low	3.00 %	\$27,165	\$0	\$2,310	\$28,515
2035	\$231,601	\$236,692	97.8 %	Low	3.00 %	\$27,980	\$0	\$2,467	\$0
2036	\$262,048	\$267,498	98.0 %	Low	3.00 %	\$28,820	\$0	\$2,595	\$36,302
2037	\$257,161	\$262,549	97.9 %	Low	3.00 %	\$29,684	\$0	\$2,733	\$0
2038	\$289,578	\$295,574	98.0 %	Low	3.00 %	\$30,575	\$0	\$2,990	\$14,442
2039	\$308,701	\$315,469	97.9 %	Low	3.00 %	\$31,492	\$0	\$3,243	\$3,306
2040	\$340,130	\$348,209	97.7 %	Low	3.00 %	\$32,437	\$0	\$3,486	\$18,727
2041	\$357,326	\$366,847	97.4 %	Low	3.00 %	\$33,410	\$0	\$3,678	\$15,782
2042	\$378,633	\$389,903	97.1 %	Low	3.00 %	\$34,412	\$0	\$3,913	\$12,643
2043	\$404,316	\$417,733	96.8 %	Low	3.00 %	\$35,445	\$0	\$4,221	\$3,721
2044	\$440,261	\$456,462	96.5 %	Low	3.00 %	\$36,508	\$0	\$4,587	\$3,832
2045	\$477,524	\$497,139	96.1 %	Low	3.00 %	\$37,603	\$0	\$3,648	\$266,434
2046	\$252,341	\$269,483	93.6 %	Low	3.00 %	\$38,731	\$0	\$1,693	\$206,329
2047	\$86,437	\$97,863	88.3 %	Low	3.00 %	\$39,893	\$0	\$1,069	\$0
2048	\$127,399	\$134,597	94.7 %	Low	3.00 %	\$41,090	\$0	\$1,465	\$4,313
2049	\$165,641	\$169,005	98.0 %	Low	3.00 %	\$42,323	\$0	\$1,843	\$6,664
2050	\$203,143	\$203,067	100.0 %	Low	3.00 %	\$43,593	\$0	\$2,179	\$16,015
2051	\$232,900	\$229,595	101.4 %	Low	3.00 %	\$44,900	\$0	\$2,565	\$0

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$88,327	\$92,632	\$112,404	\$132,732	\$155,823
Annual Reserve Contribution	\$20,400	\$20,808	\$21,224	\$21,649	\$22,082
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$904	\$1,025	\$1,225	\$1,442	\$1,552
Total Income	\$109,632	\$114,464	\$134,854	\$155,823	\$179,456
# Component					
COMMUNITY ENTRANCE					
100 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$7,000	\$0	\$0	\$0	\$7,879
220 Concrete - Repair	\$0	\$0	\$2,122	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$6,000	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$4,000	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$16,883
660 Drywells - Inspect/Clean	\$0	\$2,060	\$0	\$0	\$0
Total Expenses	\$17,000	\$2,060	\$2,122	\$0	\$24,761
Ending Reserve Balance	\$92,632	\$112,404	\$132,732	\$155,823	\$154,695

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$154,695	\$178,885	\$188,171	\$211,140	\$228,607
Annual Reserve Contribution	\$22,523	\$22,974	\$23,433	\$24,136	\$24,860
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,667	\$1,835	\$1,996	\$2,198	\$2,231
Total Income	\$178,885	\$203,694	\$213,600	\$237,474	\$255,698
# Component					
COMMUNITY ENTRANCE					
100 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$6,524
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$20,876
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$10,438
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$8,867	\$0
220 Concrete - Repair	\$0	\$0	\$2,460	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
402 Pet Stations - Replace	\$0	\$1,194	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$7,164	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$4,776	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
660 Drywells - Inspect/Clean	\$0	\$2,388	\$0	\$0	\$0
Total Expenses	\$0	\$15,523	\$2,460	\$8,867	\$37,838
Ending Reserve Balance	\$178,885	\$188,171	\$211,140	\$228,607	\$217,860

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$217,860	\$204,858	\$230,640	\$231,601	\$262,048
Annual Reserve Contribution	\$25,606	\$26,374	\$27,165	\$27,980	\$28,820
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,113	\$2,177	\$2,310	\$2,467	\$2,595
Total Income	\$245,579	\$233,409	\$260,116	\$262,048	\$293,463
# Component					
COMMUNITY ENTRANCE					
100 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$9,980	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$2,852	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$13,613
402 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$8,555	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$5,703	\$0	\$0
600 Irrigation System - Replace	\$40,721	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$1,426	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$22,689
660 Drywells - Inspect/Clean	\$0	\$2,768	\$0	\$0	\$0
Total Expenses	\$40,721	\$2,768	\$28,515	\$0	\$36,302
Ending Reserve Balance	\$204,858	\$230,640	\$231,601	\$262,048	\$257,161

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$257,161	\$289,578	\$308,701	\$340,130	\$357,326
Annual Reserve Contribution	\$29,684	\$30,575	\$31,492	\$32,437	\$33,410
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,733	\$2,990	\$3,243	\$3,486	\$3,678
Total Income	\$289,578	\$323,143	\$343,436	\$376,053	\$394,415
# Component					
COMMUNITY ENTRANCE					
100 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$7,014
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$11,233	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$3,306	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$0	\$1,702	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$8,768
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$10,215	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$6,810	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
660 Drywells - Inspect/Clean	\$0	\$3,209	\$0	\$0	\$0
Total Expenses	\$0	\$14,442	\$3,306	\$18,727	\$15,782
Ending Reserve Balance	\$289,578	\$308,701	\$340,130	\$357,326	\$378,633

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$378,633	\$404,316	\$440,261	\$477,524	\$252,341
Annual Reserve Contribution	\$34,412	\$35,445	\$36,508	\$37,603	\$38,731
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,913	\$4,221	\$4,587	\$3,648	\$1,693
Total Income	\$416,959	\$443,982	\$481,356	\$518,775	\$292,766
# Component					
COMMUNITY ENTRANCE					
100 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$10,164
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$32,525
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$36,590
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$16,262
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$266,434	\$0
202 Asphalt - Seal/Repair	\$12,643	\$0	\$0	\$0	\$14,230
220 Concrete - Repair	\$0	\$0	\$3,832	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$3,049
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$36,590
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$12,197
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$6,098
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$8,131
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$30,492
660 Drywells - Inspect/Clean	\$0	\$3,721	\$0	\$0	\$0
Total Expenses	\$12,643	\$3,721	\$3,832	\$266,434	\$206,329
Ending Reserve Balance	\$404,316	\$440,261	\$477,524	\$252,341	\$86,437

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$86,437	\$127,399	\$165,641	\$203,143	\$232,900
Annual Reserve Contribution	\$39,893	\$41,090	\$42,323	\$43,593	\$44,900
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,069	\$1,465	\$1,843	\$2,179	\$2,565
Total Income	\$127,399	\$169,954	\$209,807	\$248,915	\$280,365
# Component					
COMMUNITY ENTRANCE					
100 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$16,015	\$0
220 Concrete - Repair	\$0	\$0	\$4,443	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
320 Street Lights - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
402 Pet Stations - Replace	\$0	\$0	\$0	\$0	\$0
500 Block/Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
502 Block/Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$0
512 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$2,221	\$0	\$0
640 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
660 Drywells - Inspect/Clean	\$0	\$4,313	\$0	\$0	\$0
Total Expenses	\$0	\$4,313	\$6,664	\$16,015	\$0
Ending Reserve Balance	\$127,399	\$165,641	\$203,143	\$232,900	\$280,365



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.

COMMUNITY ENTRANCE

Comp #: 100 Monuments - Refurbish

Quantity: (1) Monument

Location: Rosewood Canyon Estates: Community entrance along Chandler Blvd

Funded?: Yes.

History: Installed in 2016.

Comments: Observed to be modern and in good shape. This component funds to refurbish the monument, which includes replacement of the letters, as well as general repairs.

Useful Life:
25 years

Remaining Life:
19 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 103 Entry System - Replace

Quantity: (1) DoorKing

Location: Rosewood Canyon Estates: Community entrance along Chandler Blvd

Funded?: Yes.

History: Installed in 2016.

Comments: Observed to be functional and in fair shape. Some wear noted.

Useful Life:
15 years

Remaining Life:
9 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 106 Gate Operators - Replace

Quantity: (4) LiftMaster

Location: Rosewood Canyon Estates: Community entrance along Chandler Blvd

Funded?: Yes.

History: Installed in 2016.

Comments: Observed to be functional with no issues reported.

*Model: CSW24U, Mfg. Date: 5/2016

Useful Life:
15 years

Remaining Life:
9 years



Best Case: \$ 16,000

Worst Case: \$ 16,000

Cost Source: ARI Cost Database

Comp #: 110 Vehicle Gates - Replace

Quantity: (4) Vehicle, (2) Ped.

Location: Rosewood Canyon Estates: Community entrance along Chandler Blvd (includes metal fencing between vehicle gates)

Funded?: Yes.

History: Installed in 2016.

Comments: Vehicle gates can often be repaired or rebuilt as needed. Replacement resulting from vehicle damage should be addressed as an insurance issue. We recommend planning eventual replacement to restore and modernize the gates. Funding to replace the (2) pedestrian gates and approximately 3 LF of metal fencing between the vehicle gates is also included.

Useful Life:
30 years

Remaining Life:
24 years



Best Case: \$ 18,000

Worst Case: \$ 18,000

Cost Source: ARI Cost Database

Comp #: 114 Strobe Detectors - Replace

Quantity: (2) Detectors

Location: Rosewood Canyon Estates: Community entrance along Chandler Blvd

Funded?: No. These switches detect strobe signals from emergency vehicles and automatically open gate systems. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 121 Landscape Lights - Replace

Quantity: Lights & Transformers

Location: Rosewood Canyon Estates: Community entrance along Chandler Blvd

Funded?: Yes.

History: Installed in 2016.

Comments: There are approximately (26) landscape lights, (3) monument lights, (4) in-wall lights and (3) transformers. This component funds to replace the landscape lights and low-voltage transformers.

Useful Life:
15 years

Remaining Life:
9 years



Best Case: \$ 8,000

Worst Case: \$ 8,000

Cost Source: ARI Cost Database

GROUNDS

Comp #: 200 Asphalt - Repave**Quantity: Approx 44,000 Sq Ft**

Location: Rosewood Canyon Estates: Streets throughout parcel

Funded?: Yes.

History: Installed in 2016.

Comments: Observed to be intact and smooth. Some cracking noted. Life span is based on periodically seal coating and maintaining the surface. This component funds to completely remove and repave the asphalt.

Useful Life:
30 yearsRemaining Life:
23 years

Best Case: \$ 135,000

Worst Case: \$ 135,000

Cost Source: ARI Cost Database

Comp #: 202 Asphalt - Seal/Repair**Quantity: Approx 44,000 Sq Ft**

Location: Rosewood Canyon Estates: Streets throughout parcel

Funded?: Yes.

History:

Comments: Appears to not have a seal coat applied. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life:
4 yearsRemaining Life:
0 years

Best Case: \$ 7,000

Worst Case: \$ 7,000

Cost Source: ARI Cost Database

Comp #: 220 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Rosewood Canyon Estates: Walkways, curbs & gutters throughout parcel

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and/or partial replacements as needed.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Allowance

Comp #: 250 Street Signs - Replace

Quantity: (11) Signs

Location: Rosewood Canyon Estates: Mounted adjacent to streets throughout parcel

Funded?: Yes.

History: Installed in 2016.

Comments: Appear to be intact and visible. Future replacement should be anticipated.

Useful Life:
30 years

Remaining Life:
24 years



Best Case: \$ 1,500

Worst Case: \$ 1,500

Cost Source: ARI Cost Database

Comp #: 320 Street Lights - Replace

Quantity: (6) Street Lights

Location: Rosewood Canyon Estates: Mounted adjacent to streets throughout parcel

Funded?: Yes.

History: Installed in 2016.

Comments: Appear to be intact, functional and in good shape. Long life span under normal circumstances. Future replacement should be anticipated.

Useful Life:
30 years

Remaining Life:
24 years



Best Case: \$ 18,000

Worst Case: \$ 18,000

Cost Source: ARI Cost Database

Comp #: 380 Mailboxes - Replace

Quantity: (3) Clusters

Location: Rosewood Canyon Estates: Mounted along 11th Ave

Funded?: Yes.

History: Installed in 2016.

Comments: These are 16-box clusters. Appear to be functional and in good shape. Future replacement should be anticipated.

*Mfg. Date: 5/2016

Useful Life:
20 years

Remaining Life:
14 years



Best Case: \$ 9,000

Worst Case: \$ 9,000

Cost Source: ARI Cost Database

Comp #: 402 Pet Stations - Replace

Quantity: (2) Stations

Location: Rosewood Canyon Estates: Mounted in the Northwest & Southeast common areas

Funded?: Yes.

History: Installed in 2016.

Comments: Appear to be intact, functional and in fair shape.

Useful Life:
12 years

Remaining Life:
6 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 9,300 Sq Ft

Location: Rosewood Canyon Estates: Perimeter of parcel

Funded?: No. Funding to repaint and repair the perimeter block/stucco walls is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 500 Block/Stucco Walls - Repair

Quantity: Approx 10,100 Sq Ft

Location: Rosewood Canyon Estates: Bordering center & Southeast common areas

Funded?: Yes.

History: Installed in 2016.

Comments: Walls are expected to last the life of the community under normal circumstances. This component funds an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life:
25 years

Remaining Life:
19 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Allowance

Comp #: 502 Block/Stucco Walls - Repaint

Quantity: Approx 10,100 Sq Ft

Location: Rosewood Canyon Estates: Bordering center & Southeast common areas

Funded?: Yes.

History: Painted with install in 2016.

Comments: Some fading and weathering evident. This component funds to periodically repaint the parcel interior walls.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 6,000

Worst Case: \$ 6,000

Cost Source: ARI Cost Database

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 1,500 LF

Location: Rosewood Canyon Estates: Perimeter of parcel

Funded?: No. Funding to repaint and replace the perimeter view fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 512 View Fence - Replace (50%)

Quantity: Approx 240 LF

Location: Rosewood Canyon Estates: Mounted on stucco walls in the center common area

Funded?: Yes.

History: Installed in 2016.

Comments: This is 1' tall metal view fence. Observed to be intact, secure and in good shape. Future replacement should be anticipated. Cost reflects 50% HOA responsibility, per the CC&R's.

Useful Life:
30 years

Remaining Life:
24 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 520 Metal Surfaces - Repaint

Quantity: Gates, Fence, Poles

Location: Rosewood Canyon Estates: Common areas throughout parcel

Funded?: Yes.

History: Painted with install in 2016.

Comments: Surfaces were observed to be faded and oxidized. This component funds to periodically repaint the metal surfaces, which includes (4) vehicle gates, (2) pedestrian gates, 240 LF of view fence, (6) street lights and the monument letters.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Rosewood Canyon Estates: Common areas throughout parcel

Funded?: Yes.

History: Installed in 2016.

Comments: This component funds to replace the irrigation system. The client reported that the system will need to be replaced sooner rather than later.

Useful Life:
25 years

Remaining Life:
10 years



Best Case: \$ 30,300

Worst Case: \$ 30,300

Cost Source: Estimate Provided by Client

Comp #: 610 Irrig Controller - Replace

Quantity: (1) Weathermatic

Location: Rosewood Canyon Estates: Mounted to wall in the Southeast common area
Funded?: Yes.

History: Replaced in 2019 as part of landscape management contract.

Comments: Appears to be functional with no issues reported. ProQual notified us that the irrigation controller was installed as part of the landscape management contract. While the landscape management contract could be sustained, it would be prudent to still plan for future replacement, as this service/contract may not be continued in the future.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 10,000 Sq Ft

Location: Rosewood Canyon Estates: Common areas along Chandler Blvd

Funded?: No. The Master HOA replenishes this landscape granite as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 37,000 Sq Ft

Location: Rosewood Canyon Estates: Center & Southeast common areas

Funded?: Yes.

History: Installed in 2016.

Comments: Complete replacement of the landscape granite is not anticipated. Coverage will deplete over time, so this component funds an allowance to top dress the existing granite with a new 1" layer.

Useful Life:
10 years

Remaining Life:
4 years



Best Case: \$ 15,000

Worst Case: \$ 15,000

Cost Source: ARI Cost Database

Comp #: 660 Drywells - Inspect/Clean

Quantity: (1) Drywell, (1) Basin

Location: Rosewood Canyon Estates: Southeast common area

Funded?: Yes.

History:

Comments: There is (1) drywell and (1) catch basin. Drywells and catch basins need to be inspected and cleaned out periodically to ensure proper operation and to prevent failure.

Useful Life:
5 years

Remaining Life:
1 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Allowance



Foothills Club West Community Assoc. - Summerhill
Phoenix, AZ
Level of Service: "Full"

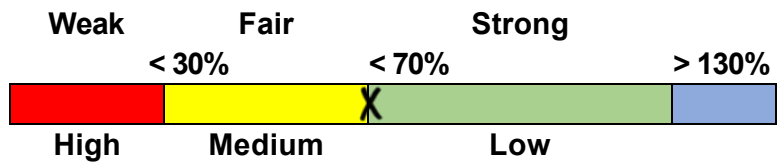
Report #: **10039-0**
of Units: 42
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of **January 1, 2022**

Projected Starting Reserve Balance	\$204,974
Current Fully Funded Reserve Balance	\$287,415
Average Reserve Deficit (Surplus) Per Unit	\$1,963
Percent Funded	71.3 %
Current Monthly Reserve Contribution	\$1,291
Recommended 2022 Monthly Reserve Contribution	\$2,000
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 71.3%



Risk of Special Assessment:

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 71.3 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$2,000, followed by annual contribution increases of 11% the next few years. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

Although your current position is Strong, our recommended increases will be necessary to provide Reserves with sufficient funding to complete the future asphalt repavement project.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
COMMUNITY ENTRANCE				
100	Monument - Refurbish	25	6	\$4,000
101	Tile Sign - Replace	15	9	\$2,000
103	Entry System - Replace	15	5	\$5,000
106	Gate Operators - Replace	15	0	\$16,000
110	Vehicle Gates - Replace	30	15	\$17,000
112	Decorative Rails - Replace	30	15	\$3,000
121	Landscape Lights - Replace	15	6	\$5,500
GROUNDS				
200	Asphalt - Repave	30	7	\$280,000
202	Asphalt - Seal/Repair	4	0	\$20,000
220	Concrete - Repair	5	2	\$3,000
250	Street Signs - Replace	30	9	\$7,000
380	Mailboxes - Replace	20	1	\$7,500
520	Metal Surfaces - Repaint	6	3	\$4,500
610	Irrig Controller - Replace	15	12	\$1,000
14 Total Funded Components				

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

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Foothills Club West Community Assoc.
Summerhill
Phoenix, AZ



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

June 30, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Summerhill
Phoenix, AZ
Level of Service: "Full"

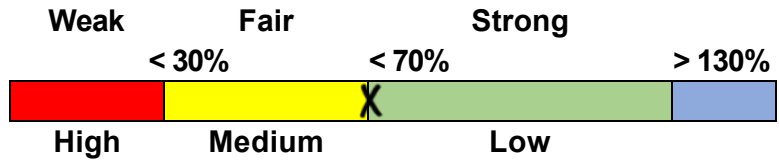
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Your Reserve Fund is 71.3 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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14 Total Funded Components				

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Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by visually inspecting the community entrance, followed by the 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.

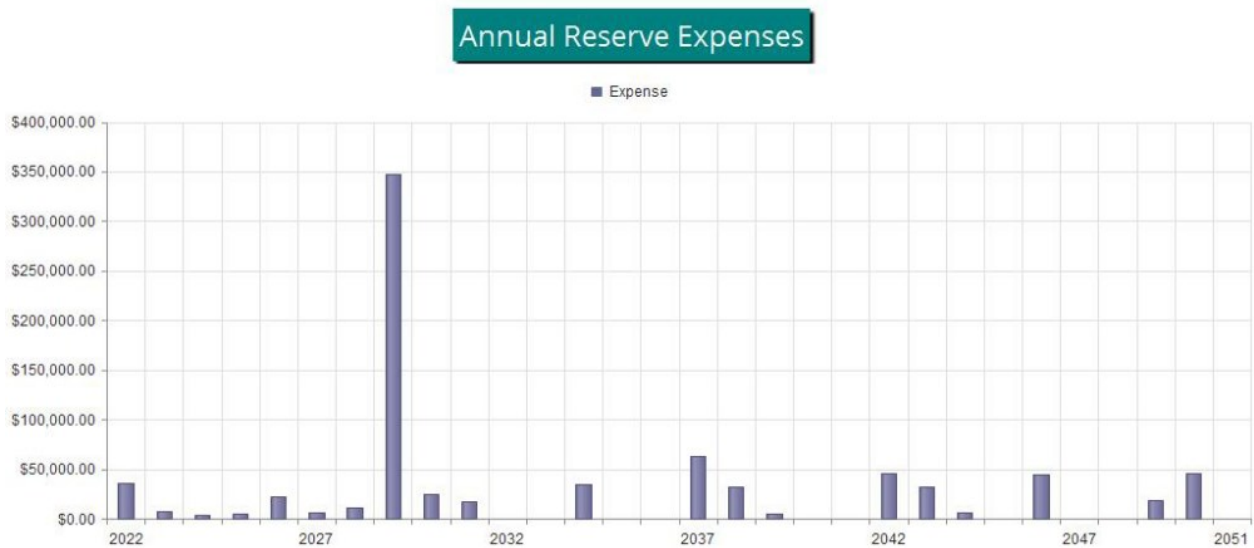


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$204,974 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$195,940 on 5/31/2021 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$287,415. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 71.3 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$2,000 this Fiscal Year. 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.

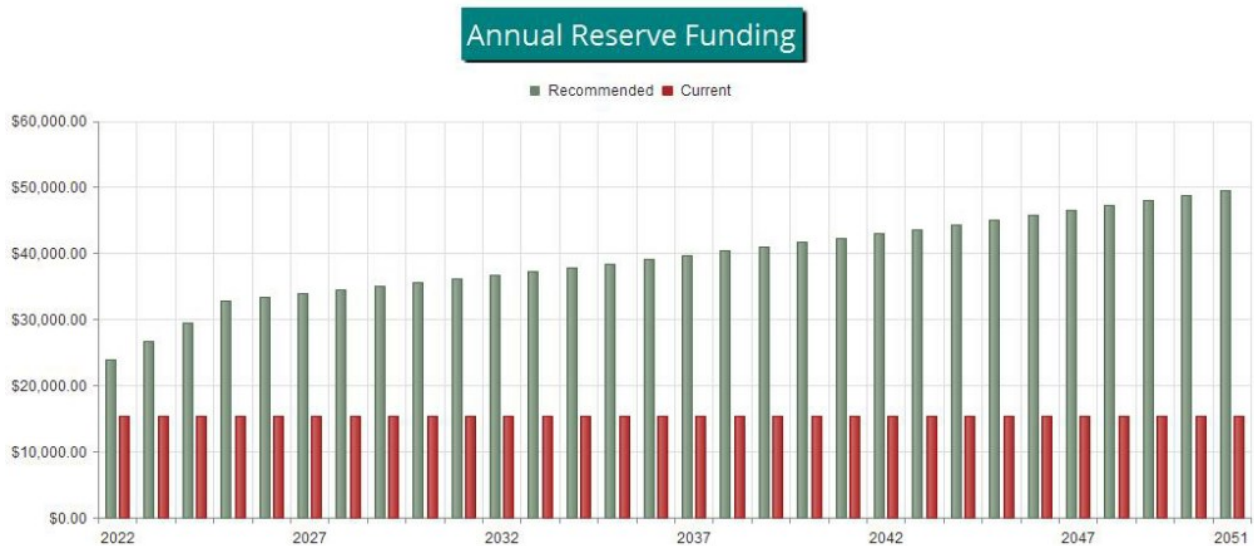


Figure 2

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.

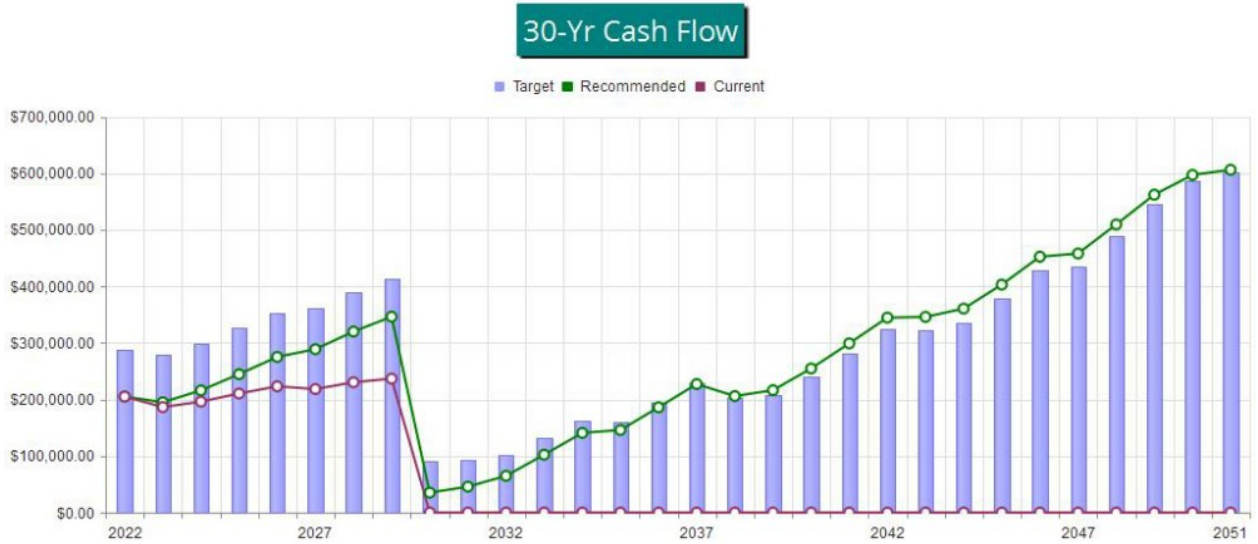


Figure 3

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



Executive Summary is a summary of your Reserve Components

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

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

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

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

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

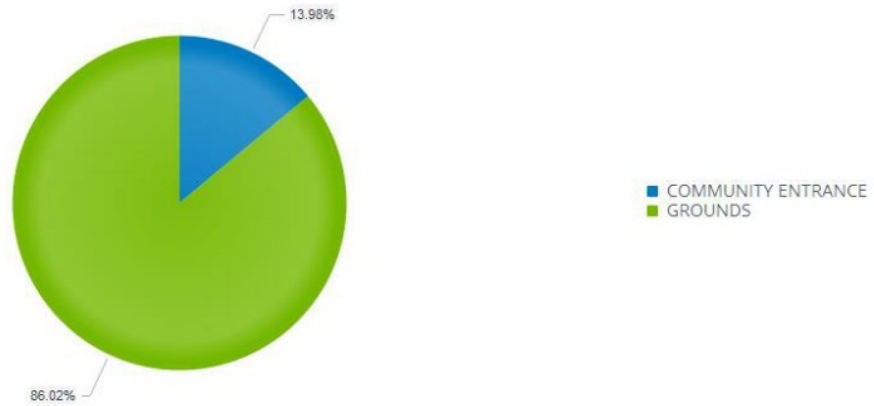
30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.



	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022	01/01/2022	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
COMMUNITY ENTRANCE	15	30	0	15	\$52,500	\$16,000	\$25,673	\$36,473	\$26,827	\$3,429
GROUNDS	4	30	0	12	\$323,000	\$20,000	\$179,300	\$250,942	\$143,700	\$20,571
					\$375,500	\$36,000	\$204,974	\$287,415	\$170,526	\$24,000

Percent Funded: 71.3%

Budget Summary



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
COMMUNITY ENTRANCE					
100	Monument - Refurbish	(1) Monument	25	6	\$4,000
101	Tile Sign - Replace	(1) Sign	15	9	\$2,000
103	Entry System - Replace	(1) DoorKing	15	5	\$5,000
106	Gate Operators - Replace	(4) Elite	15	0	\$16,000
110	Vehicle Gates - Replace	(4) Vehicle, (1) Ped.	30	15	\$17,000
112	Decorative Rails - Replace	Approx 40 LF	30	15	\$3,000
121	Landscape Lights - Replace	Lights & Transformers	15	6	\$5,500
GROUNDS					
200	Asphalt - Repave	Approx 107,000 Sq Ft	30	7	\$280,000
202	Asphalt - Seal/Repair	Approx 107,000 Sq Ft	4	0	\$20,000
220	Concrete - Repair	Numerous Sq Ft	5	2	\$3,000
250	Street Signs - Replace	Signs & Posts	30	9	\$7,000
380	Mailboxes - Replace	(3) Clusters	20	1	\$7,500
520	Metal Surfaces - Repaint	Fence, Gates, Rails	6	3	\$4,500
610	Irrig Controller - Replace	(1) Weathermatic	15	12	\$1,000
<hr/>					
14	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
COMMUNITY ENTRANCE								
100	Monument - Refurbish	\$4,000	X	19	/	25	=	\$3,040
101	Tile Sign - Replace	\$2,000	X	6	/	15	=	\$800
103	Entry System - Replace	\$5,000	X	10	/	15	=	\$3,333
106	Gate Operators - Replace	\$16,000	X	15	/	15	=	\$16,000
110	Vehicle Gates - Replace	\$17,000	X	15	/	30	=	\$8,500
112	Decorative Rails - Replace	\$3,000	X	15	/	30	=	\$1,500
121	Landscape Lights - Replace	\$5,500	X	9	/	15	=	\$3,300
GROUNDS								
200	Asphalt - Repave	\$280,000	X	23	/	30	=	\$214,667
202	Asphalt - Seal/Repair	\$20,000	X	4	/	4	=	\$20,000
220	Concrete - Repair	\$3,000	X	3	/	5	=	\$1,800
250	Street Signs - Replace	\$7,000	X	21	/	30	=	\$4,900
380	Mailboxes - Replace	\$7,500	X	19	/	20	=	\$7,125
520	Metal Surfaces - Repaint	\$4,500	X	3	/	6	=	\$2,250
610	Irrig Controller - Replace	\$1,000	X	3	/	15	=	\$200
								\$287,415

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
COMMUNITY ENTRANCE				
100 Monument - Refurbish	25	\$4,000	\$160	0.84 %
101 Tile Sign - Replace	15	\$2,000	\$133	0.70 %
103 Entry System - Replace	15	\$5,000	\$333	1.75 %
106 Gate Operators - Replace	15	\$16,000	\$1,067	5.59 %
110 Vehicle Gates - Replace	30	\$17,000	\$567	2.97 %
112 Decorative Rails - Replace	30	\$3,000	\$100	0.52 %
121 Landscape Lights - Replace	15	\$5,500	\$367	1.92 %
GROUNDS				
200 Asphalt - Repave	30	\$280,000	\$9,333	48.90 %
202 Asphalt - Seal/Repair	4	\$20,000	\$5,000	26.20 %
220 Concrete - Repair	5	\$3,000	\$600	3.14 %
250 Street Signs - Replace	30	\$7,000	\$233	1.22 %
380 Mailboxes - Replace	20	\$7,500	\$375	1.96 %
520 Metal Surfaces - Repaint	6	\$4,500	\$750	3.93 %
610 Irrig Controller - Replace	15	\$1,000	\$67	0.35 %
14 Total Funded Components			\$19,085	100.00 %

Fiscal Year Start: 2022

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$204,974	\$287,415	71.3 %	Low	54.98 %	\$24,000	\$0	\$1,999	\$36,000
2023	\$194,972	\$278,615	70.0 %	Medium	11.00 %	\$26,640	\$0	\$2,054	\$7,725
2024	\$215,941	\$299,264	72.2 %	Low	11.00 %	\$29,570	\$0	\$2,302	\$3,183
2025	\$244,631	\$325,818	75.1 %	Low	11.00 %	\$32,823	\$0	\$2,598	\$4,917
2026	\$275,134	\$352,009	78.2 %	Low	1.60 %	\$33,348	\$0	\$2,818	\$22,510
2027	\$288,791	\$361,508	79.9 %	Low	1.60 %	\$33,882	\$0	\$3,042	\$5,796
2028	\$319,919	\$389,171	82.2 %	Low	1.60 %	\$34,424	\$0	\$3,330	\$11,343
2029	\$346,329	\$412,635	83.9 %	Low	1.60 %	\$34,975	\$0	\$1,907	\$348,054
2030	\$35,156	\$90,694	38.8 %	Medium	1.60 %	\$35,534	\$0	\$404	\$25,335
2031	\$45,759	\$92,221	49.6 %	Medium	1.60 %	\$36,103	\$0	\$553	\$17,614
2032	\$64,801	\$102,494	63.2 %	Medium	1.60 %	\$36,681	\$0	\$835	\$0
2033	\$102,316	\$131,987	77.5 %	Low	1.60 %	\$37,267	\$0	\$1,215	\$0
2034	\$140,799	\$163,157	86.3 %	Low	1.60 %	\$37,864	\$0	\$1,433	\$34,218
2035	\$145,877	\$160,834	90.7 %	Low	1.60 %	\$38,470	\$0	\$1,659	\$0
2036	\$186,005	\$194,527	95.6 %	Low	1.60 %	\$39,085	\$0	\$2,065	\$0
2037	\$227,155	\$230,096	98.7 %	Low	1.60 %	\$39,710	\$0	\$2,165	\$63,098
2038	\$205,933	\$202,634	101.6 %	Low	1.60 %	\$40,346	\$0	\$2,110	\$32,094
2039	\$216,295	\$207,201	104.4 %	Low	1.60 %	\$40,991	\$0	\$2,354	\$4,959
2040	\$254,681	\$240,801	105.8 %	Low	1.60 %	\$41,647	\$0	\$2,768	\$0
2041	\$299,096	\$281,490	106.3 %	Low	1.60 %	\$42,314	\$0	\$3,217	\$0
2042	\$344,627	\$324,405	106.2 %	Low	1.60 %	\$42,991	\$0	\$3,451	\$45,153
2043	\$345,916	\$323,133	107.1 %	Low	1.60 %	\$43,678	\$0	\$3,531	\$32,555
2044	\$360,570	\$335,864	107.4 %	Low	1.60 %	\$44,377	\$0	\$3,816	\$5,748
2045	\$403,015	\$377,685	106.7 %	Low	1.60 %	\$45,087	\$0	\$4,275	\$0
2046	\$452,378	\$427,812	105.7 %	Low	1.60 %	\$45,809	\$0	\$4,550	\$44,721
2047	\$458,015	\$434,543	105.4 %	Low	1.60 %	\$46,542	\$0	\$4,835	\$0
2048	\$509,392	\$488,738	104.2 %	Low	1.60 %	\$47,286	\$0	\$5,355	\$0
2049	\$562,033	\$545,793	103.0 %	Low	1.60 %	\$48,043	\$0	\$5,793	\$18,881
2050	\$596,988	\$586,384	101.8 %	Low	1.60 %	\$48,812	\$0	\$6,013	\$45,759
2051	\$606,053	\$601,820	100.7 %	Low	1.60 %	\$49,593	\$0	\$6,337	\$0

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$204,974	\$194,972	\$215,941	\$244,631	\$275,134
Annual Reserve Contribution	\$24,000	\$26,640	\$29,570	\$32,823	\$33,348
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,999	\$2,054	\$2,302	\$2,598	\$2,818
Total Income	\$230,972	\$223,666	\$247,813	\$280,052	\$311,301
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$16,000	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$20,000	\$0	\$0	\$0	\$22,510
220 Concrete - Repair	\$0	\$0	\$3,183	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$7,725	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$4,917	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$36,000	\$7,725	\$3,183	\$4,917	\$22,510
Ending Reserve Balance	\$194,972	\$215,941	\$244,631	\$275,134	\$288,791

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$288,791	\$319,919	\$346,329	\$35,156	\$45,759
Annual Reserve Contribution	\$33,882	\$34,424	\$34,975	\$35,534	\$36,103
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,042	\$3,330	\$1,907	\$404	\$553
Total Income	\$325,715	\$357,672	\$383,210	\$71,095	\$82,415
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$4,776	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$2,610
103 Entry System - Replace	\$5,796	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$6,567	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$344,365	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$25,335	\$0
220 Concrete - Repair	\$0	\$0	\$3,690	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$9,133
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$5,871
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$5,796	\$11,343	\$348,054	\$25,335	\$17,614
Ending Reserve Balance	\$319,919	\$346,329	\$35,156	\$45,759	\$64,801

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$64,801	\$102,316	\$140,799	\$145,877	\$186,005
Annual Reserve Contribution	\$36,681	\$37,267	\$37,864	\$38,470	\$39,085
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$835	\$1,215	\$1,433	\$1,659	\$2,065
Total Income	\$102,316	\$140,799	\$180,095	\$186,005	\$227,155
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$28,515	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$4,277	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$1,426	\$0	\$0
Total Expenses	\$0	\$0	\$34,218	\$0	\$0
Ending Reserve Balance	\$102,316	\$140,799	\$145,877	\$186,005	\$227,155

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$227,155	\$205,933	\$216,295	\$254,681	\$299,096
Annual Reserve Contribution	\$39,710	\$40,346	\$40,991	\$41,647	\$42,314
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,165	\$2,110	\$2,354	\$2,768	\$3,217
Total Income	\$269,030	\$248,389	\$259,640	\$299,096	\$344,627
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$24,927	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$26,485	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$4,674	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$32,094	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$4,959	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$7,011	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$63,098	\$32,094	\$4,959	\$0	\$0
Ending Reserve Balance	\$205,933	\$216,295	\$254,681	\$299,096	\$344,627

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$344,627	\$345,916	\$360,570	\$403,015	\$452,378
Annual Reserve Contribution	\$42,991	\$43,678	\$44,377	\$45,087	\$45,809
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,451	\$3,531	\$3,816	\$4,275	\$4,550
Total Income	\$391,069	\$393,125	\$408,764	\$452,378	\$502,737
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$4,066
103 Entry System - Replace	\$9,031	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$10,232	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$36,122	\$0	\$0	\$0	\$40,656
220 Concrete - Repair	\$0	\$0	\$5,748	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$13,952	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$8,371	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$45,153	\$32,555	\$5,748	\$0	\$44,721
Ending Reserve Balance	\$345,916	\$360,570	\$403,015	\$452,378	\$458,015

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$458,015	\$509,392	\$562,033	\$596,988	\$606,053
Annual Reserve Contribution	\$46,542	\$47,286	\$48,043	\$48,812	\$49,593
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,835	\$5,355	\$5,793	\$6,013	\$6,337
Total Income	\$509,392	\$562,033	\$615,868	\$651,812	\$661,983
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
112 Decorative Rails - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$45,759	\$0
220 Concrete - Repair	\$0	\$0	\$6,664	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$9,996	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$2,221	\$0	\$0
Total Expenses	\$0	\$0	\$18,881	\$45,759	\$0
Ending Reserve Balance	\$509,392	\$562,033	\$596,988	\$606,053	\$661,983



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.

COMMUNITY ENTRANCE

Comp #: 100 Monument - Refurbish**Quantity: (1) Monument**

Location: Summerhill (Parcel 15D): Community entrance

Funded?: Yes.

History:

Comments: This is a double-sided monument. Appears to be modern and attractive. This component funds to refurbish the monument, which includes replacement of the tile surfaces and letters, as well as general repairs.

Useful Life:
25 yearsRemaining Life:
6 years

Best Case: \$ 4,000

Worst Case: \$ 4,000

Cost Source: ARI Cost Database

Comp #: 101 Tile Sign - Replace**Quantity: (1) Sign**

Location: Summerhill (Parcel 15D): Community entrance

Funded?: Yes.

History:

Comments: Appear to be intact and in good shape.

Useful Life:
15 yearsRemaining Life:
9 years

Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 103 Entry System - Replace

Quantity: (1) DoorKing

Location: Summerhill (Parcel 15D): Community entrance

Funded?: Yes.

History:

Comments: Wear and weathering evident, but still functional.

Useful Life:
15 years

Remaining Life:
5 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 106 Gate Operators - Replace

Quantity: (4) Elite

Location: Summerhill (Parcel 15D): Community entrance

Funded?: Yes.

History: Installed around 2001.

Comments: These operators are still original. Based on age, replacement should be expected soon.

*Model: CSW-200-UL, Mfg. Date: 3/2001

Useful Life:
15 years

Remaining Life:
0 years



Best Case: \$ 16,000

Worst Case: \$ 16,000

Cost Source: ARI Cost Database

Comp #: 110 Vehicle Gates - Replace

Quantity: (4) Vehicle, (1) Ped.

Location: Summerhill (Parcel 15D): Community entrance (includes metal fencing)

Funded?: Yes.

History:

Comments: Vehicle gates can often be repaired or rebuilt as needed. Replacement resulting from vehicle damage should be addressed as an insurance issue. We recommend planning eventual replacement to restore and modernize the gates. Funding to replace a pedestrian gate and approximately 25 LF of metal fencing is also included.

Useful Life:
30 years

Remaining Life:
15 years



Best Case: \$ 17,000

Worst Case: \$ 17,000

Cost Source: ARI Cost Database

Comp #: 112 Decorative Rails - Replace

Quantity: Approx 40 LF

Location: Summerhill (Parcel 15D): Community entrance

Funded?: Yes.

History:

Comments: Appear to be intact, secure and in fair shape. Future replacement has been scheduled to coincide with vehicle gate replacement to maintain similar styles.

Useful Life:
30 years

Remaining Life:
15 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 114 Strobe Detectors - Replace

Quantity: (4) Detectors

Location: Summerhill (Parcel 15D): Community entrance

Funded?: No. These switches detect strobe signals from emergency vehicles and automatically open gate systems. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 121 Landscape Lights - Replace

Quantity: Lights & Transformers

Location: Summerhill (Parcel 15D): Community entrance

Funded?: Yes.

History:

Comments: There are approximately (4) landscape lights, (4) monument lights, (22) wall lights and (2) transformers. This component funds to replace the landscape lights and low-voltage transformers.

Useful Life:
15 years

Remaining Life:
6 years



Best Case: \$ 5,500

Worst Case: \$ 5,500

Cost Source: ARI Cost Database

GROUNDS

Comp #: 200 Asphalt - Repave**Quantity: Approx 107,000 Sq Ft**

Location: Summerhill (Parcel 15D): Streets throughout parcel

Funded?: Yes.

History:

Comments: Heavy cracking throughout. Large cracks also noted. Life span is based on periodically seal coating and maintaining the surface. This component funds to completely remove and repave the asphalt.

Useful Life:
30 yearsRemaining Life:
7 years

Best Case: \$ 280,000

Worst Case: \$ 280,000

Cost Source: ARI Cost Database

Comp #: 202 Asphalt - Seal/Repair**Quantity: Approx 107,000 Sq Ft**

Location: Summerhill (Parcel 15D): Streets throughout parcel

Funded?: Yes.

History:

Comments: Seal coat is wearing off. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life:
4 yearsRemaining Life:
0 years

Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database

Comp #: 220 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Summerhill (Parcel 15D): Walkways, curbs & gutters throughout parcel

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and/or partial replacements as needed.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Allowance

Comp #: 250 Street Signs - Replace

Quantity: Signs & Posts

Location: Summerhill (Parcel 15D): Mounted adjacent to streets throughout parcel

Funded?: Yes.

History:

Comments: There are approximately (14) signs and (5) posts. Appear to be intact and visible. This component funds to replace the street signs and posts.

Useful Life:
30 years

Remaining Life:
9 years



Best Case: \$ 7,000

Worst Case: \$ 7,000

Cost Source: ARI Cost Database

Comp #: 380 Mailboxes - Replace

Quantity: (3) Clusters

Location: Summerhill (Parcel 15D):

Funded?: Yes.

History:

Comments: Mailboxes include (1) 12-box and (2) 16-box clusters. Wear and weathering evident.

Useful Life:
20 years

Remaining Life:
1 years



Best Case: \$ 7,500

Worst Case: \$ 7,500

Cost Source: ARI Cost Database

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 12,200 Sq Ft

Location: Summerhill (Parcel 15D): Perimeter or parcel

Funded?: No. Funding to repaint and repair the perimeter block/stucco walls is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 505 Mailbox Enclosure - Repaint

Quantity: Approx 200 Sq Ft

Location: Summerhill (Parcel 15D): Mailbox enclosure mounted at Presario Trail & 1st Ave

Funded?: No. Cost is below the Reserve expense threshold. Recommend repainting as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 500 LF

Location: Summerhill (Parcel 15D): Perimeter or parcel along Lots #3-8

Funded?: No. Funding to repaint and replace the perimeter view fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 515 Culvert Rails - Replace

Quantity: Numerous LF

Location: Summerhill (Parcel 15D): Common areas within parcel

Funded?: No. These are iron pipe rails. They have an extended life span with no expectancy to replace in the foreseeable future. Repairs should be addressed as a maintenance expense when needed.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 520 Metal Surfaces - Repaint

Quantity: Fence, Gates, Rails

Location: Summerhill (Parcel 15D): Common areas within parcel

Funded?: Yes.

History:

Comments: Surfaces were observed to be uniform. This component funds to periodically repaint the metal surfaces, which includes (4) vehicle gates, (1) pedestrian gate, 25 LF of metal fence, 40 LF of decorative rails and (5) street sign posts. Funding to repaint the culvert rails is also included.

Useful Life:
6 years

Remaining Life:
3 years



Best Case: \$ 4,500

Worst Case: \$ 4,500

Cost Source: ARI Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Summerhill (Parcel 15D): Common areas throughout parcel

Funded?: No. It is beyond the scope of this Reserve Study to quantify and assess conditions of the irrigation system. Funding can be provided for future replacement at the client's request, but we would need to be provided with cost and life expectancy estimates. Repairs and partial replacements should be included in the annual landscape maintenance budget.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 610 Irrig Controller - Replace

Quantity: (1) Weathermatic

Location: Summerhill (Parcel 15D): Community entrance

Funded?: Yes.

History: Replaced in 2019 as part of landscape management contract.

Comments: Appear to be functional with no issues reported. ProQual notified us that the irrigation controller was installed as part of the landscape management contract. While the landscape management contract could be sustained, it would be prudent to still plan for future replacement, as this service/contract may not be continued in the future.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 45,000 Sq Ft

Location: Summerhill (Parcel 15D): Common areas along Desert Foothills Pkwy

Funded?: No. The Master HOA replenishes this landscape granite as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:



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Phoenix, AZ
Level of Service: "Full"

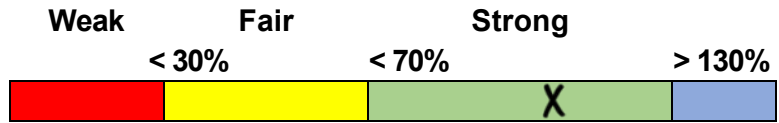
Report #: 10039-0
of Units: 142
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$84,905
Current Fully Funded Reserve Balance	\$78,307
Average Reserve Deficit (Surplus) Per Unit	(\$46)
Percent Funded	108.4 %
Current Monthly Reserve Contribution	\$491
Recommended 2022 Monthly Reserve Contribution	\$500
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 108.4%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 4/28/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 108.4 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$500. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
380	Mailboxes - Replace	20	4	\$20,000
600	Irrigation System - Replace	25	5	\$30,300
610	Irrig Controllers - Replace	15	12	\$2,000
PLAYGROUND				
805	Park Furniture - Replace	15	0	\$5,000
810	Playground Equip - Replace	20	4	\$35,000
815	Playground Turf - Replace	12	4	\$3,000
820	Ramada Roof - Replace	30	14	\$5,000

7 Total Funded Components

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

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**Foothills Club West Community Assoc.
Tapestry
Phoenix, AZ**



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

**RESERVE STUDY
"Full"**

June 30, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Tapestry
Phoenix, AZ
Level of Service: "Full"

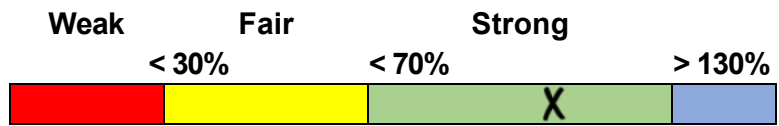
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Economic Assumptions:

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

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820	Ramada Roof - Replace	30	14	\$5,000

7 Total Funded Components

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

Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 4/28/2021, we started by visually inspecting the playground, followed by the 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.

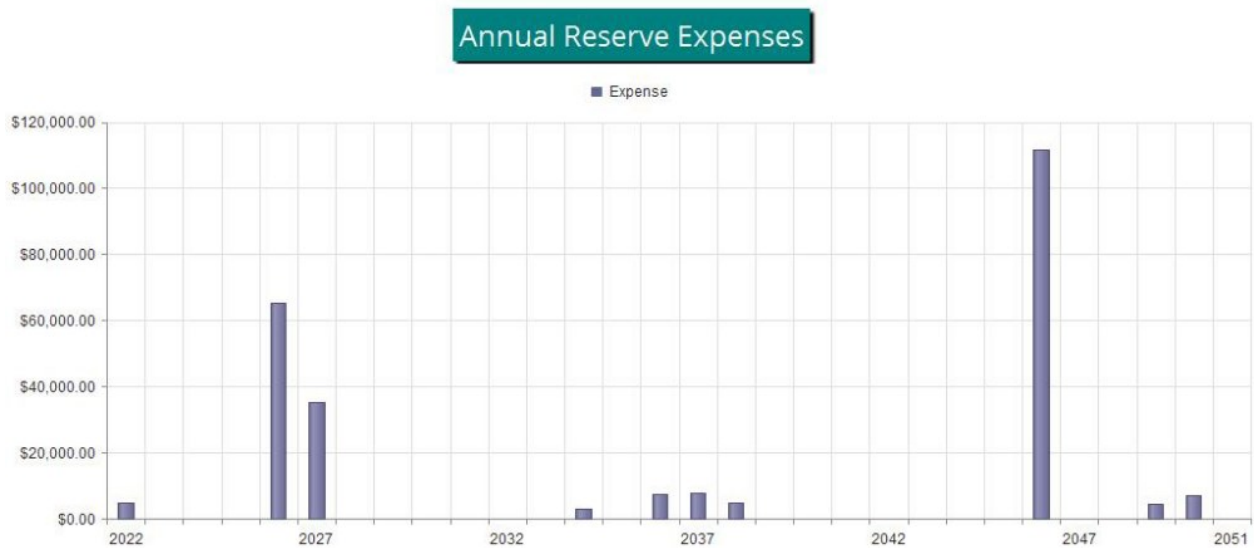


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$84,905 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$81,468 on 5/31/2021 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$78,307. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 108.4 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$500 this Fiscal Year. 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.

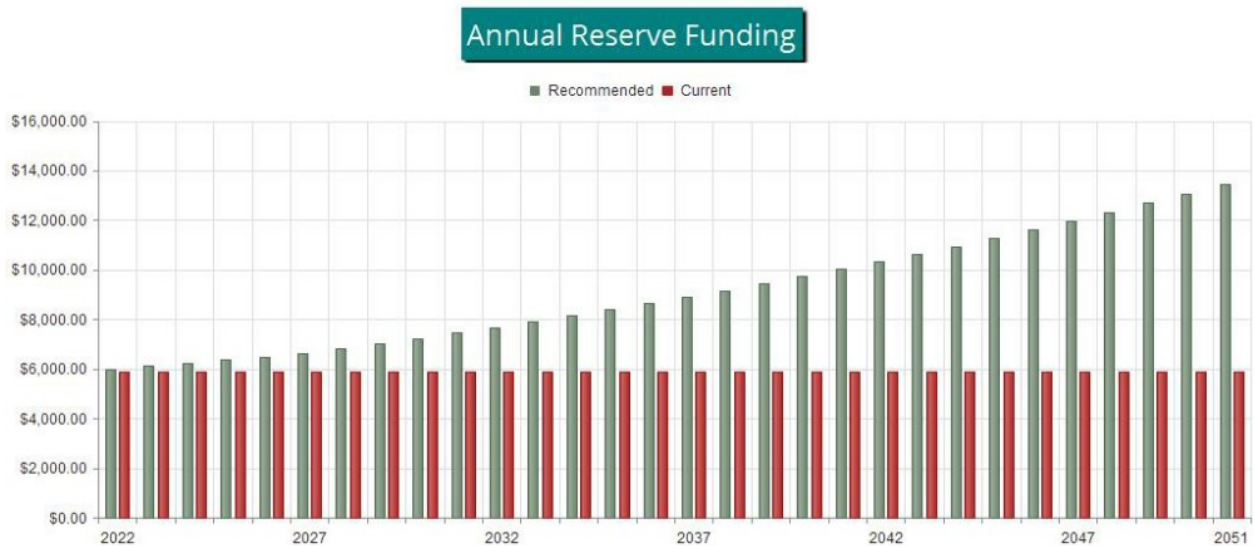


Figure 2

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.

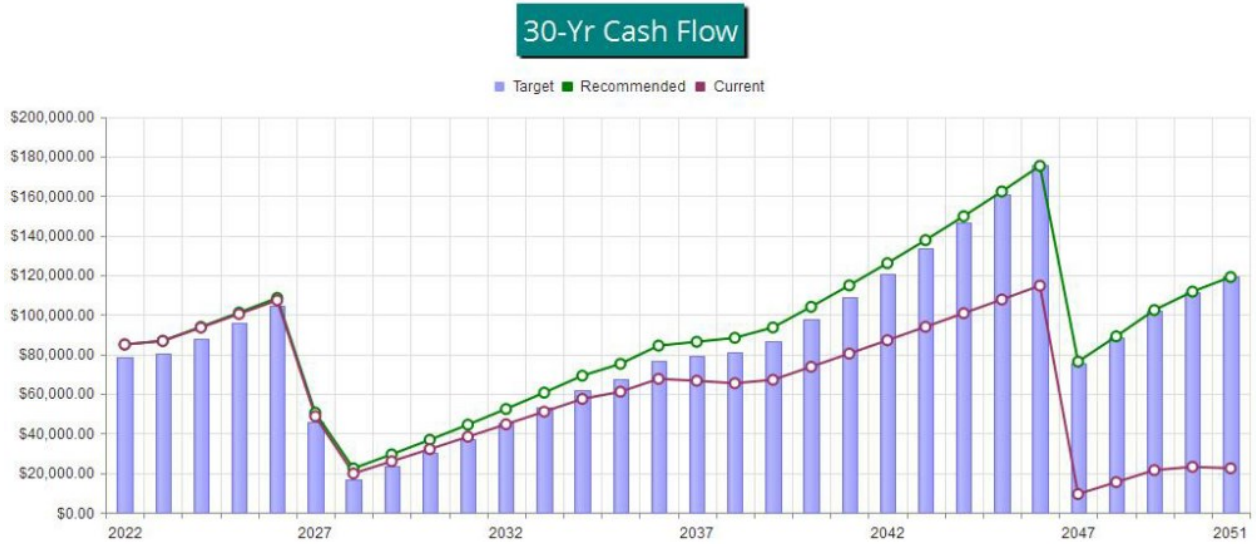


Figure 3

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.

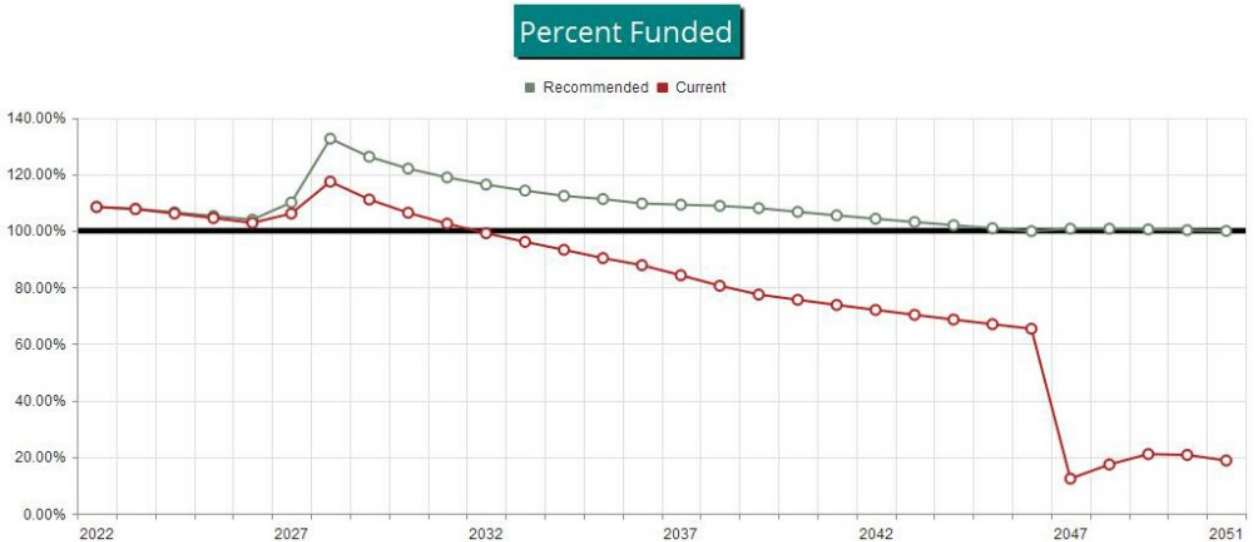


Figure 4



Executive Summary is a summary of your Reserve Components

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

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

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

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

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

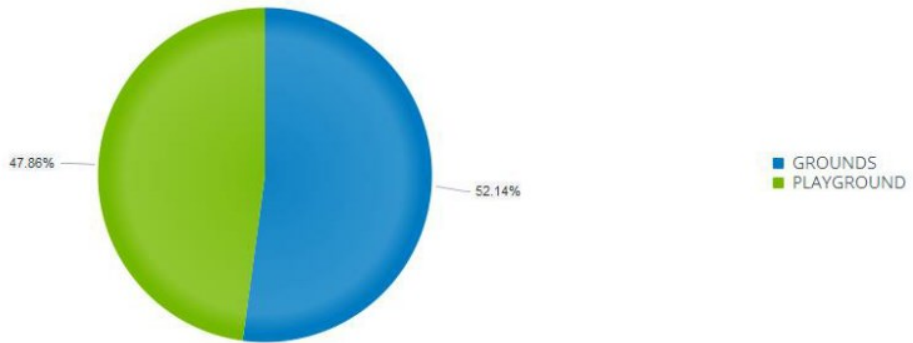
30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.



	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022	01/01/2022	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
GROUNDS	15	25	4	12	\$52,300	\$0	\$44,064	\$40,640	\$8,236	\$2,904
PLAYGROUND	12	30	0	14	\$48,000	\$5,000	\$40,840	\$37,667	\$7,160	\$3,096
					\$100,300	\$5,000	\$84,905	\$78,307	\$15,395	\$6,000

Percent Funded: 108.4%

Budget Summary



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
GROUNDS					
380	Mailboxes - Replace	(10) Clusters	20	4	\$20,000
600	Irrigation System - Replace	Lines, Valves, Heads	25	5	\$30,300
610	Irrig Controllers - Replace	(2) Weathermatic	15	12	\$2,000
PLAYGROUND					
805	Park Furniture - Replace	(5) Pieces	15	0	\$5,000
810	Playground Equip - Replace	(1) Play Structure	20	4	\$35,000
815	Playground Turf - Replace	Approx 110 Sq Ft	12	4	\$3,000
820	Ramada Roof - Replace	(1) Roof: ~280 Sq Ft	30	14	\$5,000
<hr/>					
7	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
GROUNDS								
380	Mailboxes - Replace	\$20,000	X	16	/	20	=	\$16,000
600	Irrigation System - Replace	\$30,300	X	20	/	25	=	\$24,240
610	Irrig Controllers - Replace	\$2,000	X	3	/	15	=	\$400
PLAYGROUND								
805	Park Furniture - Replace	\$5,000	X	15	/	15	=	\$5,000
810	Playground Equip - Replace	\$35,000	X	16	/	20	=	\$28,000
815	Playground Turf - Replace	\$3,000	X	8	/	12	=	\$2,000
820	Ramada Roof - Replace	\$5,000	X	16	/	30	=	\$2,667
								\$78,307

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
GROUNDS				
380 Mailboxes - Replace	20	\$20,000	\$1,000	20.64 %
600 Irrigation System - Replace	25	\$30,300	\$1,212	25.01 %
610 Irrig Controllers - Replace	15	\$2,000	\$133	2.75 %
PLAYGROUND				
805 Park Furniture - Replace	15	\$5,000	\$333	6.88 %
810 Playground Equip - Replace	20	\$35,000	\$1,750	36.12 %
815 Playground Turf - Replace	12	\$3,000	\$250	5.16 %
820 Ramada Roof - Replace	30	\$5,000	\$167	3.44 %
7 Total Funded Components			\$4,845	100.00 %

30-Year Reserve Plan Summary

Report # 10039-0
Full

Fiscal Year Start: 2022

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$84,905	\$78,307	108.4 %	Low	1.85 %	\$6,000	\$0	\$858	\$5,000
2023	\$86,763	\$80,497	107.8 %	Low	2.00 %	\$6,120	\$0	\$902	\$0
2024	\$93,785	\$88,052	106.5 %	Low	2.00 %	\$6,242	\$0	\$974	\$0
2025	\$101,001	\$95,988	105.2 %	Low	2.00 %	\$6,367	\$0	\$1,047	\$0
2026	\$108,415	\$104,321	103.9 %	Low	2.00 %	\$6,495	\$0	\$794	\$65,280
2027	\$50,424	\$45,830	110.0 %	Low	2.00 %	\$6,624	\$0	\$363	\$35,126
2028	\$22,286	\$16,811	132.6 %	Low	3.00 %	\$6,823	\$0	\$258	\$0
2029	\$29,367	\$23,274	126.2 %	Low	3.00 %	\$7,028	\$0	\$330	\$0
2030	\$36,725	\$30,110	122.0 %	Low	3.00 %	\$7,239	\$0	\$405	\$0
2031	\$44,369	\$37,336	118.8 %	Low	3.00 %	\$7,456	\$0	\$483	\$0
2032	\$52,309	\$44,967	116.3 %	Low	3.00 %	\$7,680	\$0	\$564	\$0
2033	\$60,552	\$53,024	114.2 %	Low	3.00 %	\$7,910	\$0	\$648	\$0
2034	\$69,110	\$61,523	112.3 %	Low	3.00 %	\$8,147	\$0	\$721	\$2,852
2035	\$75,127	\$67,547	111.2 %	Low	3.00 %	\$8,392	\$0	\$797	\$0
2036	\$84,315	\$76,902	109.6 %	Low	3.00 %	\$8,643	\$0	\$852	\$7,563
2037	\$86,248	\$78,968	109.2 %	Low	3.00 %	\$8,903	\$0	\$872	\$7,790
2038	\$88,233	\$81,089	108.8 %	Low	3.00 %	\$9,170	\$0	\$908	\$4,814
2039	\$93,497	\$86,572	108.0 %	Low	3.00 %	\$9,445	\$0	\$987	\$0
2040	\$103,929	\$97,418	106.7 %	Low	3.00 %	\$9,728	\$0	\$1,093	\$0
2041	\$114,750	\$108,837	105.4 %	Low	3.00 %	\$10,020	\$0	\$1,203	\$0
2042	\$125,973	\$120,853	104.2 %	Low	3.00 %	\$10,321	\$0	\$1,317	\$0
2043	\$137,611	\$133,492	103.1 %	Low	3.00 %	\$10,630	\$0	\$1,436	\$0
2044	\$149,678	\$146,781	102.0 %	Low	3.00 %	\$10,949	\$0	\$1,559	\$0
2045	\$162,186	\$160,747	100.9 %	Low	3.00 %	\$11,278	\$0	\$1,686	\$0
2046	\$175,149	\$175,419	99.8 %	Low	3.00 %	\$11,616	\$0	\$1,256	\$111,804
2047	\$76,218	\$75,669	100.7 %	Low	3.00 %	\$11,965	\$0	\$826	\$0
2048	\$89,008	\$88,389	100.7 %	Low	3.00 %	\$12,323	\$0	\$956	\$0
2049	\$102,288	\$101,803	100.5 %	Low	3.00 %	\$12,693	\$0	\$1,069	\$4,443
2050	\$111,608	\$111,367	100.2 %	Low	3.00 %	\$13,074	\$0	\$1,152	\$6,864
2051	\$118,970	\$119,057	99.9 %	Low	3.00 %	\$13,466	\$0	\$1,263	\$0

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$84,905	\$86,763	\$93,785	\$101,001	\$108,415
Annual Reserve Contribution	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$858	\$902	\$974	\$1,047	\$794
Total Income	\$91,763	\$93,785	\$101,001	\$108,415	\$115,703
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$22,510
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
PLAYGROUND					
805 Park Furniture - Replace	\$5,000	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$39,393
815 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$3,377
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$5,000	\$0	\$0	\$0	\$65,280
Ending Reserve Balance	\$86,763	\$93,785	\$101,001	\$108,415	\$50,424

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$50,424	\$22,286	\$29,367	\$36,725	\$44,369
Annual Reserve Contribution	\$6,624	\$6,823	\$7,028	\$7,239	\$7,456
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$363	\$258	\$330	\$405	\$483
Total Income	\$57,412	\$29,367	\$36,725	\$44,369	\$52,309
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$35,126	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
PLAYGROUND					
805 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
815 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$35,126	\$0	\$0	\$0	\$0
Ending Reserve Balance	\$22,286	\$29,367	\$36,725	\$44,369	\$52,309

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$52,309	\$60,552	\$69,110	\$75,127	\$84,315
Annual Reserve Contribution	\$7,680	\$7,910	\$8,147	\$8,392	\$8,643
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$564	\$648	\$721	\$797	\$852
Total Income	\$60,552	\$69,110	\$77,978	\$84,315	\$93,811
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$2,852	\$0	\$0
PLAYGROUND					
805 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
815 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$7,563
Total Expenses	\$0	\$0	\$2,852	\$0	\$7,563
Ending Reserve Balance	\$60,552	\$69,110	\$75,127	\$84,315	\$86,248

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$86,248	\$88,233	\$93,497	\$103,929	\$114,750
Annual Reserve Contribution	\$8,903	\$9,170	\$9,445	\$9,728	\$10,020
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$872	\$908	\$987	\$1,093	\$1,203
Total Income	\$96,023	\$98,311	\$103,929	\$114,750	\$125,973
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
PLAYGROUND					
805 Park Furniture - Replace	\$7,790	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
815 Playground Turf - Replace	\$0	\$4,814	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$7,790	\$4,814	\$0	\$0	\$0
Ending Reserve Balance	\$88,233	\$93,497	\$103,929	\$114,750	\$125,973

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$125,973	\$137,611	\$149,678	\$162,186	\$175,149
Annual Reserve Contribution	\$10,321	\$10,630	\$10,949	\$11,278	\$11,616
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,317	\$1,436	\$1,559	\$1,686	\$1,256
Total Income	\$137,611	\$149,678	\$162,186	\$175,149	\$188,022
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$40,656
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$0	\$0	\$0
PLAYGROUND					
805 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$71,148
815 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$111,804
Ending Reserve Balance	\$137,611	\$149,678	\$162,186	\$175,149	\$76,218

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$76,218	\$89,008	\$102,288	\$111,608	\$118,970
Annual Reserve Contribution	\$11,965	\$12,323	\$12,693	\$13,074	\$13,466
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$826	\$956	\$1,069	\$1,152	\$1,263
Total Income	\$89,008	\$102,288	\$116,050	\$125,834	\$133,699
# Component					
GROUNDS					
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
600 Irrigation System - Replace	\$0	\$0	\$0	\$0	\$0
610 Irrig Controllers - Replace	\$0	\$0	\$4,443	\$0	\$0
PLAYGROUND					
805 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
810 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
815 Playground Turf - Replace	\$0	\$0	\$0	\$6,864	\$0
820 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$4,443	\$6,864	\$0
Ending Reserve Balance	\$89,008	\$102,288	\$111,608	\$118,970	\$133,699



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.

GROUNDS

Comp #: 100 Monuments - Refurbish**Quantity: (2) Monuments**

Location: Tapestry (Parcels 20 & 25): Mounted on 7th Ave & Cottonwood Ln and Liberty Ln & 16th Dr

Funded?: No. Funding to refurbish these monuments is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 380 Mailboxes - Replace**Quantity: (10) Clusters**

Location: Tapestry (Parcels 20 & 25): Mounted along 16th Dr

Funded?: Yes.

History: Installed in 2006.

Comments: Mailboxes include (1) 8-box, (1) 12-box and (8) 16-box clusters. Appear to be older with wear and weathering evident. Overall, the mailboxes are intact, functional and in fair condition.

*Mfg. 4/2006

Useful Life:
20 yearsRemaining Life:
4 years

Best Case: \$ 20,000

Worst Case: \$ 20,000

Cost Source: ARI Cost Database

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 27,500 Sq Ft

Location: Tapestry (Parcels 20 & 25): Bordering common areas throughout parcel

Funded?: No. Funding to repaint and repair the block/stucco walls is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 510 Metal Fence - Repaint/Replace

Quantity: Approx 1,050 LF

Location: Tapestry (Parcels 20 & 25): Perimeter of parcels & mounted at playground

Funded?: No. Funding to repaint and replace the metal fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 1,100 LF

Location: Tapestry (Parcels 20 & 25): Bordering common areas throughout parcel

Funded?: No. Funding to repaint and replace the view fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Tapestry (Parcels 20 & 25): Common areas throughout parcels

Funded?: Yes.

History: Installed in 2006.

Comments: This component funds to replace the irrigation system. The client reported that the system will need to be replaced sooner rather than later.

Useful Life:
25 years

Remaining Life:
5 years



Best Case: \$ 30,300

Worst Case: \$ 30,300

Cost Source: Estimate Provided by Client

Comp #: 610 Irrig Controllers - Replace

Quantity: (2) Weathermatic

Location: Tapestry (Parcels 20 & 25): Mounted along Satinwood Dr & 15th Ln and 16th Ln & Redwood Ln

Funded?: Yes.

History: Replaced in 2019 as part of landscape management contract.

Comments: Appear to be functional with no issues reported. ProQual notified us that the irrigation controller was installed as part of the landscape management contract. While the landscape management contract could be sustained, it would be prudent to still plan for future replacement, as this service/contract may not be continued in the future.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 640 Landscape Granite - Replenish

Quantity: Approx 85,000 Sq Ft

Location: Tapestry (Parcels 20 & 25): Common areas throughout parcels

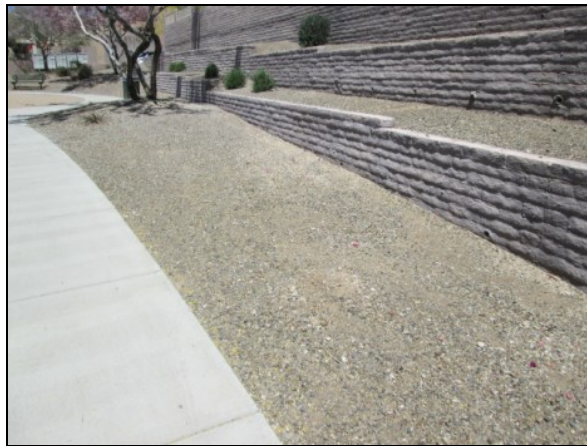
Funded?: No. The Master HOA replenishes landscape granite as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

PLAYGROUND

Comp #: 802 Pet Station - Replace**Quantity: (1) Station**

Location: Tapestry (Parcels 20 & 25): Playground along 16th Dr

Funded?: No. Cost is below the Reserve expense threshold. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 805 Park Furniture - Replace**Quantity: (5) Pieces**

Location: Tapestry (Parcels 20 & 25): Playground along 16th Dr

Funded?: Yes.

History: Installed in 2006.

Comments: Pieces include (2) 6' picnic tables, (1) 6' bench, (1) BBQ grill and (1) trash can. Furniture appears to be weathered and worn.

Useful Life:
15 yearsRemaining Life:
0 years

Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 810 Playground Equip - Replace

Quantity: (1) Play Structure

Location: Tapestry (Parcels 20 & 25): Playground along 16th Dr

Funded?: Yes.

History: Installed in 2006.

Comments: Normal wear and weathering evident. Future replacement should be anticipated.

Useful Life:
20 years

Remaining Life:
4 years



Best Case: \$ 35,000

Worst Case: \$ 35,000

Cost Source: ARI Cost Database

Comp #: 814 Playground Sand - Replenish

Quantity: Approx 1,400 Sq Ft

Location: Tapestry (Parcels 20 & 25): Playground along 16th Dr

Funded?: No. Cost is below the Reserve expense threshold. Recommend replenishing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 815 Playground Turf - Replace

Quantity: Approx 110 Sq Ft

Location: Tapestry (Parcels 20 & 25): Playground along 16th Dr

Funded?: Yes.

History: Installed in 2006.

Comments: This is a cushioned surface designed to help absorb a child's fall. It also provides better access to the play structures for handicapped children. Appears to have been repaired at some point. Some wear evident.

Useful Life:
12 years

Remaining Life:
4 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 820 Ramada Roof - Replace

Quantity: (1) Roof: ~280 Sq Ft

Location: Tapestry (Parcels 20 & 25): Playground along 16th Dr

Funded?: Yes.

History: Installed in 2006.

Comments: Observed to be intact and in fair shape. Long life expectancy under normal circumstances. Future replacement should still be planned, even if just for an aesthetic restoration.

Useful Life:
30 years

Remaining Life:
14 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 822 Ramada - Repaint

Quantity: (1) Ramada

Location: Tapestry (Parcels 20 & 25): Playground along 16th Dr

Funded?: No. Cost is below the Reserve expense threshold. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:



Foothills Club West Community Assoc. - Whistling Rock
Phoenix, AZ
Level of Service: "Full"

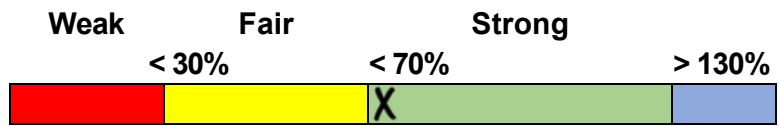
Report #: **10039-0**
of Units: 69
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$313,787
Current Fully Funded Reserve Balance	\$423,733
Average Reserve Deficit (Surplus) Per Unit	\$1,593
Percent Funded	74.1 %
Current Monthly Reserve Contribution	\$1,948
Recommended 2022 Monthly Reserve Contribution	\$3,000
Recommended 2022 Special Assessments for Reserves	\$0

Reserve Fund Strength: 74.1%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 7/1/2021.

The Reserve expense threshold for this analysis is \$1,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 74.1 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

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

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$3,000. Nominal annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

Although your current position is Strong, our recommended increases will be necessary to provide Reserves with sufficient funding to complete the future asphalt repavement project.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
COMMUNITY ENTRANCE				
100	Monument - Refurbish	25	6	\$5,000
101	Tile Sign - Replace	15	9	\$2,000
103	Entry System - Replace	15	3	\$6,000
106	Gate Operators - Replace	15	13	\$16,000
110	Vehicle Gates - Replace	30	15	\$17,500
121	Landscape Lights - Replace	15	3	\$5,500
150	Surveillance System - Replace	8	4	\$3,000
GROUNDS				
200	Asphalt - Repave	30	7	\$450,000
202	Asphalt - Seal/Repair	4	0	\$33,000
220	Concrete - Repair	5	2	\$3,000
250	Street Signs - Replace	30	9	\$11,000
380	Mailboxes - Replace	20	1	\$8,000
520	Metal Surfaces - Repaint	6	3	\$4,500
610	Irrig Controller - Replace	15	12	\$1,000
14 Total Funded Components				

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

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**Foothills Club West Community Assoc.
Whistling Rock
Phoenix, AZ**



Report #: 10039-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

July 12, 2021

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Foothills Club West Community Assoc. - Whistling Rock
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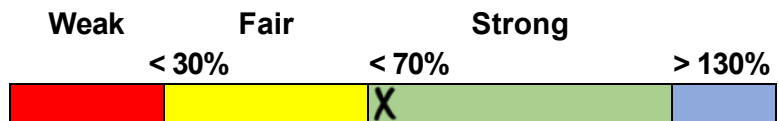
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520	Metal Surfaces - Repaint	6	3	\$4,500
610	Irrig Controller - Replace	15	12	\$1,000
14 Total Funded Components				

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

Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During the site visit on 7/1/2021, we started by visually inspecting the community entrance, followed by the 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.

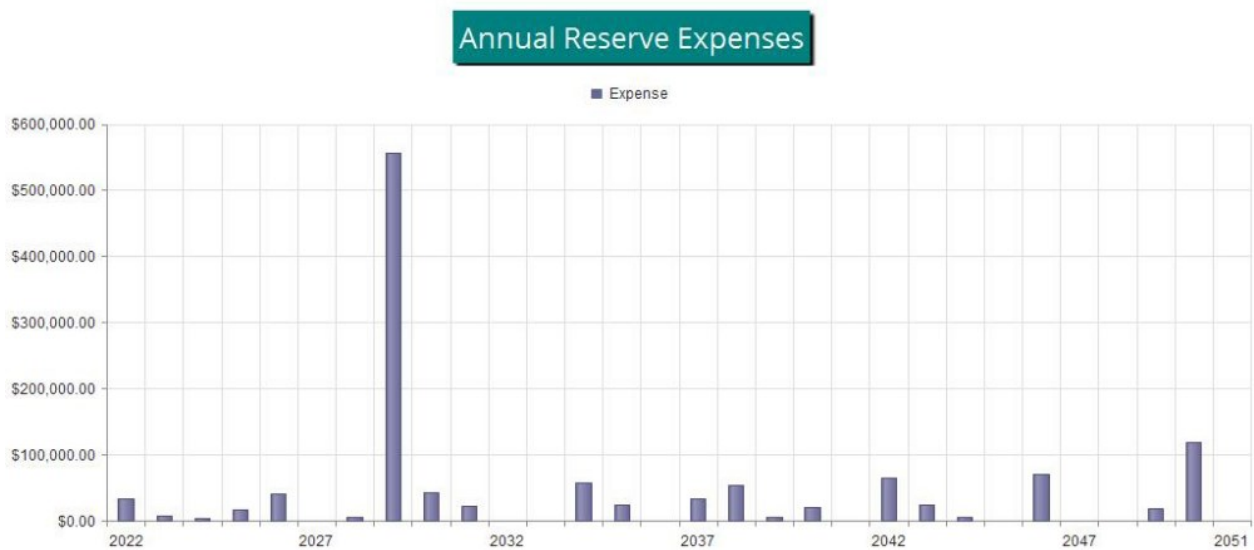


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$313,787 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$290,411 on 12/31/2020 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$423,733. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 74.1 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$3,000 this Fiscal Year. 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.

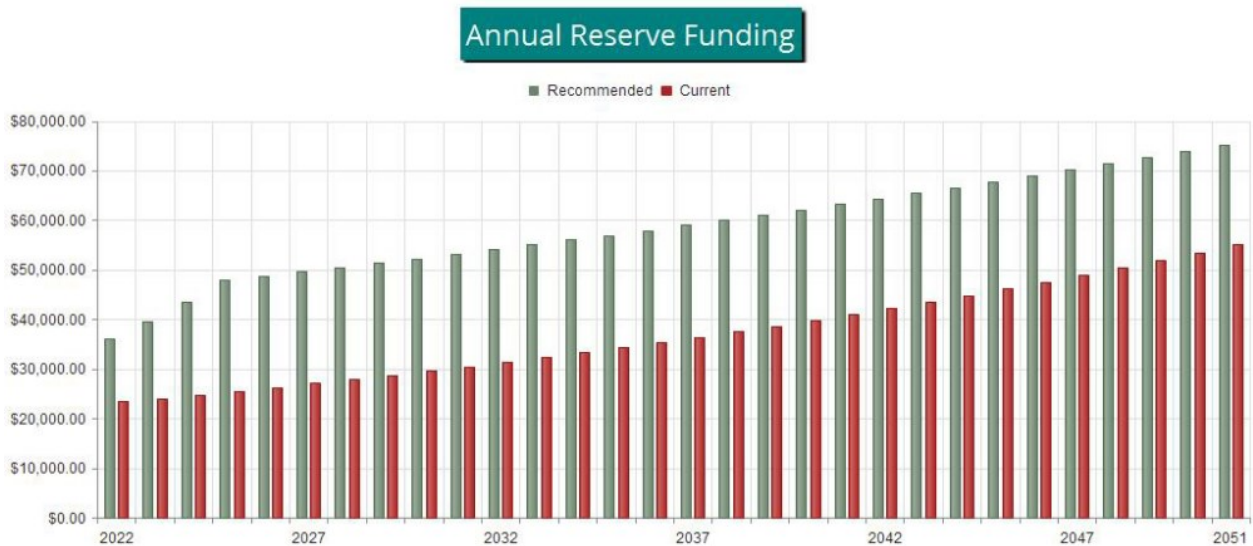


Figure 2

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.

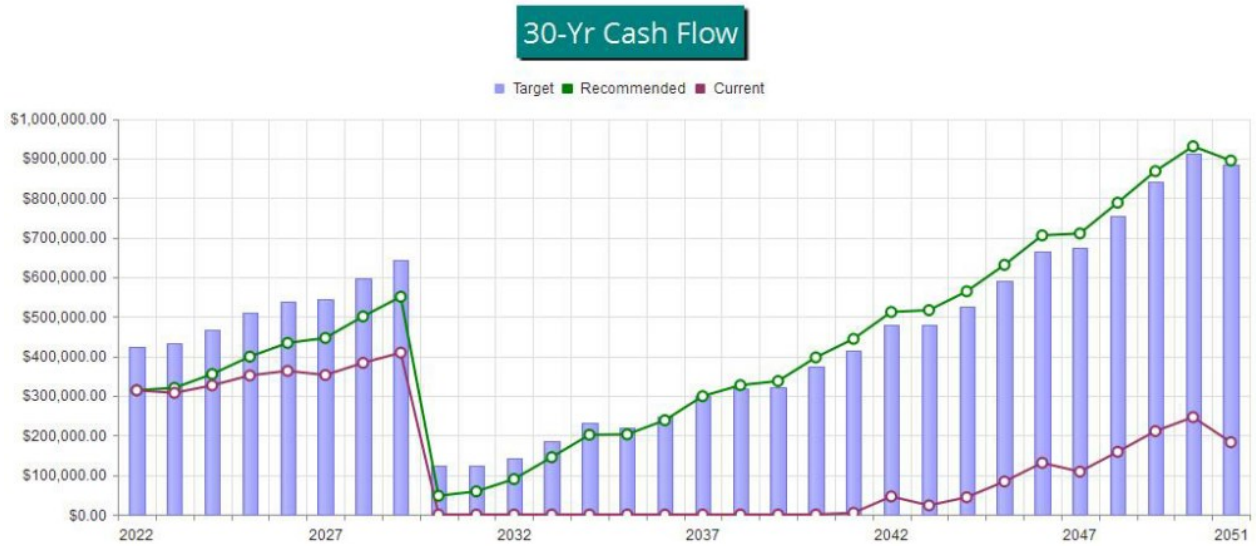


Figure 3

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



Executive Summary is a summary of your Reserve Components

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

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

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

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

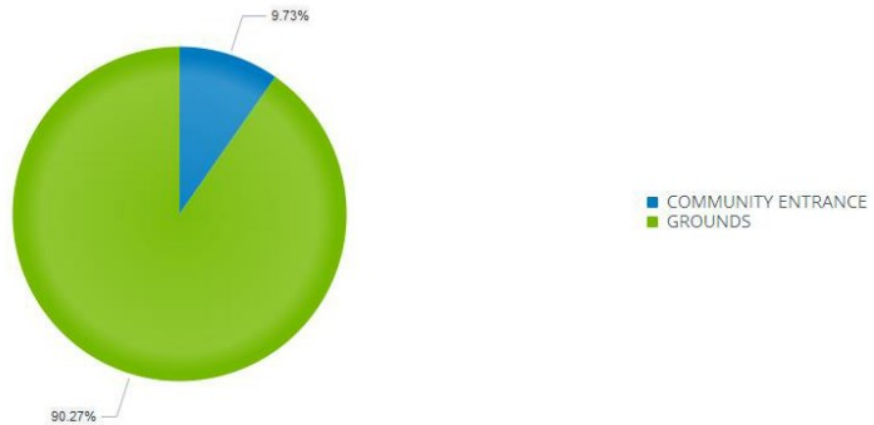
30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

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

	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022	01/01/2022	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
	COMMUNITY ENTRANCE	8	30	3			15	\$55,000		
GROUNDS	4	30	0	12	\$510,500	\$33,000	\$299,287	\$397,550	\$211,213	\$32,061
					\$565,500	\$33,000	\$313,787	\$423,733	\$251,713	\$36,000

Percent Funded: 74.1%

Budget Summary



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
COMMUNITY ENTRANCE					
100	Monument - Refurbish	(1) Monument	25	6	\$5,000
101	Tile Sign - Replace	(1) Sign	15	9	\$2,000
103	Entry System - Replace	(1) DoorKing	15	3	\$6,000
106	Gate Operators - Replace	(4) LiftMaster	15	13	\$16,000
110	Vehicle Gates - Replace	(4) Vehicle, (1) Ped.	30	15	\$17,500
121	Landscape Lights - Replace	Lights & Transformers	15	3	\$5,500
150	Surveillance System - Replace	(1) System	8	4	\$3,000
GROUNDS					
200	Asphalt - Repave	Approx 174,000 Sq Ft	30	7	\$450,000
202	Asphalt - Seal/Repair	Approx 174,000 Sq Ft	4	0	\$33,000
220	Concrete - Repair	Numerous Sq Ft	5	2	\$3,000
250	Street Signs - Replace	Signs & Posts	30	9	\$11,000
380	Mailboxes - Replace	(4) Clusters	20	1	\$8,000
520	Metal Surfaces - Repaint	Gates, Posts, Rails	6	3	\$4,500
610	Irrig Controller - Replace	(1) Weathermatic	15	12	\$1,000
14 Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
COMMUNITY ENTRANCE								
100	Monument - Refurbish	\$5,000	X	19	/	25	=	\$3,800
101	Tile Sign - Replace	\$2,000	X	6	/	15	=	\$800
103	Entry System - Replace	\$6,000	X	12	/	15	=	\$4,800
106	Gate Operators - Replace	\$16,000	X	2	/	15	=	\$2,133
110	Vehicle Gates - Replace	\$17,500	X	15	/	30	=	\$8,750
121	Landscape Lights - Replace	\$5,500	X	12	/	15	=	\$4,400
150	Surveillance System - Replace	\$3,000	X	4	/	8	=	\$1,500
GROUNDS								
200	Asphalt - Repave	\$450,000	X	23	/	30	=	\$345,000
202	Asphalt - Seal/Repair	\$33,000	X	4	/	4	=	\$33,000
220	Concrete - Repair	\$3,000	X	3	/	5	=	\$1,800
250	Street Signs - Replace	\$11,000	X	21	/	30	=	\$7,700
380	Mailboxes - Replace	\$8,000	X	19	/	20	=	\$7,600
520	Metal Surfaces - Repaint	\$4,500	X	3	/	6	=	\$2,250
610	Irrig Controller - Replace	\$1,000	X	3	/	15	=	\$200
								\$423,733

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
COMMUNITY ENTRANCE				
100 Monument - Refurbish	25	\$5,000	\$200	0.70 %
101 Tile Sign - Replace	15	\$2,000	\$133	0.47 %
103 Entry System - Replace	15	\$6,000	\$400	1.40 %
106 Gate Operators - Replace	15	\$16,000	\$1,067	3.74 %
110 Vehicle Gates - Replace	30	\$17,500	\$583	2.04 %
121 Landscape Lights - Replace	15	\$5,500	\$367	1.28 %
150 Surveillance System - Replace	8	\$3,000	\$375	1.31 %
GROUNDS				
200 Asphalt - Repave	30	\$450,000	\$15,000	52.52 %
202 Asphalt - Seal/Repair	4	\$33,000	\$8,250	28.89 %
220 Concrete - Repair	5	\$3,000	\$600	2.10 %
250 Street Signs - Replace	30	\$11,000	\$367	1.28 %
380 Mailboxes - Replace	20	\$8,000	\$400	1.40 %
520 Metal Surfaces - Repaint	6	\$4,500	\$750	2.63 %
610 Irrig Controller - Replace	15	\$1,000	\$67	0.23 %
14 Total Funded Components			\$28,558	100.00 %

30-Year Reserve Plan Summary

Report # 10039-0
Full

Fiscal Year Start: 2022

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$313,787	\$423,733	74.1 %	Low	54.01 %	\$36,000	\$0	\$3,167	\$33,000
2023	\$319,954	\$431,870	74.1 %	Low	10.00 %	\$39,600	\$0	\$3,372	\$8,240
2024	\$354,686	\$466,637	76.0 %	Low	10.00 %	\$43,560	\$0	\$3,766	\$3,183
2025	\$398,829	\$508,564	78.4 %	Low	10.00 %	\$47,916	\$0	\$4,159	\$17,484
2026	\$433,421	\$537,956	80.6 %	Low	1.75 %	\$48,755	\$0	\$4,396	\$40,518
2027	\$446,053	\$545,467	81.8 %	Low	1.75 %	\$49,608	\$0	\$4,730	\$0
2028	\$500,391	\$595,932	84.0 %	Low	1.75 %	\$50,476	\$0	\$5,250	\$5,970
2029	\$550,147	\$642,783	85.6 %	Low	1.75 %	\$51,359	\$0	\$2,986	\$557,133
2030	\$47,359	\$124,397	38.1 %	Medium	1.75 %	\$52,258	\$0	\$528	\$41,803
2031	\$58,342	\$122,333	47.7 %	Medium	1.75 %	\$53,172	\$0	\$738	\$22,834
2032	\$89,420	\$140,865	63.5 %	Medium	1.75 %	\$54,103	\$0	\$1,170	\$0
2033	\$144,693	\$184,622	78.4 %	Low	1.75 %	\$55,050	\$0	\$1,730	\$0
2034	\$201,473	\$230,878	87.3 %	Low	1.75 %	\$56,013	\$0	\$2,019	\$57,030
2035	\$202,474	\$221,002	91.6 %	Low	1.75 %	\$56,993	\$0	\$2,202	\$23,497
2036	\$238,174	\$246,628	96.6 %	Low	1.75 %	\$57,991	\$0	\$2,684	\$0
2037	\$298,848	\$298,520	100.1 %	Low	1.75 %	\$59,006	\$0	\$3,126	\$34,275
2038	\$326,705	\$317,999	102.7 %	Low	1.75 %	\$60,038	\$0	\$3,318	\$52,955
2039	\$337,106	\$320,198	105.3 %	Low	1.75 %	\$61,089	\$0	\$3,668	\$4,959
2040	\$396,905	\$373,315	106.3 %	Low	1.75 %	\$62,158	\$0	\$4,201	\$19,578
2041	\$443,686	\$414,427	107.1 %	Low	1.75 %	\$63,246	\$0	\$4,775	\$0
2042	\$511,706	\$478,439	107.0 %	Low	1.75 %	\$64,353	\$0	\$5,137	\$65,020
2043	\$516,176	\$478,948	107.8 %	Low	1.75 %	\$65,479	\$0	\$5,398	\$23,254
2044	\$563,799	\$524,086	107.6 %	Low	1.75 %	\$66,625	\$0	\$5,970	\$5,748
2045	\$630,645	\$590,250	106.8 %	Low	1.75 %	\$67,791	\$0	\$6,676	\$0
2046	\$705,111	\$666,011	105.9 %	Low	1.75 %	\$68,977	\$0	\$7,073	\$71,148
2047	\$710,013	\$672,504	105.6 %	Low	1.75 %	\$70,184	\$0	\$7,485	\$0
2048	\$787,682	\$754,268	104.4 %	Low	1.75 %	\$71,412	\$0	\$8,272	\$0
2049	\$867,366	\$840,332	103.2 %	Low	1.75 %	\$72,662	\$0	\$8,984	\$18,881
2050	\$930,130	\$911,434	102.1 %	Low	1.75 %	\$73,933	\$0	\$9,118	\$118,972
2051	\$894,210	\$883,535	101.2 %	Low	1.75 %	\$75,227	\$0	\$9,361	\$0

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$313,787	\$319,954	\$354,686	\$398,829	\$433,421
Annual Reserve Contribution	\$36,000	\$39,600	\$43,560	\$47,916	\$48,755
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,167	\$3,372	\$3,766	\$4,159	\$4,396
Total Income	\$352,954	\$362,926	\$402,012	\$450,905	\$486,571
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$6,556	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$6,010	\$0
150 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$3,377
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$33,000	\$0	\$0	\$0	\$37,142
220 Concrete - Repair	\$0	\$0	\$3,183	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$8,240	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$4,917	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$33,000	\$8,240	\$3,183	\$17,484	\$40,518
Ending Reserve Balance	\$319,954	\$354,686	\$398,829	\$433,421	\$446,053

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$446,053	\$500,391	\$550,147	\$47,359	\$58,342
Annual Reserve Contribution	\$49,608	\$50,476	\$51,359	\$52,258	\$53,172
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,730	\$5,250	\$2,986	\$528	\$738
Total Income	\$500,391	\$556,117	\$604,492	\$100,146	\$112,253
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$5,970	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$2,610
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
150 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$553,443	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$41,803	\$0
220 Concrete - Repair	\$0	\$0	\$3,690	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$14,353
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$5,871
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$5,970	\$557,133	\$41,803	\$22,834
Ending Reserve Balance	\$500,391	\$550,147	\$47,359	\$58,342	\$89,420

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$89,420	\$144,693	\$201,473	\$202,474	\$238,174
Annual Reserve Contribution	\$54,103	\$55,050	\$56,013	\$56,993	\$57,991
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,170	\$1,730	\$2,019	\$2,202	\$2,684
Total Income	\$144,693	\$201,473	\$259,505	\$261,670	\$298,848
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$23,497	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
150 Surveillance System - Replace	\$0	\$0	\$4,277	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$47,050	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$4,277	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$1,426	\$0	\$0
Total Expenses	\$0	\$0	\$57,030	\$23,497	\$0
Ending Reserve Balance	\$144,693	\$201,473	\$202,474	\$238,174	\$298,848

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$298,848	\$326,705	\$337,106	\$396,905	\$443,686
Annual Reserve Contribution	\$59,006	\$60,038	\$61,089	\$62,158	\$63,246
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,126	\$3,318	\$3,668	\$4,201	\$4,775
Total Income	\$360,980	\$390,061	\$401,863	\$463,264	\$511,706
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$10,215	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$27,264	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$9,363	\$0
150 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$52,955	\$0	\$0	\$0
220 Concrete - Repair	\$0	\$0	\$4,959	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$7,011	\$0	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$34,275	\$52,955	\$4,959	\$19,578	\$0
Ending Reserve Balance	\$326,705	\$337,106	\$396,905	\$443,686	\$511,706

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$511,706	\$516,176	\$563,799	\$630,645	\$705,111
Annual Reserve Contribution	\$64,353	\$65,479	\$66,625	\$67,791	\$68,977
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,137	\$5,398	\$5,970	\$6,676	\$7,073
Total Income	\$581,196	\$587,052	\$636,393	\$705,111	\$781,161
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$4,066
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
150 Surveillance System - Replace	\$5,418	\$0	\$0	\$0	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$59,602	\$0	\$0	\$0	\$67,082
220 Concrete - Repair	\$0	\$0	\$5,748	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$14,882	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$8,371	\$0	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$65,020	\$23,254	\$5,748	\$0	\$71,148
Ending Reserve Balance	\$516,176	\$563,799	\$630,645	\$705,111	\$710,013

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$710,013	\$787,682	\$867,366	\$930,130	\$894,210
Annual Reserve Contribution	\$70,184	\$71,412	\$72,662	\$73,933	\$75,227
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,485	\$8,272	\$8,984	\$9,118	\$9,361
Total Income	\$787,682	\$867,366	\$949,011	\$1,013,182	\$978,798
# Component					
COMMUNITY ENTRANCE					
100 Monument - Refurbish	\$0	\$0	\$0	\$0	\$0
101 Tile Sign - Replace	\$0	\$0	\$0	\$0	\$0
103 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
106 Gate Operators - Replace	\$0	\$0	\$0	\$36,607	\$0
110 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
121 Landscape Lights - Replace	\$0	\$0	\$0	\$0	\$0
150 Surveillance System - Replace	\$0	\$0	\$0	\$6,864	\$0
GROUNDS					
200 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$75,502	\$0
220 Concrete - Repair	\$0	\$0	\$6,664	\$0	\$0
250 Street Signs - Replace	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Surfaces - Repaint	\$0	\$0	\$9,996	\$0	\$0
610 Irrig Controller - Replace	\$0	\$0	\$2,221	\$0	\$0
Total Expenses	\$0	\$0	\$18,881	\$118,972	\$0
Ending Reserve Balance	\$787,682	\$867,366	\$930,130	\$894,210	\$978,798



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.

COMMUNITY ENTRANCE

Comp #: 100 Monument - Refurbish**Quantity: (1) Monument**

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: Yes.

History:

Comments: This is a double-sided monument. Appears to be modern and attractive. This component funds to refurbish the monument, which includes replacement of the tile surfaces, as well as general repairs.

Useful Life:
25 yearsRemaining Life:
6 years

Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: ARI Cost Database

Comp #: 101 Tile Sign - Replace**Quantity: (1) Sign**

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: Yes.

History:

Comments: Appear to be intact and in good shape.

Useful Life:
15 yearsRemaining Life:
9 years

Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: ARI Cost Database

Comp #: 103 Entry System - Replace

Quantity: (1) DoorKing

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: Yes.

History:

Comments: Wear and weathering evident, but still functional. Funding to replace the (2) pedestrian gate keypads is included.

Useful Life:
15 years

Remaining Life:
3 years



Best Case: \$ 6,000

Worst Case: \$ 6,000

Cost Source: ARI Cost Database

Comp #: 106 Gate Operators - Replace

Quantity: (4) LiftMaster

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: Yes.

History: Replaced in 2020, based on manufacturing date.

Comments: Appear to be newer, functional and in good shape.

*Model: CSW24UL, Mfg. Date: 1/2020

Useful Life:
15 years

Remaining Life:
13 years



Best Case: \$ 16,000

Worst Case: \$ 16,000

Cost Source: ARI Cost Database

Comp #: 110 Vehicle Gates - Replace

Quantity: (4) Vehicle, (1) Ped.

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: Yes.

History:

Comments: Vehicle gates can often be repaired or rebuilt as needed. Replacement resulting from vehicle damage should be addressed as an insurance issue. We recommend planning eventual replacement to restore and modernize the gates. Funding to replace the pedestrian gate is also included.

Useful Life:
30 years

Remaining Life:
15 years



Best Case: \$ 17,500

Worst Case: \$ 17,500

Cost Source: ARI Cost Database

Comp #: 121 Landscape Lights - Replace

Quantity: Lights & Transformers

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: Yes.

History:

Comments: There are approximately (19) landscape lights, (4) monument lights and (2) transformers. This component funds to replace the landscape lights and low-voltage transformers.

Useful Life:
15 years

Remaining Life:
3 years



Best Case: \$ 5,500

Worst Case: \$ 5,500

Cost Source: ARI Cost Database

Comp #: 150 Surveillance System - Replace

Quantity: (1) System

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: Yes.

History: Actual age unknown.

Comments: System has (2) dome cameras and (1) license plate camera. Appears to be functional with no issue reported.

Useful Life:
8 years

Remaining Life:
4 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Database

Comp #: 714 Strobe Detectors - Replace

Quantity: (2) Detectors

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: No. These switches detect strobe signals from emergency vehicles and automatically open gate systems. Recommend replacing as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

GROUNDS

Comp #: 200 Asphalt - Repave

Quantity: Approx 174,000 Sq Ft

Location: Whistling Rock (Parcel 15E): Streets throughout parcel

Funded?: Yes.

History:

Comments: Heavy cracking throughout. Large cracks also noted. Life span is based on periodically seal coating and maintaining the surface. This component funds to completely remove and repave the asphalt.

Useful Life:
30 years

Remaining Life:
7 years



Best Case: \$ 450,000

Worst Case: \$ 450,000

Cost Source: ARI Cost Database

Comp #: 202 Asphalt - Seal/Repair

Quantity: Approx 174,000 Sq Ft

Location: Whistling Rock (Parcel 15E): Streets throughout parcel

Funded?: Yes.

History:

Comments: Seal coat is wearing off. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life:
4 years

Remaining Life:
0 years



Best Case: \$ 33,000

Worst Case: \$ 33,000

Cost Source: ARI Cost Database

Comp #: 220 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Whistling Rock (Parcel 15E): Walkways, curbs & gutters throughout parcel

Funded?: Yes.

History:

Comments: There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and/or partial replacements as needed.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: ARI Cost Allowance

Comp #: 250 Street Signs - Replace

Quantity: Signs & Posts

Location: Whistling Rock (Parcel 15E): Mounted adjacent to streets throughout parcel

Funded?: Yes.

History:

Comments: There are approximately (16) signs and (11) posts. Appear to be intact and visible. This component funds to replace the street signs and posts.

Useful Life:
30 years

Remaining Life:
9 years



Best Case: \$ 11,000

Worst Case: \$ 11,000

Cost Source: ARI Cost Database

Comp #: 320 Street Lights - Replace

Quantity: Approx (8) Street Lights

Location: Whistling Rock (Parcel 15E): Mounted adjacent to streets throughout parcel
Funded?: No. We assume the street lights are leased through SRP and not owned by the HOA.
History:
Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 380 Mailboxes - Replace

Quantity: (4) Clusters

Location: Whistling Rock (Parcel 15E): Mounted adjacent to streets throughout parcel
Funded?: Yes.
History:
Comments: Mailboxes include (1) 16-box, (1) 13-box and (2) 11-box clusters. Appear to be older with wear and weathering evident.

Useful Life:
20 years

Remaining Life:
1 years



Best Case: \$ 8,000

Worst Case: \$ 8,000

Cost Source: ARI Cost Database

Comp #: 500 Block/Stucco Walls - Repaint/Repair

Quantity: Approx 12,300 Sq Ft

Location: Whistling Rock (Parcel 15E): Perimeter of parcel

Funded?: No. Funding to repaint and repair the perimeter block/stucco walls is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 505 Mailbox Enclosures - Repaint

Quantity: Approx 170 Sq Ft

Location: Whistling Rock (Parcel 15E): Mounted adjacent to streets throughout parcel

Funded?: No. Cost is below the Reserve expense threshold. Recommend repainting as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 510 Metal Fence - Repaint/Replace

Quantity: Approx 70 LF

Location: Whistling Rock (Parcel 15E): Perimeter of parcel, between Lots #1 & 2

Funded?: No. Funding to repaint and replace the perimeter metal fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 512 View Fence - Repaint/Replace

Quantity: Approx 120 LF

Location: Whistling Rock (Parcel 15E): Perimeter of parcel along Lots #1 & 69

Funded?: No. Funding to repaint and replace the perimeter view fencing is included in the Foothills Club West Master Reserve Study.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 515 Culvert Rails - Replace

Quantity: Numerous LF

Location: Whistling Rock (Parcel 15E): Common areas throughout parcel

Funded?: No. These are iron pipe rails. They have an extended life span with no expectancy to replace in the foreseeable future. Repairs should be addressed as a maintenance expense when needed.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 520 Metal Surfaces - Repaint

Quantity: Gates, Posts, Rails

Location: Whistling Rock (Parcel 15E): Common areas throughout parcel

Funded?: Yes.

History:

Comments: Surfaces were observed to be generally uniform. This component funds to periodically repaint the metal surfaces, which includes (4) vehicle gates, (1) pedestrian gate and (11) street sign posts. Funding to repaint the culvert rails is also included.

Useful Life:
6 years

Remaining Life:
3 years



Best Case: \$ 4,500

Worst Case: \$ 4,500

Cost Source: ARI Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Whistling Rock (Parcel 15E): Common areas throughout parcel

Funded?: No. It is beyond the scope of this Reserve Study to quantify and assess conditions of the irrigation system. Funding can be provided for future replacement at the client's request, but we would need to be provided with cost and life expectancy estimates. Repairs and partial replacements should be included in the annual landscape maintenance budget.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 610 Irrig Controller - Replace

Quantity: (1) Weathermatic

Location: Whistling Rock (Parcel 15E): Community entrance

Funded?: Yes.

History: Replaced in 2019 as part of landscape management contract.

Comments: Appear to be functional with no issues reported. ProQual notified us that the irrigation controller was installed as part of the landscape management contract. While the landscape management contract could be sustained, it would be prudent to still plan for future replacement, as this service/contract may not be continued in the future.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$ 1,000

Worst Case: \$ 1,000

Cost Source: ARI Cost Database

Comp #: 1005 Landscape Granite - Replenish

Quantity: Approx 52,000 Sq Ft

Location: Whistling Rock (Parcel 15E): Common areas along Desert Foothills Pkwy

Funded?: No. The Master HOA replenishes this landscape granite as needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source: