

# RESERVE ANALYSIS REPORT

**Chateau De Vie II**  
Scottsdale, Arizona  
Version 002  
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# Chateau De Vie II

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# Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

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## ◆ ◆ ◆ ◆ INTRODUCTION TO RESERVE BUDGETING ◆ ◆ ◆ ◆

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

## ◆ ◆ ◆ ◆ UNDERSTANDING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

### **Budget**

Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

### **Percent Funded**

Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

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reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is “100% funded” means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

### **Projections**

Indicate the “level of service” the association will provide the membership as well as a “road map” for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will “catch up” or how a properly funded association will remain fiscally “healthy.”

### **Inventory**

Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst’s comments.

## ◆ ◆ ◆ ◆ RESERVE FUNDING GOALS / OBJECTIVES ◆ ◆ ◆ ◆

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

### **Full Funding**

Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

### **Baseline Funding**

Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association’s percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

### **Threshold Funding**

Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

### **Statutory Funding**

Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

## ◆ ◆ ◆ ◆ RESERVE FUNDING CALCULATION METHODS ◆ ◆ ◆ ◆

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

### **Component Calculation Method**

This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the “straight line”

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method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate \$100,000 in ten years, \$10,000 could be contributed each year. Alternatively, the association could contribute \$8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

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	<u>0% Increase</u>	<u>3% Increase</u>	<u>10% Increase</u>
Year 1	\$10,000.00	\$8,723.05	\$6,274.54
Year 2	\$10,000.00	\$8,984.74	\$6,901.99
Year 3	\$10,000.00	\$9,254.28	\$7,592.19
Year 4	\$10,000.00	\$9,531.91	\$8,351.41
Year 5	\$10,000.00	\$9,817.87	\$9,186.55
Year 6	\$10,000.00	\$10,112.41	\$10,105.21
Year 7	\$10,000.00	\$10,415.78	\$11,115.73
Year 8	\$10,000.00	\$10,728.25	\$12,227.30
Year 9	\$10,000.00	\$11,050.10	\$13,450.03
Year 10	\$10,000.00	\$11,381.60	\$14,795.04
TOTAL	<u>\$100,000.00</u>	<u>\$100,000.00</u>	<u>\$100,000.00</u>

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds “in the bank” for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

### **Cash Flow Calculation Method**

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding). Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The **Directed Cash Flow Calculation Method** is our primary calculation method. It allows for several funding strategies to be manually tested until the optimal funding strategy accomplishing three goals is created:

Goal #1: Ensures that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period (typically 30 years)

Goal #2: Uniformly distributes the costs of replacements over time to benefit both current & future members of the association by using consistent, incremental contribution increases

Goal #3: Provides for the lowest reserve funding recommendation as possible over time with the goal of approaching, reaching and/or maintaining a 100% fully funded reserve balance

These very important aspects of the **Directed Cash Flow Calculation Method** will greatly aid the board of directors during the annual budgeting process.

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## ◆ ◆ ◆ ◆ READING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a “red flag” is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

### Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

#### **Client Information**

Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

#### **Global Parameters**

Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.

#### **Community Profile**

Provides brief description of the community, as well as other “global” type comments.

#### **Budget**

Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

Sample Homeowners Association Executive Summary Component Calculation Method			
<b>Client Information:</b>		<b>Global Parameters:</b>	
Account Number	99999	Inflation Rate	2.00%
Version Number	1	Annual Contribution Increase	2.00%
Analysis Date	3/18/2014	Investment Rate	1.00%
Fiscal Year	6/1/2014 to 5/31/2015	Taxes on Investments	30.00%
Number of Units	187	Contingency	3.00%
Phasing	8 of 8		
<b>Community Profile:</b>			
This community consists of 187 attached units with private roadways, pool area and extensive landscaped areas.			
For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.			
ARS site visits: March 1, 2014; January 2011; February 2008; April 2008; March 2005; March 2003; March 2002; April 2001 and March 2000			
<b>Adequacy of Reserves as of June 1, 2014:</b>			
Anticipated Reserve Balance		\$865,450.00	
Fully Funded Reserve Balance		\$1,011,228.83	
Percent Funded		85.58%	
<b>Recommended Funding for the 2014-2015 Fiscal Year:</b>			
	Annual	Monthly	Per Unit Per Month
Member Contribution	\$110,659	\$9,221.58	\$55.22
Interest Contribution	\$5,977	\$498.09	\$2.98
Total Contribution	\$116,636	\$9,719.66	\$58.20
3.18.2014(1) 1 ADVANCED RESERVE SOLUTIONS, INC.			

#### **Adequacy of Reserves**

Displays the results of calculations with regard to the “health” of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

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## Calculation of Percent Funded

Summary displays all reserve components, shown here in “category” order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

**Reserve Components**  
All components are displayed (shown here in “category” order).

**Lifespans**  
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

**Sample Homeowners Association**  
Calculation of Percent Funded  
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<b>010 Streets</b>				
Streets - Asphalt, Overlay / Major Rehab	8	27	\$101,697.50	\$71,564.91
Streets - Asphalt, Repair	0	4	\$3,621.75	\$3,621.75
Streets - Asphalt, Seal Coat	0	4	\$5,926.50	\$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	\$0.00	\$0.00
<b>Sub Total</b>	<b>0-8</b>	<b>4-27</b>	<b>\$111,245.75</b>	<b>\$81,113.16</b>
<b>020 Roofs</b>				
Roofs - Tile				
<b>Sub Total</b>				
<b>030 Painting</b>				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
<b>Sub Total</b>				
<b>040 Fencing</b>				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
<b>Sub Total</b>				
<b>050 Lighting</b>				
Lighting - Buildings				
Lighting - Grounds				
<b>Sub Total</b>				
<b>060 Pool Area</b>				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				
<b>Sub Total</b>				

**Sample Homeowners Association**  
Calculation of Percent Funded  
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	\$8,591.63	\$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Pool Area - Furniture (Refurbish)	0	12	\$9,255.00	\$9,255.00
Pool Area - Furniture (Replace)	6	25	\$17,315.00	\$13,159.40
Pool Area - Mastic	0	4	\$5,131.50	\$5,131.50
Spa - Filter	0	13	\$1,350.00	\$1,350.00
Spa - Heater	0	10	\$3,050.00	\$3,050.00
Spa - Replaster & Tile Replace	3	8	\$5,250.00	\$3,126.40
<b>Sub Total</b>	<b>0-6</b>	<b>4-25</b>	<b>\$91,747.38</b>	<b>\$71,964.53</b>
<b>070 Decks</b>				
Decks - Clean & Top Coat	2	5	\$30,480.00	\$18,288.00
Decks - Resurface	2	13	\$65,227.20	\$54,720.81
<b>Sub Total</b>	<b>2</b>	<b>5-13</b>	<b>\$95,707.20</b>	<b>\$73,008.81</b>
<b>080 Misc (Buildings)</b>				
Fire Extinguisher Cabinets	2	21	\$27,625.00	\$24,904.05
Utility Closet Doors	2	21	\$73,900.00	\$68,881.90
<b>Sub Total</b>	<b>2</b>	<b>21</b>	<b>\$101,525.00</b>	<b>\$91,855.95</b>
<b>090 Misc (Grounds)</b>				
Landscape - Irrigation Controllers	0	12	\$28,000.00	\$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Mailboxes	2	21	\$37,200.00	\$32,657.14
<b>Sub Total</b>	<b>0-2</b>	<b>12-21</b>	<b>\$66,200.00</b>	<b>\$62,657.14</b>
<b>100 Termite Control</b>				
Termite Control	n.a.	n.a.	\$0.00	\$100,000.00
<b>Sub Total</b>	<b>n.a.</b>	<b>n.a.</b>	<b>\$0.00</b>	<b>\$100,000.00</b>
Contingency	n.a.	n.a.	n.a.	\$29,453.27
<b>Total</b>	<b>0-11</b>	<b>2-30</b>	<b>\$1,091,533.70</b>	<b>\$1,011,228.83</b>
<b>Anticipated Reserve Balance</b>				<b>\$865,450.00</b>
<b>Percent Funded</b>				<b>85.58%</b>

**Current Cost**  
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

**Fully Funded Balance**  
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

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## Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

**Balance at FYB**  
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

**Sample Homeowners Association**  
Management / Accounting Summary  
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
<b>010 Streets</b>				
Streets - Asphalt, Overlay / Major Rehab	\$17,837.90	\$948.09	\$13.37	\$983.07
Streets - Asphalt, Repair	\$3,021.75	\$78.20	\$0.25	\$78.45
Streets - Asphalt, Seal Coat	\$5,028.50	\$127.96	\$0.41	\$128.37
Streets - Concrete, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sub Total</b>	<b>\$27,186.15</b>	<b>\$1,155.84</b>	<b>\$14.04</b>	<b>\$1,169.88</b>
<b>020 Roofs</b>				
Roofs - Tile				
<b>Sub Total</b>				
<b>030 Painting</b>				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
<b>Sub Total</b>				
<b>040 Fencing</b>				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
<b>Sub Total</b>				
<b>050 Lighting</b>				
Lighting - Buildings				
Lighting - Grounds				
<b>Sub Total</b>				
<b>060 Pool Area</b>				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
<b>Sub Total</b>				
<b>070 Decks</b>				
Decks - Clean & Top Coat	\$18,288.00	\$539.52	\$12.44	\$551.96
Decks - Resurfacing	\$54,720.81	\$506.93	\$33.85	\$540.58
<b>Sub Total</b>	<b>\$73,008.81</b>	<b>\$1,046.45</b>	<b>\$46.09</b>	<b>\$1,092.54</b>
<b>080 Misc (Buildings)</b>				
Fire Extinguisher Cabinets	\$24,994.05	\$139.11	\$15.07	\$154.19
Utility Closet Doors	\$66,861.80	\$372.15	\$40.32	\$412.47
<b>Sub Total</b>	<b>\$91,855.95</b>	<b>\$511.26</b>	<b>\$55.40</b>	<b>\$566.66</b>
<b>090 Misc (Grounds)</b>				
Landscape - Irrigation Controllers	\$28,000.00	\$219.48	\$0.71	\$220.19
Landscape - Renovation, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Mailboxes	\$33,657.14	\$187.33	\$20.30	\$207.63
<b>Sub Total</b>	<b>\$62,657.14</b>	<b>\$406.82</b>	<b>\$21.00</b>	<b>\$427.82</b>
<b>100 Termite Control</b>				
Termite Control	\$100,000.00	\$0.00	\$58.52	\$58.52
<b>Sub Total</b>	<b>\$100,000.00</b>	<b>\$0.00</b>	<b>\$58.52</b>	<b>\$58.52</b>
Contingency	\$25,207.28	\$268.59	\$15.61	\$284.20
<b>Total</b>	<b>\$865,450.00</b>	<b>\$9,221.58</b>	<b>\$498.09</b>	<b>\$9,719.66</b>

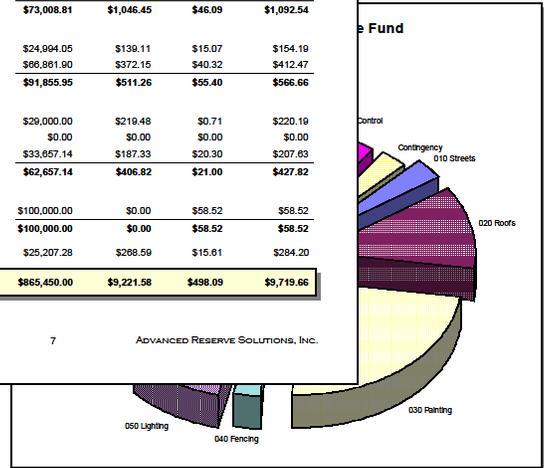
**Monthly Funding**  
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

**Sample Homeowners Association**  
Management / Accounting Summary  
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	\$3,250.00	\$24.60	\$0.08	\$24.98
Pool - Replaster & Tile Replace	\$7,070.58	\$146.76	\$4.61	\$151.37
Pool Area - Barbecues	\$1,010.00	\$28.98	\$0.69	\$30.67
Pool Area - Ceramic Tile	\$7,773.38	\$43.27	\$4.69	\$47.95
Pool Area - Concrete Deck, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Pool Area - Furniture (Refurbish)	\$8,255.00	\$70.05	\$0.23	\$70.27
Pool Area - Furniture (Replace)	\$13,159.40	\$74.76	\$7.94	\$82.70
Pool Area - Mastic	\$5,131.50	\$110.79	\$0.36	\$111.15
Spa - Filter	\$1,350.00	\$12.11	\$0.04	\$12.15
Spa - Heater	\$2,000.00	\$27.36	\$0.09	\$27.44
Spa - Replaster & Tile Replace	\$3,128.40	\$64.12	\$2.04	\$66.15
<b>Sub Total</b>	<b>\$71,964.53</b>	<b>\$710.19</b>	<b>\$30.10</b>	<b>\$740.28</b>
<b>070 Decks</b>				
Decks - Clean & Top Coat	\$18,288.00	\$539.52	\$12.44	\$551.96
Decks - Resurfacing	\$54,720.81	\$506.93	\$33.85	\$540.58
<b>Sub Total</b>	<b>\$73,008.81</b>	<b>\$1,046.45</b>	<b>\$46.09</b>	<b>\$1,092.54</b>
<b>080 Misc (Buildings)</b>				
Fire Extinguisher Cabinets	\$24,994.05	\$139.11	\$15.07	\$154.19
Utility Closet Doors	\$66,861.80	\$372.15	\$40.32	\$412.47
<b>Sub Total</b>	<b>\$91,855.95</b>	<b>\$511.26</b>	<b>\$55.40</b>	<b>\$566.66</b>
<b>090 Misc (Grounds)</b>				
Landscape - Irrigation Controllers	\$28,000.00	\$219.48	\$0.71	\$220.19
Landscape - Renovation, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Mailboxes	\$33,657.14	\$187.33	\$20.30	\$207.63
<b>Sub Total</b>	<b>\$62,657.14</b>	<b>\$406.82</b>	<b>\$21.00</b>	<b>\$427.82</b>
<b>100 Termite Control</b>				
Termite Control	\$100,000.00	\$0.00	\$58.52	\$58.52
<b>Sub Total</b>	<b>\$100,000.00</b>	<b>\$0.00</b>	<b>\$58.52</b>	<b>\$58.52</b>
Contingency	\$25,207.28	\$268.59	\$15.61	\$284.20
<b>Total</b>	<b>\$865,450.00</b>	<b>\$9,221.58</b>	<b>\$498.09</b>	<b>\$9,719.66</b>

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**Pie Charts**  
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.

3.18.2014(1) 8 ADVANCED RESERVE SOLUTIONS, INC.

# Preface

## Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.

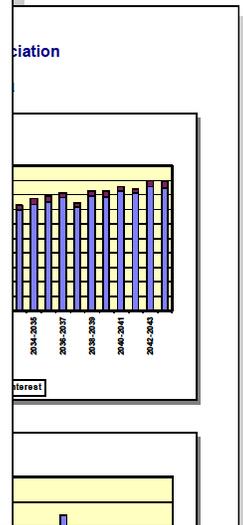
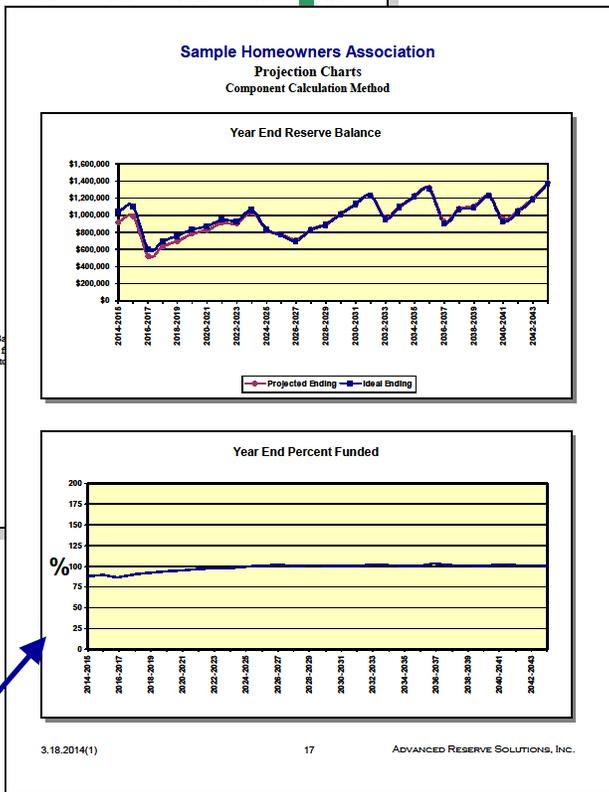
**Sample Homeowners Association  
Projections**  
Component Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2014-2015	\$865,450	\$110,659	\$5,977	\$54,980	\$917,106	\$1,046,139	88%
2015-2016	\$917,106	\$111,857	\$6,482	\$45,317	\$990,127	\$1,104,068	90%
2016-2017	\$990,127	\$118,806	\$3,175	\$591,549	\$518,559	\$568,939	87%
2017-2018	\$518,559	\$115,807	\$3,960	\$7,715	\$630,610	\$688,915	79%
2018-2019	\$630,610	\$116,508	\$4,431	\$52,973	\$998,577	\$755,512	94%
2019-2020	\$998,577	\$116,723	\$5,037	\$34,701	\$785,576	\$834,243	94%
2020-2021	\$785,576	\$118,645	\$5,331	\$80,731	\$828,821	\$886,179	95%
2021-2022	\$828,821	\$121,026	\$5,925	\$40,530	\$915,241	\$948,147	96%
2022-2023	\$915,241	\$123,506					
2023-2024	\$907,080	\$125,898					
2024-2025	\$1,037,322	\$128,436					
2025-2026	\$825,894	\$127,755					
2026-2027	\$780,989	\$125,648					
2027-2028	\$713,358	\$119,373					
2028-2029	\$631,967	\$131,699					
2029-2030	\$699,194	\$131,038					
2030-2031	\$1,013,798	\$137,575					
2031-2032	\$1,130,618	\$141,510					
2032-2033	\$1,237,543	\$143,182					
2033-2034	\$973,396	\$138,591					
2034-2035	\$1,104,489	\$147,134					
2035-2036	\$1,222,996	\$149,242					
2036-2037	\$1,317,743	\$155,898					
2037-2038	\$929,828	\$142,179					
2038-2039	\$1,079,962	\$157,613					
2039-2040	\$1,102,377	\$157,111					
2040-2041	\$1,234,892	\$165,390					
2041-2042	\$952,393	\$161,588					
2042-2043	\$1,056,301	\$171,747					
2043-2044	\$1,200,105	\$169,289					

NOTE: In some cases, the projected Ending Balance Expenditures. This is a result of the provision of contingency is continually adjusted according to

Improved format makes the numbers as easy to read and understand as possible. The color-coded bar indicates the reserve fund status:

Green: Good  
Yellow: Fair  
Red: Poor



**Charts**  
Show graphically the reserve funding plan through time.

# Preface

## Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.

### Lifespan Information

Displays placed-in-service date, useful life, remaining life and replacement year.

### Cost Information

Displays quantity, unit cost, percentage of replacement, current cost and future cost.

### Calculation Results

Displays assigned reserves and funding requirements.

**Sample Homeowners Association**  
Component Detail  
Component Calculation Method; Sorted by Category

Streets - Asphalt, Seal Coat			
Category	010 Streets	Quantity	65,850 sq. ft.
Photo Date	January 2011	Unit Cost	\$0.090
		% of Replacement	100.00%
		Current Cost	\$5,626.50
		Future Cost	\$6,415.03
Placed In Service	11/09	Assigned Reserves at FYB	\$5,626.50
Useful Life	4	Monthly Member Contribution	\$127.96
Remaining Life	0	Monthly Interest Contribution	\$0.41
Replacement Year	2014-2015	Total Monthly Contribution	\$128.37

Comments:

**Sample Homeowners Association**  
Component Detail  
Component Calculation Method; Sorted by Category

Painting - Woodwork & Trim			
Category	030 Painting	Quantity	31,575 sq. ft.
Photo Date	January 2011	Unit Cost	\$0.920
		% of Replacement	100.00%
		Current Cost	\$29,049.00
		Future Cost	\$30,222.58
Placed In Service	06/12	Assigned Reserves at FYB	\$14,524.50
Useful Life	4	Monthly Member Contribution	\$634.91
Remaining Life	2	Monthly Interest Contribution	\$10.54
Replacement Year	2016-2017	Total Monthly Contribution	\$645.45

Comments:

The association painted the woodwork and between July and November 2000 for a total cost of \$3,737. The association repaired, seal coated and restriped the pool deck for a total cost of \$5,075. The association seal coated the pool deck in November 2009 for a total cost of \$6,000.

The current cost used for this component is adjusted for inflation where applicable.

Asphalt surfaces should be seal coated on

**Sample Homeowners Association**  
Component Detail  
Component Calculation Method; Sorted by Category

Pool - Replaster & Tile Replace			
Category	060 Pool Area	Quantity	1 pool
Photo Date	January 2011	Unit Cost	\$15,075.000
		% of Replacement	100.00%
		Current Cost	\$15,075.00
		Future Cost	\$16,844.02
Placed In Service	01/10	Assigned Reserves at FYB	\$7,070.58
Useful Life	10	Monthly Member Contribution	\$146.76
Remaining Life	5	Monthly Interest Contribution	\$4.61
Replacement Year	2019-2020	Total Monthly Contribution	\$151.37

Comments:

The association painted the woodwork and between July and November 2000 for a total cost of \$3,737. The association repaired, seal coated and restriped the pool deck for a total cost of \$5,075. The association seal coated the pool deck in November 2009 for a total cost of \$6,000.

The current cost used for this component is adjusted for inflation where applicable.

For budgeting purposes, we have used the component.

The inventory for this component has been March 2000 site visit, we believe this inventory is accurate.

1,020 sq. ft. of replastering	@	\$12.50	=	\$12,750.00
135 in. ft. of trim tile	@	\$15.00	=	\$2,025.00
25 in. ft. of step tile	@	\$12.00	=	\$300.00
				<b>TOTAL = \$15,075.00</b>

The pool and spa were replastered in March 2000 for a total cost of approximately \$8,700. The association acid washed the pool in June 2002 for a total cost of \$675. The association replastered the pool and spa (including replacement of the mastic directly adjacent to the pool and spa) in January 2010 for a total cost of \$16,900.

**Comments**  
Useful information from site observations and historical expenses included here.

**Photos**  
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

## Preface

### ◆ ◆ ◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆ ◆ ◆

#### **Annual Contribution Increase Parameter**

The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the “time value of money,” this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of “reserve funding calculation methods” in this preface for more detail on this parameter.

#### **Anticipated Reserve Balance (or Reserve Funds)**

The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is “anticipated” because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

#### **Assigned Funds (and “Fixed” Assigned Funds)**

The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered “fixed” when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns \$10,000 to the roofs, but the association would like to show \$20,000 assigned to roofs, “fixed” funds of \$20,000 can be assigned.

#### **Cash Flow Calculation Method**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the “reserve funding calculation methods” section of the preface.

#### **Component Calculation Method**

Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the “reserve funding calculation methods” section of the preface.

#### **Contingency Parameter**

The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

#### **Current Replacement Cost**

The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

#### **Fiscal Year**

Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

#### **Fully Funded Reserve Balance (or Ideal Reserves)**

The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life.

## Preface

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

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

### **Future Replacement Cost**

The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

### **Global Parameters**

The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

### **Inflation Parameter**

The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

### **Interest Contribution**

The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

### **Investment Rate Parameter**

The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

### **Membership Contribution**

The amount of money contributed to the reserve fund by the association's membership.

### **Monthly Contribution (and "Fixed" Monthly Contribution)**

The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds \$1,000 to the roofs each month, but the association would like to show \$500 funded to roofs each month, a "fixed" contribution of \$500 can be assigned.

### **Number of Units (or other assessment basis)**

Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

# Preface

## **One-Time Replacement**

Used for components that will be budgeted for only once.

## **Percent Funded**

A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

## **Percentage of Replacement**

The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

## **Phasing**

Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

## **Placed-In-Service Date**

The date (month and year) that the reserve component was originally put into service or last replaced.

## **Remaining Life**

The length of time, in years, until a reserve component is scheduled to be replaced.

## **Remaining Life Adjustment**

The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

## **Replacement Year**

The fiscal year that a reserve component is scheduled to be replaced.

## **Reserve Components**

Line items included in the reserve analysis.

## **Taxes on Investments Parameter**

The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

# Preface

## **Total Contribution**

The sum of the membership contribution and interest contribution.

## **Useful Life**

The length of time, in years, that a reserve component is expected to last each time it is replaced. See also “remaining life adjustment.”

## ◆ ◆ ◆ ◆ **LIMITATIONS OF RESERVE ANALYSIS** ◆ ◆ ◆ ◆

This reserve analysis is intended as a tool for the association’s Board of Directors to be used in evaluating the association’s current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association’s obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

# Chateau De Vie II

## Executive Summary

### Directed Cash Flow Calculation Method

#### Client Information:

Account Number	3750
Version Number	002
Analysis Date	10/10/2022
Fiscal Year	1/1/2023 to 12/31/2023
Number of Units	83
Phasing	1 of 1

#### Global Parameters:

Inflation Rate	3.00 %
Annual Contribution Increase	50.00 %
Investment Rate	0.15 %
Taxes on Investments	0.00 %
Contingency	0.00 %

#### Community Profile:

This community was built in 1969. Refer to the Component Detail section for the dates used to age the components examined in this analysis.

Reserve Balance as of June 30, 2022: \$224,764

Remaining 2022 Reserve Contributions: \$15,959 (\$2,659.91/month x 6 months)

Remaining 2022 Interest to be Earned (0.15%): \$175

Remaining 2022 Reserve Expenditures: None Planned or Anticipated

Projected January 1, 2023 Reserve Balance: \$240,898

REPORTS: 2014. Updated 2022.

#### Adequacy of Reserves as of January 1, 2023:

Anticipated Reserve Balance	<b>\$240,898.00</b>
Fully Funded Reserve Balance	<b>\$635,562.56</b>
Percent Funded	<b>37.90%</b>

Recommended Funding for the 2023 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	<b>\$47,879</b>	<b>\$3,989.92</b>	<b>\$48.07</b>
Interest Contribution	<b>\$163</b>	<b>\$13.61</b>	<b>\$0.16</b>
Total Contribution	<b>\$48,042</b>	<b>\$4,003.53</b>	<b>\$48.24</b>

## Chateau De Vie II

### Distribution of Current Reserve Funds

#### Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Clubhouse Parking Lot: Asphalt Repair & Seal	0	\$1,500.00	\$1,500.00
Roofs: Tile Underlayment (Mansards)	0	\$136,500.00	\$136,500.00
Streets & RV Lot: Asphalt Repair & Seal (2023)	0	\$16,000.00	\$16,000.00
Pool Area: Deck Recoat	1	\$2,878.75	\$2,878.75
Pool Area: Furniture (Strapped)	1	\$880.00	\$880.00
Clubhouse: Remodel/Improvement Provision	2	\$10,000.00	\$10,000.00
Lighting: Poles w/Lantern Fixtures	2	\$2,000.00	\$2,000.00
Pool Area: Furniture (Metal)	2	\$3,220.00	\$3,220.00
Paint: Community Exteriors	3	\$71,875.00	\$43,459.94
Roofs: Flat, Built-Up (Storage Sheds)	3	\$24,459.31	\$24,459.31
Fencing/Gates: Chain Link (RV Lot)	6	\$10,800.00	\$0.00
Streets & RV Lot: Asphalt Rehabilitation	6	\$291,320.16	\$0.00
Fencing/Gates: Wrought Iron (Pool Area)	7	\$1,500.00	\$0.00
Streets & RV Lot: Asphalt Seal Coat (Ongoing)	8	\$0.00	\$0.00
Pool Area: Deck Resurface	9	\$6,168.75	\$0.00
Roofs: Flat, Foam - Repair/Recoat (Buildings)	9	\$28,412.50	\$0.00
Pool: Filter	10	\$790.65	\$0.00
Pool: Resurface & Retile	10	\$13,500.00	\$0.00
Clubhouse Parking Lot: Asphalt Rehabilitation	14	\$10,757.44	\$0.00
Clubhouse: HVAC (5 Ton)	14	\$3,000.00	\$0.00
Buildings: Gutters & Downspouts (Unfunded)	n.a.	\$0.00	\$0.00
Buildings: Vinyl Siding (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Concrete Components (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Irrigation System (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	\$0.00	\$0.00
Pool: Heater (Unfunded)	n.a.	\$0.00	\$0.00
Roofs: Metal, Carports (Unfunded)	n.a.	\$0.00	\$0.00

**Chateau De Vie II**  
**Distribution of Current Reserve Funds**  
**Sorted by Remaining Life**

	<b>Remaining Life</b>	<b>Fully Funded Balance</b>	<b>Assigned Reserves</b>
Contingency	n.a.	\$0.00	\$0.00
<b>Total</b>	<b>0-14</b>	<b>\$635,562.56</b>	<b>\$240,898.00</b>
<b>Percent Funded</b>			<b>37.90%</b>

**Chateau De Vie II**  
**Projections**  
**Directed Cash Flow Calculation Method**

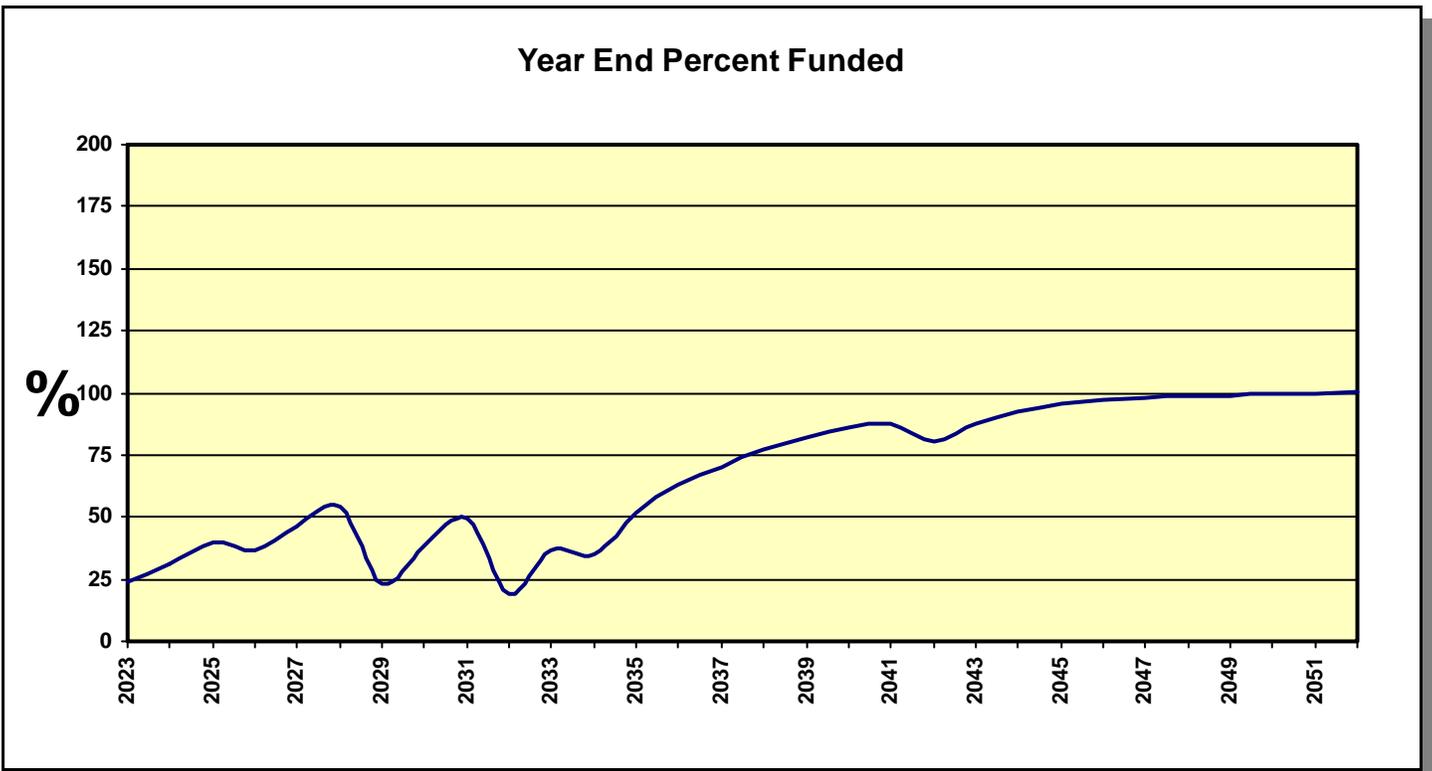
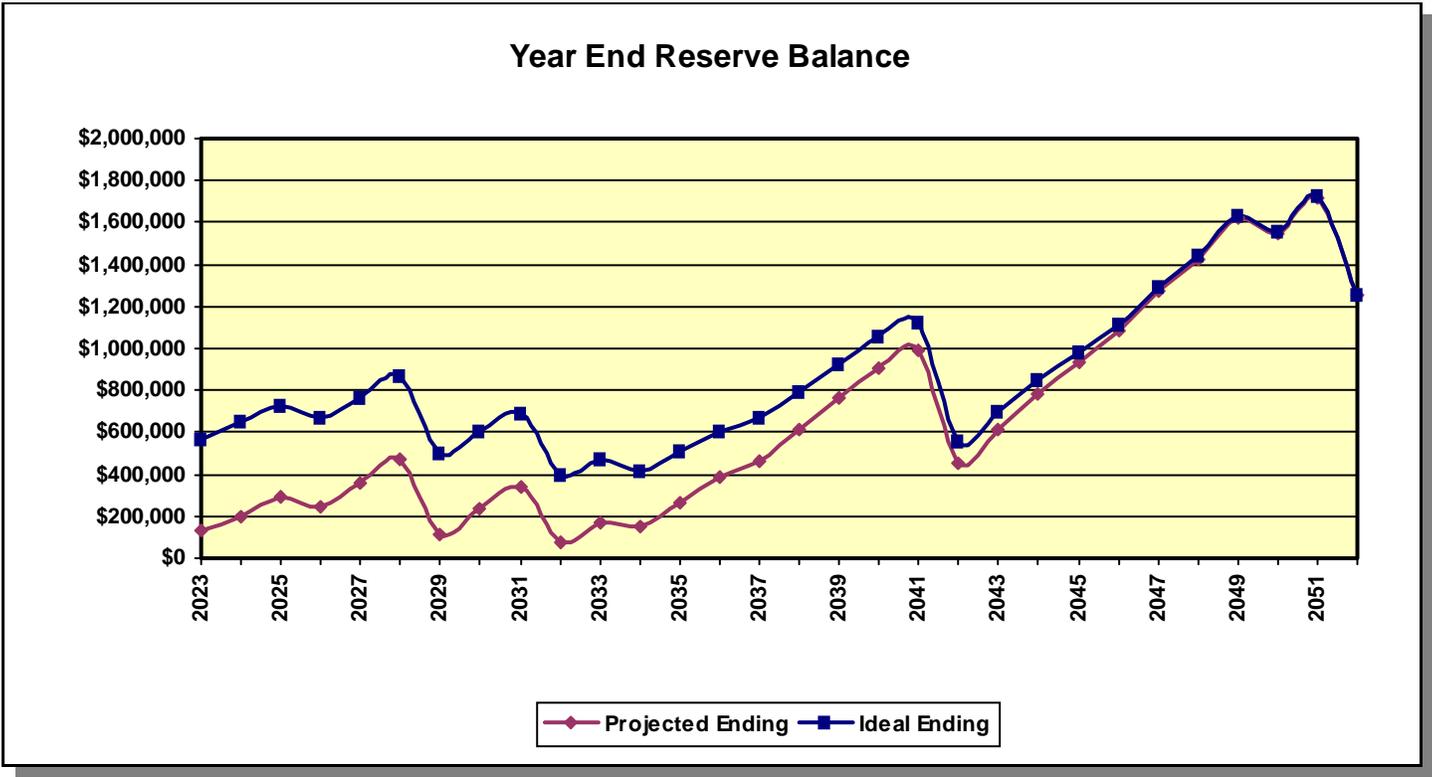
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2023	\$240,898	\$47,879	\$163	\$154,000	\$134,940	\$568,113	24%
2024	\$134,940	\$71,819	\$245	\$4,522	\$202,483	\$654,548	31%
2025	\$202,483	\$107,728	\$349	\$19,627	\$290,933	\$730,240	40%
2026	\$290,933	\$110,367	\$273	\$159,363	\$242,210	\$666,481	36%
2027	\$242,210	\$113,071	\$441	\$0	\$355,723	\$767,309	46%
2028	\$355,723	\$115,842	\$611	\$1,739	\$470,436	\$871,795	54%
2029	\$470,436	\$118,680	\$77	\$473,341	\$115,852	\$499,663	23%
2030	\$115,852	\$121,587	\$248	\$6,149	\$231,538	\$600,253	39%
2031	\$231,538	\$124,566	\$406	\$18,209	\$338,301	\$688,571	49%
2032	\$338,301	\$127,618	\$11	\$389,116	\$76,815	\$400,177	19%
2033	\$76,815	\$130,745	\$153	\$34,673	\$173,040	\$470,957	37%
2034	\$173,040	\$133,948	\$111	\$160,710	\$146,389	\$416,878	35%
2035	\$146,389	\$137,230	\$282	\$21,386	\$262,514	\$507,599	52%
2036	\$262,514	\$140,592	\$459	\$21,109	\$382,456	\$604,335	63%
2037	\$382,456	\$144,036	\$582	\$60,479	\$466,596	\$665,714	70%
2038	\$466,596	\$147,565	\$798	\$2,337	\$612,623	\$791,988	77%
2039	\$612,623	\$151,181	\$1,021	\$1,765	\$763,059	\$925,899	82%
2040	\$763,059	\$154,885	\$1,231	\$13,702	\$905,473	\$1,054,892	86%
2041	\$905,473	\$158,679	\$1,353	\$76,974	\$988,530	\$1,126,045	88%
2042	\$988,530	\$162,567	\$545	\$699,868	\$451,774	\$561,315	80%
2043	\$451,774	\$166,550	\$789	\$2,709	\$616,403	\$701,387	88%
2044	\$616,403	\$170,630	\$1,040	\$2,046	\$786,027	\$850,125	92%
2045	\$786,027	\$174,811	\$1,257	\$28,742	\$933,353	\$979,723	95%
2046	\$933,353	\$179,093	\$1,482	\$28,369	\$1,085,559	\$1,117,604	97%
2047	\$1,085,559	\$183,481	\$1,756	\$0	\$1,270,796	\$1,292,973	98%
2048	\$1,270,796	\$187,977	\$1,988	\$32,663	\$1,428,097	\$1,444,215	99%
2049	\$1,428,097	\$192,582	\$2,273	\$2,372	\$1,620,579	\$1,635,576	99%
2050	\$1,620,579	\$197,300	\$2,156	\$274,329	\$1,545,707	\$1,557,077	99%
2051	\$1,545,707	\$202,134	\$2,404	\$37,006	\$1,713,239	\$1,725,317	99%
2052	\$1,713,239	\$207,086	\$1,709	\$669,559	\$1,252,475	\$1,251,862	100%

The client's 2022 budgeted reserve contribution is \$31,919. Based on the reserve schedule of expenses outlined in this report, we have incorporated a 50.00% annual contribution increase from 2023 - 2025, and then a 2.45% annual contribution increase thereafter.

# Chateau De Vie II

## Projection Charts

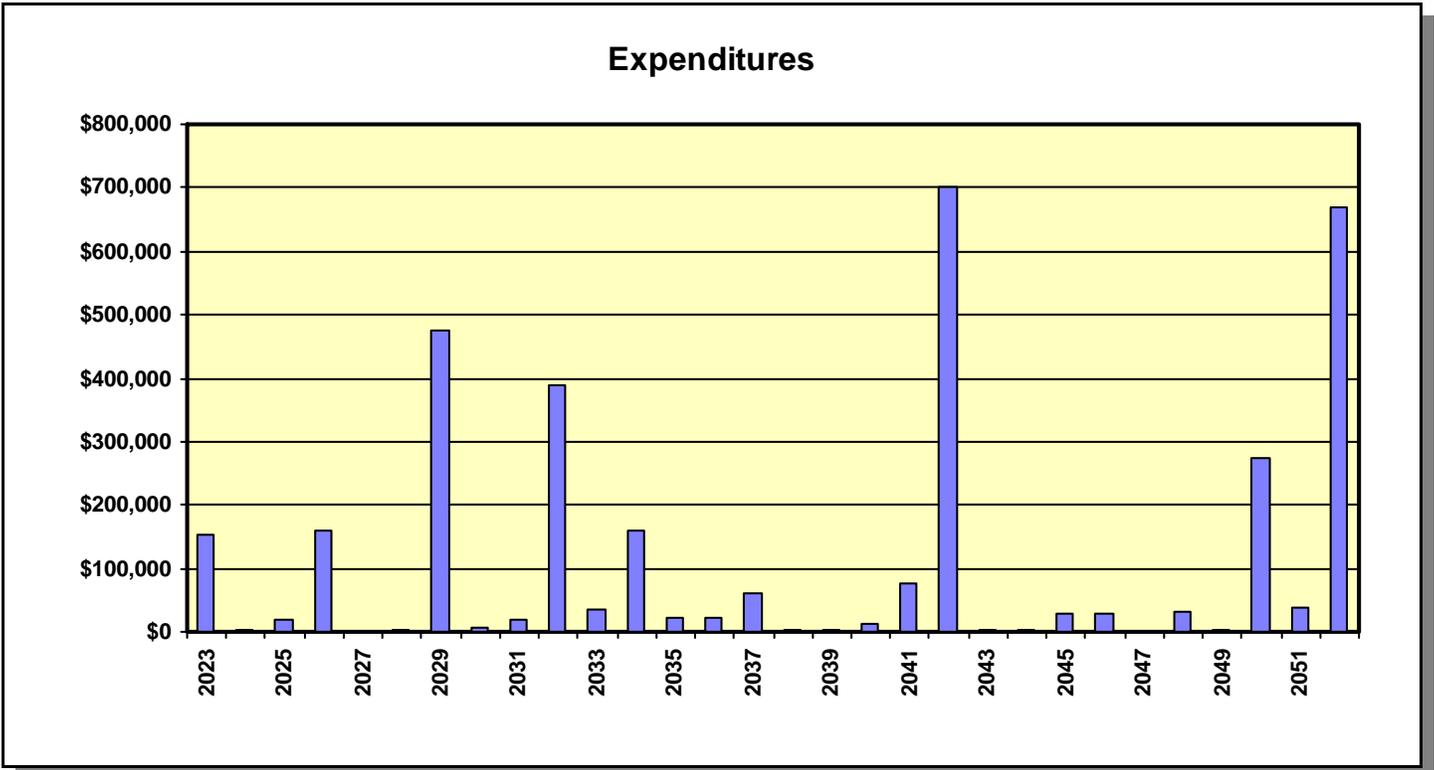
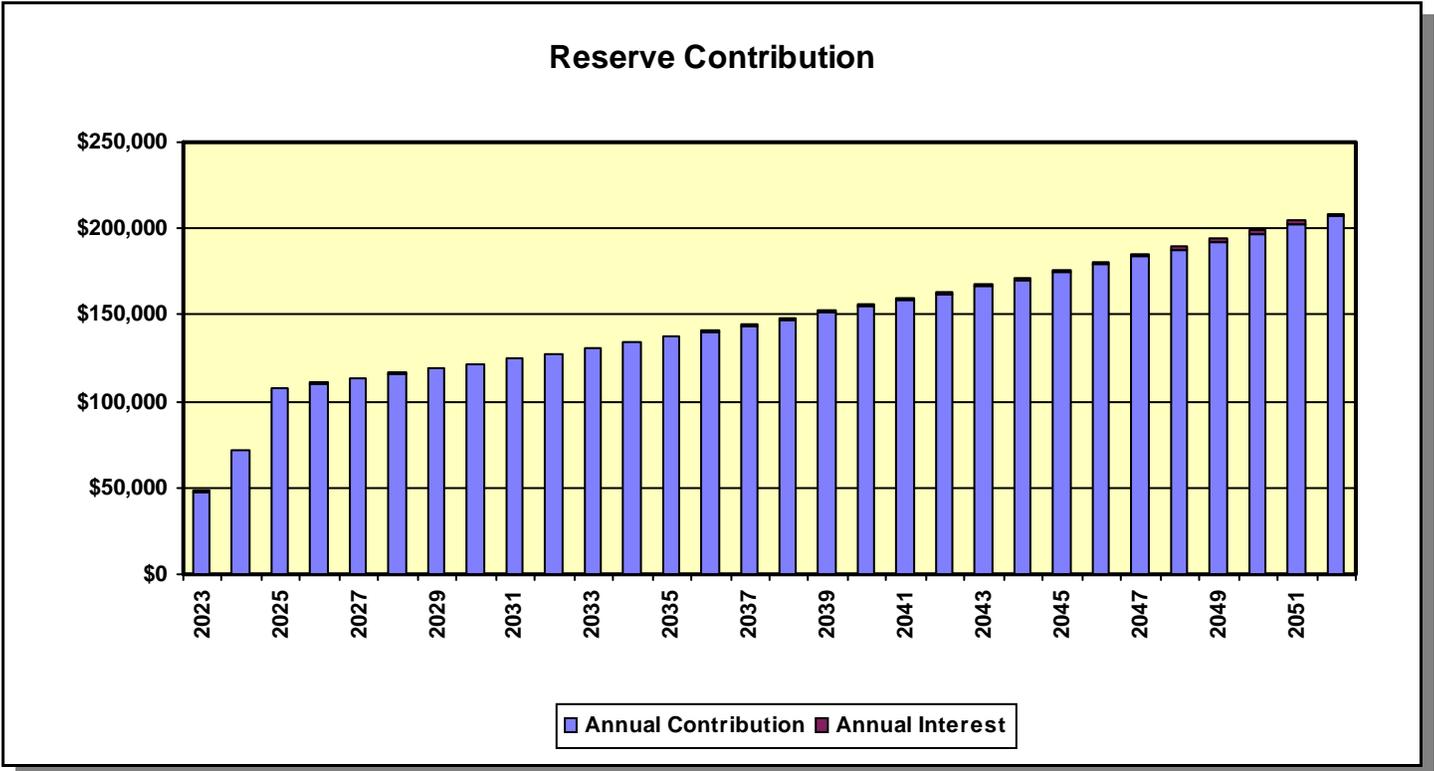
### Directed Cash Flow Calculation Method



# Chateau De Vie II

## Projection Charts

### Directed Cash Flow Calculation Method



# Chateau De Vie II

## Annual Expenditure Detail

### Sorted by Description

**2023 Fiscal Year**

Clubhouse Parking Lot: Asphalt Repair & Seal	\$1,500.00
Roofs: Tile Underlayment (Mansards)	\$136,500.00
Streets & RV Lot: Asphalt Repair & Seal (2023)	\$16,000.00

<b>Sub Total</b>	<b>\$154,000.00</b>
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**2024 Fiscal Year**

Pool Area: Deck Recoat	\$3,388.70
Pool Area: Furniture (Strapped)	\$1,133.00

<b>Sub Total</b>	<b>\$4,521.70</b>
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**2025 Fiscal Year**

Clubhouse: Remodel/Improvement Provision	\$13,261.25
Lighting: Poles w/Lantern Fixtures	\$2,652.25
Pool Area: Furniture (Metal)	\$3,713.15

<b>Sub Total</b>	<b>\$19,626.65</b>
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**2026 Fiscal Year**

Paint: Community Exteriors	\$125,663.61
Roofs: Flat, Built-Up (Storage Sheds)	\$33,699.70

<b>Sub Total</b>	<b>\$159,363.31</b>
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**2028 Fiscal Year**

Clubhouse Parking Lot: Asphalt Repair & Seal	\$1,738.91
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<b>Sub Total</b>	<b>\$1,738.91</b>
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**2029 Fiscal Year**

Fencing/Gates: Chain Link (RV Lot)	\$14,328.63
Pool Area: Furniture (Strapped)	\$1,313.46
Streets & RV Lot: Asphalt Rehabilitation	\$457,699.35

<b>Sub Total</b>	<b>\$473,341.44</b>
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**2030 Fiscal Year**

Fencing/Gates: Wrought Iron (Pool Area)	\$6,149.37
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<b>Sub Total</b>	<b>\$6,149.37</b>
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**2031 Fiscal Year**

Streets & RV Lot: Asphalt Seal Coat (Ongoing)	\$18,209.00
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<b>Sub Total</b>	<b>\$18,209.00</b>
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**2032 Fiscal Year**

Pool Area: Deck Resurface	\$18,397.30
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**Chateau De Vie II**  
**Annual Expenditure Detail**  
**Sorted by Description**

Roofs: Flat, Foam - Repair/Recoat (Buildings)	\$370,718.68
<b>Sub Total</b>	<b>\$389,115.98</b>
 <b>2033 Fiscal Year</b>	
Clubhouse Parking Lot: Asphalt Repair & Seal	\$2,015.87
Pool: Filter	\$2,419.05
Pool: Resurface & Retile	\$30,238.12
<b>Sub Total</b>	<b>\$34,673.04</b>
 <b>2034 Fiscal Year</b>	
Paint: Community Exteriors	\$159,186.90
Pool Area: Furniture (Strapped)	\$1,522.66
<b>Sub Total</b>	<b>\$160,709.55</b>
 <b>2035 Fiscal Year</b>	
Clubhouse: Remodel/Improvement Provision	\$17,822.01
Lighting: Poles w/Lantern Fixtures	\$3,564.40
<b>Sub Total</b>	<b>\$21,386.41</b>
 <b>2036 Fiscal Year</b>	
Streets & RV Lot: Asphalt Seal Coat (Ongoing)	\$21,109.22
<b>Sub Total</b>	<b>\$21,109.22</b>
 <b>2037 Fiscal Year</b>	
Clubhouse Parking Lot: Asphalt Rehabilitation	\$45,352.73
Clubhouse: HVAC (5 Ton)	\$15,125.90
<b>Sub Total</b>	<b>\$60,478.63</b>
 <b>2038 Fiscal Year</b>	
Clubhouse Parking Lot: Asphalt Repair & Seal	\$2,336.95
<b>Sub Total</b>	<b>\$2,336.95</b>
 <b>2039 Fiscal Year</b>	
Pool Area: Furniture (Strapped)	\$1,765.18
<b>Sub Total</b>	<b>\$1,765.18</b>
 <b>2040 Fiscal Year</b>	
Fencing/Gates: Wrought Iron (Pool Area)	\$8,264.24
Pool Area: Deck Recoat	\$5,437.87
<b>Sub Total</b>	<b>\$13,702.11</b>

**Chateau De Vie II**  
**Annual Expenditure Detail**  
**Sorted by Description**

**2041 Fiscal Year**

Roofs: Flat, Built-Up (Storage Sheds)	\$52,503.04
Streets & RV Lot: Asphalt Seal Coat (Ongoing)	\$24,471.37

<b>Sub Total</b>	<b>\$76,974.40</b>
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**2042 Fiscal Year**

Paint: Community Exteriors	\$201,653.20
Roofs: Flat, Foam - Repair/Recoat (Buildings)	\$498,214.91

<b>Sub Total</b>	<b>\$699,868.10</b>
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**2043 Fiscal Year**

Clubhouse Parking Lot: Asphalt Repair & Seal	\$2,709.17
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<b>Sub Total</b>	<b>\$2,709.17</b>
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**2044 Fiscal Year**

Pool Area: Furniture (Strapped)	\$2,046.32
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<b>Sub Total</b>	<b>\$2,046.32</b>
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**2045 Fiscal Year**

Clubhouse: Remodel/Improvement Provision	\$23,951.29
Lighting: Poles w/Lantern Fixtures	\$4,790.26

<b>Sub Total</b>	<b>\$28,741.55</b>
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**2046 Fiscal Year**

Streets & RV Lot: Asphalt Seal Coat (Ongoing)	\$28,369.02
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<b>Sub Total</b>	<b>\$28,369.02</b>
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**2048 Fiscal Year**

Clubhouse Parking Lot: Asphalt Repair & Seal	\$3,140.67
Pool Area: Deck Resurface	\$29,522.27

<b>Sub Total</b>	<b>\$32,662.94</b>
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**2049 Fiscal Year**

Pool Area: Furniture (Strapped)	\$2,372.25
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<b>Sub Total</b>	<b>\$2,372.25</b>
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**2050 Fiscal Year**

Fencing/Gates: Wrought Iron (Pool Area)	\$11,106.45
Paint: Community Exteriors	\$255,448.24
Pool Area: Furniture (Metal)	\$7,774.51

<b>Sub Total</b>	<b>\$274,329.19</b>
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**Chateau De Vie II**  
**Annual Expenditure Detail**  
**Sorted by Description**

**2051 Fiscal Year**

Pool: Filter	\$4,118.27
Streets & RV Lot: Asphalt Seal Coat (Ongoing)	\$32,887.47

**Sub Total** \$37,005.74

**2052 Fiscal Year**

Roofs: Flat, Foam - Repair/Recoat (Buildings)	\$669,559.17
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**Sub Total** \$669,559.17

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Clubhouse Parking Lot: Asphalt Rehabilitation

Category	005 Clubhouse Parking Lot	Quantity	6,663 sq. ft.
		Unit Cost	\$4.500
		% of Replacement	100.00%
		Current Cost	\$29,983.50
		Future Cost	\$45,352.73
Placed In Service	03/15		
Useful Life	35		
Adjustment	-13	Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$6.13
Replacement Year	2037	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$6.13

#### Comments:

The clubhouse parking lot was overlaid in March 2015 by Performance Paving & Sealing at a cost of \$9,600.01. This component budgets to remove & repave the clubhouse parking lot asphalt in mid-2035, and then on a 35 year cycle.

### Clubhouse Parking Lot: Asphalt Repair & Seal

Category	005 Clubhouse Parking Lot	Quantity	1 total
		Unit Cost	\$1,500.000
		% of Replacement	100.00%
		Current Cost	\$1,500.00
		Future Cost	\$1,738.91
Placed In Service	06/16		
Useful Life	5	Assigned Reserves at FYB	\$1,500.00
Remaining Life	0	Monthly Member Contribution	\$10.38
Replacement Year	2023	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$10.39

#### Comments:

The clubhouse parking lot was seal coated in mid-2016. This component includes a provision to crack seal, repair, seal coat & restripe the clubhouse parking lot asphalt on a continuous five year cycle.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Streets & RV Lot: Asphalt Rehabilitation

Category	010 Streets & RV Lot	Quantity	95,829 sq. ft.
		Unit Cost	\$4.000
		% of Replacement	100.00%
		Current Cost	\$383,316.00
Placed In Service	01/04	Future Cost	\$457,699.35
Useful Life	35		
Adjustment	-10	Assigned Reserves at FYB	\$0.00
Remaining Life	6	Monthly Member Contribution	\$1,733.11
Replacement Year	2029	Monthly Interest Contribution	\$1.25
		Total Monthly Contribution	\$1,734.35

Comments:

All of the community asphalt appears to have been overlaid approximately 20 years ago. In 2015, the streets, covered parking spaces & uncovered parking spaces (total of 87,291 sq. ft. - excludes the clubhouse parking lot area) received a Type I slurry seal application, and the RV Lot (8,538 sq. ft.) was seal coated. This component budgets to remove & repave the streets, covered parking spaces, uncovered parking spaces & RV Lot in 2029, and then on a 35 year cycle.

### Streets & RV Lot: Asphalt Repair & Seal (2023)

#### One Time Replacement

Category	010 Streets & RV Lot	Quantity	1 total
		Unit Cost	\$16,000.000
		% of Replacement	100.00%
		Current Cost	\$16,000.00
Placed In Service	06/16	Future Cost	\$0.00
Useful Life	5		
		Assigned Reserves at FYB	\$16,000.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2023	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

Comments:

The streets, covered parking spaces & uncovered parking spaces (total of 87,291 sq. ft. - excludes the clubhouse parking lot area) were seal coated in mid-2016. This component is a one time expense to crack seal, repair, seal coat & restripe the streets, covered parking spaces, uncovered parking spaces & RV Lot in 2023. This is the last scheduled maintenance of these areas prior to the asphalt rehabilitation project scheduled to occur in 2029.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Streets & RV Lot: Asphalt Seal Coat (Ongoing)

Category	010 Streets & RV Lot	Quantity	95,829 sq. ft.
		Unit Cost	\$0.150
		% of Replacement	100.00%
		Current Cost	\$14,374.35
Placed In Service	01/29	Future Cost	\$18,209.00
Useful Life	5		
Adjustment	-3	Assigned Reserves at FYB	\$0.00
Remaining Life	8	Monthly Member Contribution	\$29.08
Replacement Year	2031	Monthly Interest Contribution	\$0.02
		Total Monthly Contribution	\$29.10

#### Comments:

The streets, covered parking spaces, uncovered parking spaces & RV Lot are scheduled to be removed & repaved in 2029. This component budgets to seal coat & restripe these areas in 2031, and then on a five year cycle. We will include a provision for ongoing asphalt repairs at the time of a future update of this report once the rehabilitation project has occurred.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Roofs: Flat, Built-Up (Storage Sheds)

Category	020 Roofing	Quantity	5,140 sq. ft.
		Unit Cost	\$6.000
		% of Replacement	100.00%
		Current Cost	\$30,840.00
Placed In Service	07/11	Future Cost	\$33,699.70
Useful Life	15		
		Assigned Reserves at FYB	\$24,459.31
Remaining Life	3	Monthly Member Contribution	\$151.41
Replacement Year	2026	Monthly Interest Contribution	\$3.13
		Total Monthly Contribution	\$154.54

#### Comments:

The built-up (modified) roofs atop the storage sheds were installed in mid-2011 by Lyons Roofing. Lyons Roofing advised us to use a 10 - 12 year useful life cycle. However, due to the current appearance/condition of these roofs, we have used a 15 year replacement cycle.

The shed inventory includes:

- 14 - 4'6" x 14'3" sheds
- 35 - 8'6" x 14'3" sheds

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Roofs: Flat, Foam - Repair/Recoat (Buildings)

Category	020 Roofing	Quantity	113,650 sq. ft.
		Unit Cost	\$2.500
		% of Replacement	100.00%
		Current Cost	\$284,125.00
Placed In Service	01/22	Future Cost	\$370,718.68
Useful Life	10		
		Assigned Reserves at FYB	\$0.00
Remaining Life	9	Monthly Member Contribution	\$389.35
Replacement Year	2032	Monthly Interest Contribution	\$0.28
		Total Monthly Contribution	\$389.62

#### Comments:

The foam roofs atop the condominium buildings & clubhouse were installed by Lyons Roofing in mid-2011 due to hail damage. In late 2021, the foam roofs were repaired & recoated by Gorman Roofing Services at a cost of \$271,618.03 (10 year warranty). This component budgets for similar work on a 10 year cycle.

No provision has been included in this reserve study to replace the foam roofs. If inspected annually, repaired as needed, and recoated as recommended, the foam roofs should last indefinitely under normal circumstances. However, should the client wish to have budgeting included for the replacement of the foam roofs, we will do so at their request in a revision or future update of this report.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Roofs: Metal, Carports (Unfunded)

Category	020 Roofing	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/69	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

The corrugated metal carport roofs were replaced in mid-2011 using insurance proceeds following an October 2010 hail storm. The following comments apply:

We are not budgeting to replace the corrugated metal carport roofs because they should last indefinitely. However, the condition of these roofs should be monitored over time, and if future replacements are anticipated, we will include a provision for such in a future update of this report. Should the client wish to budget for these roofs at this time, we will revise this report to include these roofs at their request. Minor repairs should be handled on an "as needed" basis using operating funds.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Roofs: Tile Underlayment (Mansards)

Category	020 Roofing	Quantity	19,500 sq. ft.
		Unit Cost	\$7.000
		% of Replacement	100.00%
		Current Cost	\$136,500.00
Placed In Service	01/69	Future Cost	\$598,403.17
Useful Life	50		
		Assigned Reserves at FYB	\$136,500.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2023	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

This component budgets to replace the tile roof underlayment at the steep slope tile mansard areas on the condominium buildings & clubhouse.. No historical maintenance or replacement information concerning the mansard areas has been provided by the client. Therefore, we have continued to assume that the underlayment is original, and is at, or near, the end of its useful life.

### Buildings: Gutters & Downspouts (Unfunded)

Category	025 Buildings	Quantity	1 comment
		Unit Cost	\$0.000
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/69	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

The aluminum gutters & downspouts have an indefinite life if maintained properly and cleaned out on a regular basis. Good maintenance practice won't allow the need to accumulate reserves to a point of major expense. Minor repairs & clean outs should be handled on an "as needed" basis using operating funds.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Buildings: Vinyl Siding (Unfunded)

Category	025 Buildings	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/69	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

It is unknown when the vinyl siding was installed on the buildings. Nonetheless, we anticipate that the vinyl siding will last indefinitely, and shouldn't require replacement under normal circumstances. However, we recommend having the condition of the siding periodically evaluated by a qualified professional, and should it be determined that replacement will eventually become necessary, we will begin budgeting for such at the time of a future update of this report.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Paint: Community Exteriors

Category	030 Painting	Quantity	1 total
		Unit Cost	\$115,000.00
		% of Replacement	100.00%
		Current Cost	\$115,000.00
Placed In Service	01/18	Future Cost	\$125,663.61
Useful Life	8		
		Assigned Reserves at FYB	\$43,459.94
Remaining Life	3	Monthly Member Contribution	\$1,359.96
Replacement Year	2026	Monthly Interest Contribution	\$6.35
		Total Monthly Contribution	\$1,366.30

#### Comments:

The client has been unable to provide to us historical documentation on major painting projects. Supposedly, the community exteriors were repainted in 2011 (no documentation on this project was provided). In late 2018, \$5,712.16 was spent to repair & repaint the "walls/sheds" and "4 stucco columns on the clubhouse". For budgeting purposes, we have used 2018 as the basis for aging the repainting of the community exteriors, which include:

- building exteriors (block, wood trim, some wood siding)
- painted block walls adjacent to the buildings & at the pool area
- storage sheds (wood siding)
- metal carport support structures
- wrought iron fencing & gates at the pool area

This component budgets to repaint the community exteriors every eight (8) years. Should the client wish to repaint the community exteriors on a different schedule, we will make an adjustment to this component at their request.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Fencing/Gates: Chain Link (RV Lot)

Category	040 Fencing & Gates	Quantity	1 total
		Unit Cost	\$12,000.000
		% of Replacement	100.00%
		Current Cost	\$12,000.00
Placed In Service	01/69	Future Cost	\$14,328.63
Useful Life	50		
Adjustment	+10	Assigned Reserves at FYB	\$0.00
Remaining Life	6	Monthly Member Contribution	\$54.26
Replacement Year	2029	Monthly Interest Contribution	\$0.04
		Total Monthly Contribution	\$54.30

#### Comments:

The chain link fencing & gates (w/plastic privacy slats) enclosing the RV Lot appears to be original and serving its purpose. However, it continues to be aesthetically unpleasing & rusted, but the client hasn't given us any indication that they intend to replace it any time soon. Therefore, we have adjusted the useful life to indicate a replacement year of 2029. The inventory includes:

- 283 - LF of 6' fencing
- 2 - 6'0" x 12'3" vehicle gates

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Fencing/Gates: Wrought Iron (Pool Area)

Category	040 Fencing & Gates	Quantity	1 total
		Unit Cost	\$5,000.00
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/20	Future Cost	\$6,149.37
Useful Life	10		
		Assigned Reserves at FYB	\$0.00
Remaining Life	7	Monthly Member Contribution	\$15.04
Replacement Year	2030	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$15.05

#### Comments:

The inventory of wrought iron at the pool area includes:

- 145 - LF of 2'0" fencing
- 95 - LF of 5'0" fencing
- 1 - 5'0" x 3'0" gate

In late 2019, \$4,702.54 was spent to replace 10 sections of wrought iron fencing at the pool area. Going forward, this component includes a similar amount every 10 years for the replacement of the pool area wrought iron on an "as needed" basis.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Lighting: Poles w/Lantern Fixtures

Category	050 Lighting	Quantity	1 total
		Unit Cost	\$2,500.00
		% of Replacement	100.00%
		Current Cost	\$2,500.00
Placed In Service	01/15	Future Cost	\$2,652.25
Useful Life	10		
		Assigned Reserves at FYB	\$2,000.00
Remaining Life	2	Monthly Member Contribution	\$20.37
Replacement Year	2025	Monthly Interest Contribution	\$0.26
		Total Monthly Contribution	\$20.63

#### Comments:

There are 10, 8' metal poles w/lantern fixtures within the community, and four lantern fixtures mounted atop the pool area walls. No historical information regarding these components is known. This component will continue to accumulate funds on a 10 year cycle for the major repair and/or replacement of these components on an "as needed" basis. For budgeting purposes we have used 2015 as the basis for aging this component.

### Pool Area: Deck Recoat

Category	060 Pool	Quantity	1,880 sq. ft.
		Unit Cost	\$1.750
		% of Replacement	100.00%
		Current Cost	\$3,290.00
Placed In Service	01/16	Future Cost	\$3,388.70
Useful Life	16		
Adjustment	-8	Assigned Reserves at FYB	\$2,878.75
Remaining Life	1	Monthly Member Contribution	\$39.87
Replacement Year	2024	Monthly Interest Contribution	\$0.39
		Total Monthly Contribution	\$40.26

#### Comments:

The pool deck was resurfaced in late 2015. This component includes a provision to repair & recoat (repaint) the acrylic pool deck surface in between resurfacing cycles.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Pool Area: Deck Resurface

Category	060 Pool	Quantity	1,880 sq. ft.
		Unit Cost	\$7.500
		% of Replacement	100.00%
		Current Cost	\$14,100.00
Placed In Service	01/16	Future Cost	\$18,397.30
Useful Life	16		
		Assigned Reserves at FYB	\$0.00
Remaining Life	9	Monthly Member Contribution	\$19.32
Replacement Year	2032	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$19.33

Comments:

The pool deck was resurfaced in late 2015. This component budgets to scarify & resurface the acrylic pool deck surface on a 16 year cycle.

### Pool Area: Furniture (Metal)

Category	060 Pool	Quantity	1 total
		Unit Cost	\$3,500.000
		% of Replacement	100.00%
		Current Cost	\$3,500.00
Placed In Service	01/00	Future Cost	\$3,713.15
Useful Life	25		
		Assigned Reserves at FYB	\$3,220.00
Remaining Life	2	Monthly Member Contribution	\$15.24
Replacement Year	2025	Monthly Interest Contribution	\$0.41
		Total Monthly Contribution	\$15.65

Comments:

This component budgets to replace the following pool furniture:

- 10 - metal mesh chairs
- 4 - metal mesh tables
- 4 - aluminum umbrellas

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Pool Area: Furniture (Strapped)

Category	060 Pool	Quantity	1 total
		Unit Cost	\$1,100.00
		% of Replacement	100.00%
		Current Cost	\$1,100.00
Placed In Service	01/19	Future Cost	\$1,133.00
Useful Life	5		
		Assigned Reserves at FYB	\$880.00
Remaining Life	1	Monthly Member Contribution	\$19.85
Replacement Year	2024	Monthly Interest Contribution	\$0.12
		Total Monthly Contribution	\$19.97

#### Comments:

This component budgets to restrap the following pool furniture every five years:

11 - strapped chaise lounges

### Pool: Filter

Category	060 Pool	Quantity	1 filter
		Unit Cost	\$1,800.00
		% of Replacement	100.00%
		Current Cost	\$1,800.00
Placed In Service	03/15	Future Cost	\$2,419.05
Useful Life	18		
		Assigned Reserves at FYB	\$0.00
Remaining Life	10	Monthly Member Contribution	\$1.68
Replacement Year	2033	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$1.68

#### Comments:

This is a Triton II, 4.91 sq. ft. sand filter that was purchased/installed in March 2015 at a cost of \$1,360.78.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Pool: Heater (Unfunded)

Category	060 Pool	Quantity	1 comment
		Unit Cost	\$0.000
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/69	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

Comments:

The pool heater is not in service.

### Pool: Resurface & Retile

Category	060 Pool	Quantity	1 total
		Unit Cost	\$22,500.000
		% of Replacement	100.00%
		Current Cost	\$22,500.00
Placed In Service	01/08	Future Cost	\$30,238.12
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	10	Monthly Member Contribution	\$20.98
Replacement Year	2033	Monthly Interest Contribution	\$0.02
		Total Monthly Contribution	\$21.00

Comments:

The pool was resurfaced in 2008:

- 2,000 - sq. ft. (internal area) of pebble resurfacing
- 147 - LF of trim tile
- 1 - set of bench tile inserts

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Clubhouse: HVAC (5 Ton)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	\$10,000.000
		% of Replacement	100.00%
		Current Cost	\$10,000.00
Placed In Service	01/17	Future Cost	\$15,125.90
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$2.04
Replacement Year	2037	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$2.04

#### Comments:

The 5 Ton package unit atop the clubhouse roof was replaced in late 2016 by Arizona Experts at a cost of \$5,226.01.

### Clubhouse: Remodel/Improvement Provision

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	\$12,500.000
		% of Replacement	100.00%
		Current Cost	\$12,500.00
Placed In Service	01/15	Future Cost	\$13,261.25
Useful Life	10		
		Assigned Reserves at FYB	\$10,000.00
Remaining Life	2	Monthly Member Contribution	\$101.86
Replacement Year	2025	Monthly Interest Contribution	\$1.30
		Total Monthly Contribution	\$103.17

#### Comments:

Overall, the clubhouse components are old, if not original. It is doubtful that a complete clubhouse remodel project will ever occur at a single point in time, especially considering that the clubhouse is rarely used. Instead, this component will accumulate funds on a 10 year cycle for interior clubhouse improvements on an "as needed" basis, including the replacement of the other HVAC system.

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Grounds: Concrete Components (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/69	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

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

# Chateau De Vie II

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Grounds: Irrigation System (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/69	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

In 2016/2017, \$28,553.40 was spent to replace the irrigation valves, valve boxes, and to install sleeves & wiring to the new valves. No information has been provided on the condition or historical replacement of the other irrigation system components (tubing, PVC, sprinkler heads, emitters, controllers, etc.). In the client's 2022 operating budget, they have a \$6,000 line item for irrigation repairs. Since we were not advised by the client to include budgeting in the reserve study for future irrigation system component replacements, we have assumed that they will use the operating funds to do so on an "as needed" basis.

Should the client wish to have the replacement of the irrigation system components included in the reserve study, they will need to have the system evaluated to determine the appropriate scope of work, current replacement cost and remaining useful life, all of which are necessary so that budgeting can be included in a revision or future update of this analysis.

### Grounds: Tree Trimming (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/69	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

Tree trimming is accounted for as an operating expense.

# Chateau De Vie II

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Number of components included in this reserve analysis is 27.