

RESERVE ANALYSIS REPORT

Paseo Crossing

Chandler, Arizona

Version 006

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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 a “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 association common areas and property values of 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 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 is 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.

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Percent Funded

Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the reserve analysis is 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 “level of service” the association will provide the membership as well as a “road map” for the fiscal future of the association. Projections define the timetables for repairs and replacements, such as when buildings will be painted or when asphalt will be seal coated. 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 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 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. Component calculation method or directed cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding

Describes 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. Minimum cash flow calculation method or directed cash flow calculation method s typically used to develop a baseline funding plan.

Threshold Funding

Describes 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. Minimum cash flow calculation method or directed cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding

Describes goal/objective as described or required by local laws or codes. Component calculation method, minimum cash flow calculation method or directed cash flow calculation method may be used to develop a statutory funding plan, depending on the requirements.

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

There are three funding methods which can be used to develop a reserve funding plan based on reserve funding goals/objectives: Component Calculation Method, Minimum Cash Flow Calculation Method and Directed Cash Flow Calculation Method.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow calculation method funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user “directs” the funding plan as needed to achieve reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using the directed cash flow calculation method. Whereas component calculation method funding plans and minimum cash flow calculation method funding plans are typically used as reference information; usually considered the “floor” (minimum cash flow calculation method) and “ceiling” (component calculation method) of a reasonable reserve funding plan.

The three calculation methods are described as follows:

Component Calculation Method

Component 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” 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 fully funded reserves in time, and then enables the association to maintain fully funded reserves through time. The following is a detailed description of component calculation method:

Step 1: Calculation of fully funded balance for each component

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

Association's current reserve funds are assigned to (or distributed amongst) 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 reserve funds 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, components are organized in remaining life order, from least to greatest, and remaining current reserve funds are assigned to each component up to its current cost, until reserve funds 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, until reserve funds are exhausted. After pass 3, if additional reserve funds remain, there are excess reserves.

Distributing, or assigning, 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 contribution increase parameter to develop a “stair stepped” contribution.

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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, the contribution increase parameter should match the inflation parameter. Matching the 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 a contribution increase parameter that is greater than the inflation parameter will reduce the burden to current members at the expense of future members. Using a contribution increase parameter that is less than the inflation parameter will increase the burden to the current members to the benefit of future members. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
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	\$100,000.00	\$100,000.00	\$100,000.00

One major benefit of using component calculation method is that for any single component (or group of components), 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 Summary and Charts as well as elsewhere within the report.

Minimum Cash Flow Calculation Method

Minimum cash flow 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 concerned with the ideal level of reserves or percent funded through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding). This calculation method will determine the minimum reserve contribution to ensure that the beginning reserve balance is sufficient to pay for the scheduled expenditures in each year. By definition, this calculation method will create a funding plan where, at some point over the projection period, the beginning reserve fund balance will equal the expenditures for that year. Under some conditions, based on reserve expenditure profile, this calculation method produces a funding plan that will take the association into an overfunded status through time; in these cases, directed cash flow calculation method can be used to optimize results.

Minimum cash flow calculation method is not without downsides... Unlike component calculation method, the minimum cash flow calculation method cannot precisely calculate 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 calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using minimum cash flow calculation method typical-

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ly requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

Directed Cash Flow Calculation Method

Directed cash flow 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 and, if possible, determine the optimal funding plan to achieve 100% funding over the projection period.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user “directs” the funding plan as needed to achieve any reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using this calculation method.

Directed cash flow calculation method is not without downsides... Unlike component calculation method, the directed cash flow calculation method cannot precisely calculate 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 calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using directed cash flow calculation method typically requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

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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 (“Component Detail”), 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 project, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information

Provides information including fiscal year for which reserve analysis is prepared, number of units, etc.

Global Parameters

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

Community Profile

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

Budget

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

Sample Condominium Association Executive Summary Directed Cash Flow Method			
Client Information		Global Parameters	
Account Number	00002	Inflation Rate	2.50%
Version Number	1	Annual Contribution Increase	2.50%
Analysis Date	1/16/2023	Investment Rate	1.00%
Fiscal Year	1/1/2022 to 12/31/2022	Taxes on Investments	30.00%
Number of Condominiums	275	Contingency	3.00%
Community Profile			
This community consists of 275 attached condominium units with private roadways, pool area and extensive landscaped areas.			
For budgeting purposes, unless otherwise indicated, we have used January 1994 as the average placed-in-service date for aging the original components included in this analysis.			
ARS site visits: August 24, 2021; July 2018; August 2015; June 2012 and August 2009			
Adequacy of Reserves as of January 1, 2022			
Anticipated Reserve Balance			\$2,860,500.00
Fully Funded Reserve Balance			\$5,089,099.96
Percent Funded			56.21%
Deficit per Condominium			\$8,104.00
Funding for the 2022 Fiscal Year			
	Annual	Monthly	Per Month
Member Contribution	\$524,159	\$43,679.89	\$158.84
Interest Contribution	\$20,842	\$1,736.83	\$6.32
Total Contribution	\$545,001	\$45,416.72	\$165.15

Adequacy of Reserves

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

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Calculation of Percent Funded

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

Current Cost

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

Fully Funded Balance

Displays fully funded balance for each component. This column is conveniently sub totaled.

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

Sample Condominium Association Calculation of Percent Funded Sorted by Category: Alphabetical			
	Remaining Life	Useful Life	Current Cost
010 Streets			
Streets - Asphalt, Overlay / Major Rehab	6	24	\$360,300.00
Streets - Asphalt, Repair	2	4	\$24,300.00
Streets - Asphalt, Seal Coat	2	4	\$14,580.00
Streets - Concrete	2	4	\$20,300.00
Sub Total	2-6	4-24	\$448,980.00
020 Roofs			
Roofs - Rain Gutters	12	40	\$123,785.00
Roofs - Tile, Clean & Maintain	0	1	\$37,500.00
Roofs - Tile, Replace			
Sub Total			
030 Painting			
Painting - Cabana Interior			
Painting - Red Cuts			
Painting - Stucco			
Painting - Woodwork			
Painting - Wrought Iron, Buildings			
Painting - Wrought Iron, Pool Area			
Sub Total			
040 Fencing, Railing & Walls			
Fencing - Glass Sound Attenuation			
Fencing - Wrought Iron, Pool Area			
Railing & Gates - Wrought Iron, Units			
Walls - Stucco, Repair			
Sub Total			
050 Lighting			
Lighting - Buildings			
Lighting - Landscape			
Lighting - Streets & Walkways			
Sub Total			
060 Pool Area			
Cabana - Ceramic Tile, Interior			
Cabana - Ceramic Tile, Showers			
Cabana - Doors			
Cabana - Plumbing Fixtures%			
Cabana - Restroom Partitions			
Cabana - Water Heater			
Sub Total			
070 Decks			
Decks/Stairs - Clean & Seal	2	4	\$103,868.25
Decks/Stairs - Resurface	6	20	\$728,900.00
Sub Total	2-6	4-20	\$832,768.25
080 Termite Control & Wood Repair			
Termite Control	n.a.	n.a.	\$0.00
Wood Repair - Paint Cycle	4	5	\$58,000.00
Wood Repair - Shutters	4	20	\$44,900.00
Sub Total	4	5-20	\$102,900.00
090 Landscape			
Landscape - Irrigation Controllers	7	12	\$24,150.00
Landscape - Renovation	0	1	\$17,500.00
Sub Total	0-7	1-12	\$41,650.00
100 Miscellaneous			
Fire Safety - Control Panels	1	20	\$126,000.00
Fire Safety - Extinguisher Cabinets	9	30	\$64,900.00
Mailboxes	18	20	\$67,000.00
Signage	0	20	\$75,000.00
Utility Closet Doors	4	20	\$157,100.00
Sub Total	0-18	20-30	\$490,000.00
Contingency	n.a.	n.a.	n.a.
Total	0-18	1-40	\$7,044,161.25
Anticipated Reserve Balance			\$6,089,099.96
Percent Funded			86.21%

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Management Summary and Charts

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

Sample Condominium Association Management Summary Directed Cash Flow Method; Sorted by Category				
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	\$321,176.47	\$1,150.31	\$188.16	\$1,338.46
Streets - Asphalt, Repair	\$12,190.00	\$414.09	\$8.63	\$422.73
Streets - Asphalt, Seal Coat	\$7,200.00	\$246.45	\$5.18	\$253.64
Streets - Concrete	\$10,000.00	\$340.82	\$7.11	\$347.92
Sub Total	\$350,616.47	\$2,153.67	\$209.08	\$2,362.75
020 Roofs				
Roofs - Rain Gutters	\$86,649.50	\$321.53	\$50.81	\$372.34
Roofs - Tile, Clean & Maintain	\$17,500.00	\$2,448.57	\$10.02	\$2,458.59
Roofs - Tile, Replace	\$226,722.83	\$19.25		
Sub Total	\$350,872.33	\$22.05		
030 Painting				
Painting - Cabana Interior	\$94.21	\$1		
Painting - Red Curbs	\$2,557.50	\$8		
Painting - Stucco	\$20,230.79	\$2.85		
Painting - Woodwork	\$19,001.11	\$2.06		
Painting - Wrought Iron, Buildings	\$4,277.76	\$57		
Painting - Wrought Iron, Pool Area	\$670.83	\$4		
Sub Total	\$46,632.22	\$6.19		
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation	\$38,027.03	\$13		
Fencing - Wrought Iron, Pool Area	\$19,455.88	\$6		
Railing & Gates - Wrought Iron, Units	\$298,472.22	\$1.08		
Walls - Stucco, Repair	\$8,368.84	\$2		
Sub Total	\$364,323.97	\$1.31		
050 Lighting				
Lighting - Buildings	\$154,994.23	\$81		
Lighting - Landscape	\$11,340.00	\$12		
Lighting - Streets & Walkways	\$77,437.60	\$27		
Sub Total	\$243,771.73	\$1.21		
060 Pool Area				
Cabana - Ceramic Tile, Interior	\$10,847.94	\$3		
Cabana - Ceramic Tile, Showers	\$6,342.19	\$5		
Cabana - Doors	\$2,036.36	\$1		
Cabana - Plumbing Fixtures%	\$7,404.12	\$2		
Cabana - Restroom Partitions	\$3,609.57	\$2		
Cabana - Water Heater	\$175.00	\$1		

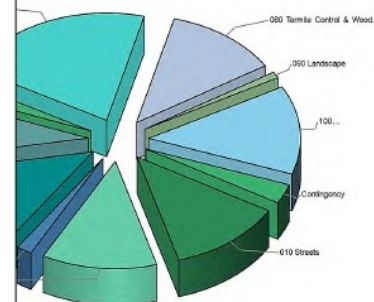
Balance at FYB
Shows amount of
reserve funds assigned to
each reserve component.
And, this column is
conveniently sub totaled.

Sample Condominium Association Management Summary Directed Cash Flow Method; Sorted by Category				
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
070 Decks				
Decks/Stairs - Clean & Seal	\$45,895.27	\$1,901.98	\$34.24	\$1,936.22
Decks/Stairs - Resurface	\$62,196.97	\$2,641.42	\$326.21	\$2,967.63
Sub Total	\$98,092.24	\$4,603.40	\$360.45	\$4,963.85
080 Termite Control & Wood Repair				
Termite Control	\$300,000.00	\$0.00	\$171.35	\$171.35
Wood Repair - Paint Cycle	\$6,444.44	\$871.43	\$7.25	\$878.68
Wood Repair - Shutters	\$39,287.50	\$139.06	\$23.01	\$162.06
Sub Total	\$345,731.94	\$1,010.48	\$201.61	\$1,212.09
090 Landscape				
Landscape - Irrigation Controllers	\$9,450.00	\$155.33	\$6.03	\$161.36
Landscape - Renovation	\$17,500.00	\$1,142.96	\$4.67	\$1,147.64
Sub Total	\$26,950.00	\$1,297.99	\$10.71	\$1,308.70
100 Miscellaneous				
Fire Safety - Control Panels	\$121,655.17	\$423.02	\$71.22	\$494.24
Fire Safety - Extinguisher Cabinets	\$49,113.51	\$179.05	\$28.79	\$207.83
Mailboxes	\$0.00	\$281.30	\$1.15	\$282.45
Signage	\$75,000.00	\$288.18	\$1.18	\$289.36
Utility Closet Doors	\$137,462.50	\$495.04	\$80.51	\$567.05
Sub Total	\$383,231.19	\$1,656.08	\$182.84	\$1,840.92
Contingency	\$83,315.33	\$1,272.23	\$52.79	\$1,325.02
Total	\$2,860,500.30	\$43,679.89	\$1,736.83	\$45,416.72

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

Sample Condominium Association
Management / Accounting Charts
Directed Cash Flow Method; Sorted by Category

Distribution of Current Reserve Fund



Pie Charts

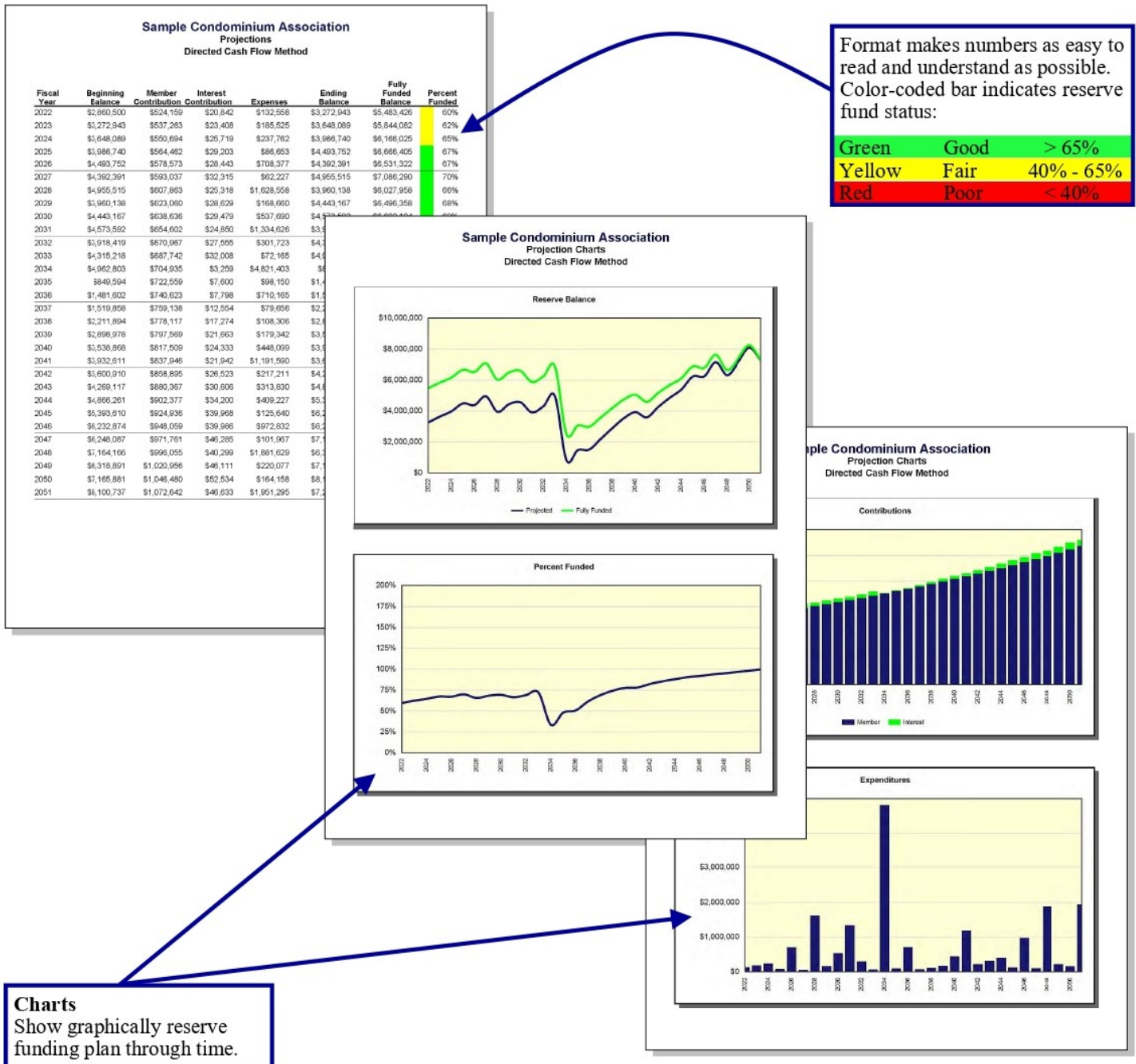
Show graphically how reserve fund is
distributed amongst reserve components
and how components are funded.

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Projections and Charts

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



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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 Condominium Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Streets - Asphalt, Seal Coat			
Category	010 Streets	Quantity	162,000 sq. ft.
		Unit Cost	\$0.09
		% of Replacement	100.00%
		Current Cost	\$14,580.00
		Future Cost	\$15,318.11
Placed In Service	01/2020		
Useful Life	4		
Remaining Life	2		
Replacement Year	2024		
		Assigned Reserves at FYB	\$7,290.00
		Monthly Member Contribution	\$248.45
		Monthly Interest Contribution	\$5.18
		Total Monthly Contribution	\$253.64



The association repaired, seal coated and restriped the asphalt throughout the community during 2015 for an unknown cost. The association repaired, seal coated and restriped the asphalt throughout the community in October 2010 for a total cost of \$4,790, seal coat at \$8,736 and restripe at \$3,482.

The current cost used for this component is based on actual expenditures incurred and adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the replacement year.

Asphalt surfaces should be seal coated on a 3 to 4 year cycle.

Sample Condominium Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Painting - Stucco			
Category	030 Painting	Quantity	325,750 sq. ft.
		Unit Cost	\$1.18
		% of Replacement	100.00%
		Current Cost	\$384,385.00
		Future Cost	\$480,044.19
Placed In Service	07/2021		
Useful Life	10		
Remaining Life	9		
Replacement Year	2031		
		Assigned Reserves at FYB	\$20,230.79
		Monthly Member Contribution	\$2,855.92
		Monthly Interest Contribution	\$23.24
		Total Monthly Contribution	\$2,879.16

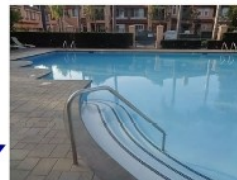


The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$306,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$400,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$1,565,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$1,565,000.

The current cost used for this component is based on actual expenditures incurred and adjusted for inflation where applicable.

Sample Condominium Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool - Replaster & Tile			
Category	060 Pool Area	Quantity	1 pool
		Unit Cost	\$34,387.50
		% of Replacement	100.00%
		Current Cost	\$34,387.50
		Future Cost	\$40,875.93
Placed In Service	05/2019		
Useful Life	10		
Remaining Life	7		
Replacement Year	2029		
		Assigned Reserves at FYB	\$9,486.21
		Monthly Member Contribution	\$255.65
		Monthly Interest Contribution	\$6.46
		Total Monthly Contribution	\$262.11



2,125 sq. ft. of replastering	@	\$13.90	=	\$29,641.25
180 lin. ft. of waterline/tile	@	\$17.50	=	\$3,150.00
170 lin. ft. of step/bench tile	@	\$15.00	=	\$2,550.00
		TOTAL	=	\$35,341.25

The association replastered the pool during 2006 for a total cost of \$22,174. The association replastered the pool and spa, replaced the pool and spa lighting (with LED lights) and replaced the mosaic material at the pool area in March 2011 for a total cost of \$41,541. The association replastered the pool and spa in May 2019 for a total cost of \$35,443.

Comments

Useful information from site observations and historical expenses included here.

Photos

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

Paseo Crossing

Preface

◆ ◆ ◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆ ◆ ◆

Anticipated Reserve Balance (or Reserve Funds)

Amount of money, as of a certain point in time, held by 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)

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

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.

Component Calculation Method

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

Contingency Parameter

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

Contribution Increase Parameter

Rate used in calculation of 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 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.

Current Replacement Cost

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

Directed 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.

Fiscal Year

Budget year for association for which reserve analysis is prepared. Fiscal year beginning (FYB) is first day of budget year; fiscal year end (FYE) is last day of budget year.

Fully Funded Reserve Balance

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:

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

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 com-

Paseo Crossing

Preface

ponents it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost

Amount of money, as of 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

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

Inflation Parameter

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

Interest Contribution

Amount of money contributed to reserve fund by interest earned on reserve fund and member contributions.

Investment Rate Parameter

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

Membership Contribution

Amount of money contributed to reserve fund by association's membership.

Minimum 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.

Monthly Contribution (and "Fixed" Monthly Contribution)

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

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)

Number of units for which reserve analysis is prepared. In "phased" developments, this number represents the number of units, and corresponding common area components, that exist as of a certain point in time.

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

One-Time Replacement

Used for components that will be budgeted for only once.

Percent Funded

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

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

Paseo Crossing

Preface

Reserve fund health:

Green	Good	> 65%
Yellow	Fair	40% to 65%
Red	Poor	< 40%

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

Percentage of Replacement

Percentage of reserve component that is expected to be replaced.

For most reserve components, this percentage is 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%. Another example would be a component where partial replacement is expected, such as interior doors.

Placed-In-Service Date

Date (month and year) that a reserve component was originally put into service or last replaced.

Remaining Life

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

Remaining Life Adjustment

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

If 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, 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, useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year

Fiscal year that a reserve component is scheduled to be replaced.

Reserve Components

Line items included in the reserve analysis.

Taxes on Investments Parameter

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

Total Contribution

Sum of membership contribution and interest contribution.

Useful Life

Length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

Paseo Crossing

Preface

◆ ◆ ◆ ◆ 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.

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, climate change, 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 reserve components.

Paseo Crossing

Executive Summary

Directed Cash Flow Method

Client Information

Account Number	1456
Version Number	006
Analysis Date	5/19/2026
Fiscal Year	1/1/2026 to 12/31/2026
Number of Lots	298

Global Parameters

Inflation Rate	3.00%
Annual Contribution Increase	13.00%
Investment Rate	2.50%
Taxes on Investments	0.00%
Contingency	0.00%

Community Profile

This community was built in 2001. Refer to the Component Detail section of this report for the dates used to age each reserve component. This version of the reserve study assumes that the asphalt will either receive a slurry seal or HA5 every five (5) years going forward, next in 2031.

We have been advised that the 1/1/2026 reserve balance was \$574,280.80 and that the 2026 budgeted reserve contribution is \$59,445. In order to be able to cover the planned reserve expenses and keep the reserve balance above \$0, we have applied a 13% annual reserve contribution increase from 2027 through 2039. This plan will leave the reserve fund balance at its lowest level of \$45,929 at the end of 2036. In 2039 we are able to decrease the annual reserve contribution increase to 1.08% and leave it at that level through the end of the 30-year reporting period.

Investment rate of 2.5% provided by the Board.

Completed Reports: 2000, 2002, 2007, 2014, 2020, 7/2025 (updated with site visit) (revised 4/2026, 5/2026)

Adequacy of Reserves as of January 1, 2026

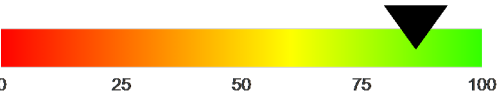
Anticipated Reserve Balance	\$574,280.80
Fully Funded Reserve Balance	\$665,992.61
Percent Funded	86.23%

Funding for the 2026 Fiscal Year	Annual	Monthly	Per Lot Per Month
Member Contribution	\$59,445	\$4,953.75	\$16.62
Interest Contribution	\$9,693	\$807.75	\$2.71
Total Contribution	\$69,138	\$5,761.50	\$19.33



Paseo Crossing

Chandler, Arizona
 298 Lots
 12/31/2026 Fiscal Year End

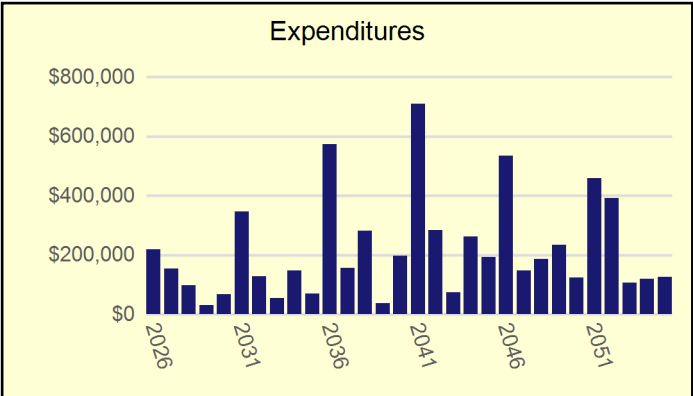
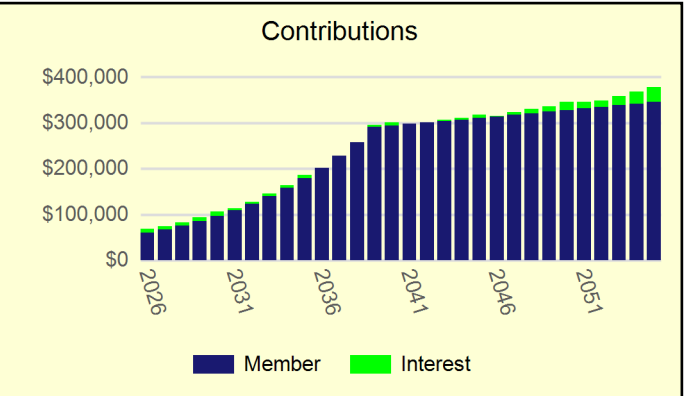
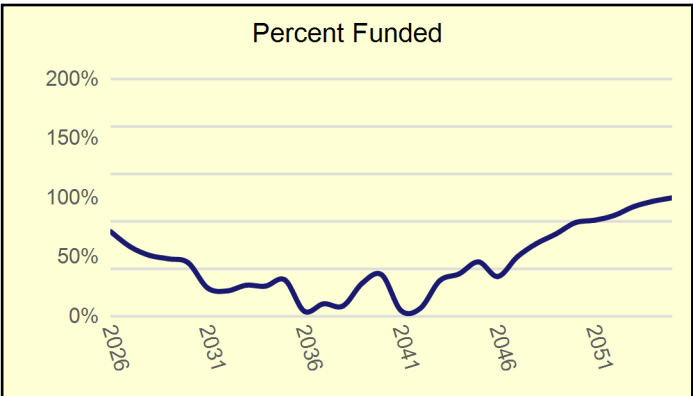
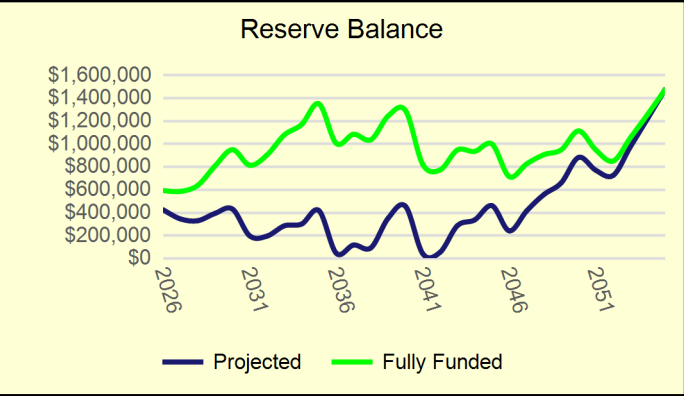


Adequacy of Reserves as of 01/01/2026

Percent Funded	86.23%
Reserve Fund Balance	\$574,280.80
Fully Funded Balance	\$665,992.61
Deficit per Lot	\$307.76

Reserve Funding for 2026	Annual	Monthly	Per Lot Per Month
Directed Cash Flow Method			
Member Contribution	\$59,445	\$4,953.75	\$16.62
Interest Contribution	\$9,693	\$807.75	\$2.71
Total Contribution	\$69,138	\$5,761.50	\$19.33

Projections



Paseo Crossing

Distribution of Current Reserve Funds

Sorted by Remaining Life; Alphabetical

	Remaining Life	Fully Funded Balance	Assigned Reserves
Asphalt: Type II Slurry Seal or HA5	0	\$177,066.48	\$177,066.48
Park Area: Artificial Turf Removal (2026)	0	\$23,739.00	\$23,739.00
Park Area: Play Components (Repairs)	0	\$17,300.00	\$17,300.00
Grounds: Granite Replenishment	1	\$12,500.00	\$12,500.00
Grounds: Irrigation System (McQueen Drip System)	1	\$67,307.69	\$67,307.69
Paint & Repair: Wrought Iron Fencing	1	\$44,000.00	\$44,000.00
Grounds: Concrete Components (Repairs)	2	\$14,285.71	\$14,285.71
Grounds: Irrigation System (General Replacements)	2	\$0.00	\$0.00
Grounds: Pump Station Components	2	\$12,000.00	\$12,000.00
Park Area: Wood Chip Replenishment	2	\$0.00	\$0.00
Paint: Metal Light Poles (Original)	3	\$687.50	\$687.50
Paint: Metal Light Poles (Park Area)	3	\$1,000.00	\$1,000.00
Paint: Entrance Gates & Utility Boxes	4	\$1,643.00	\$1,643.00
Asphalt: Repairs	5	\$0.00	\$0.00
Lighting: Pole Fixtures (Original)	5	\$5,500.00	\$5,500.00
Paint: Common Area Walls & Ramadas	5	\$11,714.29	\$11,714.29
Walls: Common Areas (Repair)	5	\$9,574.29	\$9,574.29
McQueen Entrance: Access Phone	8	\$2,893.06	\$2,893.06
McQueen Entrance: Gate Operators	8	\$9,791.91	\$9,791.91
McQueen Entrance: RFID Reader	8	\$1,557.80	\$1,557.80
Riggs Entrance: Access Phone	8	\$2,893.06	\$2,893.06
Riggs Entrance: Gate Operators	8	\$9,791.91	\$9,791.91
Riggs Entrance: RFID Reader	8	\$1,557.80	\$1,557.80
Asphalt: Cul De Sac R & R (2036)	10	\$0.00	\$0.00
Grounds: Pavers (Cyclical Repairs)	10	\$3,321.43	\$3,321.43
Park Area: Play Components	10	\$53,571.43	\$53,571.43
Grounds: Monument Signs	11	\$16,800.00	\$16,800.00
Asphalt: Cul De Sac R & R (2038)	12	\$0.00	\$0.00
Asphalt: Cul De Sac R & R (2040)	14	\$0.00	\$0.00
Grounds: Irrigation Controllers	14	\$1,333.33	\$1,333.33
Fencing: Wrought Iron (Lot Lines) (Unfunded)	15	\$0.00	\$0.00
Fencing: Wrought Iron (Perimeter)	15	\$125,031.25	\$49,826.10
McQueen Entrance: Gates	15	\$11,312.50	\$11,312.50
Riggs Entrance: Gates	15	\$11,312.50	\$11,312.50

Paseo Crossing

Distribution of Current Reserve Funds

Sorted by Remaining Life; Alphabetical

	Remaining Life	Fully Funded Balance	Assigned Reserves
Asphalt: Cul De Sac R & R (2042)	16	\$0.00	\$0.00
Asphalt: Cul De Sac R & R (2044)	18	\$0.00	\$0.00
Grounds: Mailboxes (Wall Mounted)	18	\$14,166.67	\$0.00
Park Area: Trash Receptacle	18	\$100.00	\$0.00
Asphalt: Cul De Sac R & R (2046)	20	\$0.00	\$0.00
Asphalt: Cul De Sac R & R (2048)	22	\$0.00	\$0.00
Lighting: Pole Fixtures (Park Area)	23	\$2,240.00	\$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	\$0.00	\$0.00
Lighting (Unfunded)	n.a.	\$0.00	\$0.00
Roofs: Metal, Ramadas (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Drywells (Unfunded)	n.a.	\$0.00	\$0.00
Asphalt: Comments	n.a.	\$0.00	\$0.00
Contingency	n.a.	\$0.00	\$0.00
Total	0-23	\$665,992.61	\$574,280.80
Percent Funded			86.23%

Paseo Crossing

Calculation of Percent Funded

Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<u>010 Asphalt</u>				
Asphalt: Comments	n.a.	n.a.	\$0.00	\$0.00
Asphalt: Cul De Sac R & R (2036)	10	7	\$100,000.00	\$0.00
Asphalt: Cul De Sac R & R (2038)	12	9	\$50,000.00	\$0.00
Asphalt: Cul De Sac R & R (2040)	14	11	\$50,000.00	\$0.00
Asphalt: Cul De Sac R & R (2042)	16	13	\$50,000.00	\$0.00
Asphalt: Cul De Sac R & R (2044)	18	15	\$50,000.00	\$0.00
Asphalt: Cul De Sac R & R (2046)	20	17	\$50,000.00	\$0.00
Asphalt: Cul De Sac R & R (2048)	22	19	\$25,000.00	\$0.00
Asphalt: Repairs	5	5	\$16,783.74	\$0.00
Asphalt: Type II Slurry Seal or HA5	0	5	\$177,066.48	\$177,066.48
Sub Total	0-22	5-19	\$568,850.22	\$177,066.48
<u>020 Roofs</u>				
Roofs: Metal, Ramadas (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Sub Total	n.a.	n.a.	\$0.00	\$0.00
<u>030 Painting</u>				
Paint & Repair: Wrought Iron Fencing	1	5	\$55,000.00	\$44,000.00
Paint: Common Area Walls & Ramadas	5	7	\$41,000.00	\$11,714.29
Paint: Entrance Gates & Utility Boxes	4	5	\$8,215.00	\$1,643.00
Paint: Metal Light Poles (Original)	3	8	\$1,100.00	\$687.50
Paint: Metal Light Poles (Park Area)	3	8	\$1,600.00	\$1,000.00
Sub Total	1-5	5-8	\$106,915.00	\$59,044.79
<u>040 Fencing/Walls</u>				
Fencing: Wrought Iron (Lot Lines) (Unfunded)	15	40	\$0.00	\$0.00
Fencing: Wrought Iron (Perimeter)	15	40	\$200,050.00	\$125,031.25
Walls: Common Areas (Repair)	5	7	\$33,510.00	\$9,574.29
Sub Total	5-15	7-40	\$233,560.00	\$134,605.54
<u>050 Lighting</u>				
Lighting (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Lighting: Pole Fixtures (Original)	5	30	\$6,600.00	\$5,500.00
Lighting: Pole Fixtures (Park Area)	23	30	\$9,600.00	\$2,240.00
Sub Total	5-23	30	\$16,200.00	\$7,740.00
<u>065 Park Area</u>				
Park Area: Artificial Turf Removal (2026)	0	1	\$23,739.00	\$23,739.00
Park Area: Play Components	10	30	\$75,000.00	\$53,571.43
Park Area: Play Components (Repairs)	0	1	\$17,300.00	\$17,300.00
Park Area: Trash Receptacle	18	20	\$1,000.00	\$100.00

Paseo Crossing

Calculation of Percent Funded

Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Park Area: Wood Chip Replenishment	2	2	\$2,600.00	\$0.00
Sub Total	0-18	1-30	\$119,639.00	\$94,710.43
<u>080 Riggs Entrance</u>				
Riggs Entrance: Access Phone	8	15	\$6,500.00	\$2,893.06
Riggs Entrance: Gate Operators	8	15	\$22,000.00	\$9,791.91
Riggs Entrance: Gates	15	40	\$18,100.00	\$11,312.50
Riggs Entrance: RFID Reader	8	15	\$3,500.00	\$1,557.80
Sub Total	8-15	15-40	\$50,100.00	\$25,555.27
<u>081 McQueen Entrance</u>				
McQueen Entrance: Access Phone	8	15	\$6,500.00	\$2,893.06
McQueen Entrance: Gate Operators	8	15	\$22,000.00	\$9,791.91
McQueen Entrance: Gates	15	40	\$18,100.00	\$11,312.50
McQueen Entrance: RFID Reader	8	15	\$3,500.00	\$1,557.80
Sub Total	8-15	15-40	\$50,100.00	\$25,555.27
<u>100 Grounds</u>				
Grounds: Concrete Components (Repairs)	2	7	\$20,000.00	\$14,285.71
Grounds: Drywells (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Grounds: Granite Replenishment	1	2	\$25,000.00	\$12,500.00
Grounds: Irrigation Controllers	14	15	\$20,000.00	\$1,333.33
Grounds: Irrigation System (General Replacements)	2	2	\$50,000.00	\$0.00
Grounds: Irrigation System (McQueen Drip System)	1	26	\$70,000.00	\$67,307.69
Grounds: Mailboxes (Wall Mounted)	18	25	\$50,000.00	\$14,166.67
Grounds: Monument Signs	11	25	\$30,000.00	\$16,800.00
Grounds: Pavers (Cyclical Repairs)	10	35	\$4,650.00	\$3,321.43
Grounds: Pump Station Components	2	5	\$20,000.00	\$12,000.00
Grounds: Tree Trimming (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Sub Total	1-18	2-35	\$289,650.00	\$141,714.84
Contingency	n.a.	n.a.	n.a.	\$0.00
Total	0-23	1-40	\$1,435,014.22	\$665,992.61
Anticipated Reserve Balance				\$574,280.80
Percent Funded				86.23%

Paseo Crossing
Projections
Directed Cash Flow Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2026	\$574,281	\$59,445	\$9,693	\$218,105	\$425,313	\$593,496	72%
2027	\$425,313	\$67,173	\$7,624	\$154,500	\$345,610	\$585,623	59%
2028	\$345,610	\$75,905	\$7,131	\$98,239	\$330,407	\$639,467	52%
2029	\$330,407	\$85,773	\$8,580	\$30,269	\$394,491	\$809,378	49%
2030	\$394,491	\$96,924	\$9,363	\$68,448	\$432,330	\$950,520	45%
2031	\$432,330	\$109,524	\$3,403	\$347,736	\$197,521	\$813,850	24%
2032	\$197,521	\$123,762	\$3,174	\$128,480	\$195,976	\$904,703	22%
2033	\$195,976	\$139,851	\$5,170	\$55,344	\$285,653	\$1,079,574	26%
2034	\$285,653	\$158,031	\$5,312	\$147,705	\$301,290	\$1,170,477	26%
2035	\$301,290	\$178,575	\$7,924	\$69,434	\$418,356	\$1,351,046	31%
2036	\$418,356	\$201,790	\$0	\$572,643	\$45,930	\$1,005,955	5%
2037	\$45,930	\$228,023	\$0	\$156,003	\$117,797	\$1,085,777	11%
2038	\$117,797	\$257,666	\$0	\$281,032	\$93,276	\$1,037,365	9%
2039	\$93,276	\$291,162	\$4,790	\$36,713	\$352,514	\$1,245,403	28%
2040	\$352,514	\$294,307	\$7,307	\$197,869	\$456,258	\$1,293,052	35%
2041	\$456,258	\$297,485	\$0	\$709,031	\$41,753	\$822,056	5%
2042	\$41,753	\$300,698	\$0	\$284,996	\$54,773	\$773,945	7%
2043	\$54,773	\$303,946	\$3,011	\$74,378	\$287,352	\$947,950	30%
2044	\$287,352	\$307,228	\$4,199	\$261,494	\$337,285	\$935,423	36%
2045	\$337,285	\$310,546	\$7,216	\$193,631	\$461,417	\$999,270	46%
2046	\$461,417	\$313,900	\$1,750	\$535,422	\$241,646	\$714,574	34%
2047	\$241,646	\$317,290	\$6,008	\$148,824	\$416,121	\$826,636	50%
2048	\$416,121	\$320,717	\$9,494	\$187,012	\$559,321	\$907,448	62%
2049	\$559,321	\$324,181	\$11,966	\$234,067	\$661,400	\$949,676	70%
2050	\$661,400	\$327,682	\$17,380	\$123,624	\$882,838	\$1,114,609	79%
2051	\$882,838	\$331,221	\$14,560	\$458,224	\$770,395	\$947,767	81%
2052	\$770,395	\$334,798	\$13,413	\$392,737	\$725,869	\$851,521	85%
2053	\$725,869	\$338,414	\$19,581	\$105,955	\$977,909	\$1,056,168	93%
2054	\$977,909	\$342,069	\$25,633	\$120,345	\$1,225,267	\$1,260,781	97%
2055	\$1,225,267	\$345,763	\$31,803	\$125,405	\$1,477,428	\$1,475,226	100%

Paseo Crossing

Annual Expenditures

Sorted by Alphabetical

2026 Fiscal Year

Asphalt: Type II Slurry Seal or HA5	\$177,066.48
Park Area: Artificial Turf Removal (2026)	\$23,739.00
Park Area: Play Components (Repairs)	\$17,300.00
Sub Total	\$218,105.48

2027 Fiscal Year

Grounds: Granite Replenishment	\$25,750.00
Grounds: Irrigation System (McQueen Drip System)	\$72,100.00
Paint & Repair: Wrought Iron Fencing	\$56,650.00
Sub Total	\$154,500.00

2028 Fiscal Year

Grounds: Concrete Components (Repairs)	\$21,218.00
Grounds: Irrigation System (General Replacements)	\$53,045.00
Grounds: Pump Station Components	\$21,218.00
Park Area: Wood Chip Replenishment	\$2,758.34
Sub Total	\$98,239.34

2029 Fiscal Year

Grounds: Granite Replenishment	\$27,318.18
Paint: Metal Light Poles (Original)	\$1,202.00
Paint: Metal Light Poles (Park Area)	\$1,748.36
Sub Total	\$30,268.54

2030 Fiscal Year

Grounds: Irrigation System (General Replacements)	\$56,275.44
Paint: Entrance Gates & Utility Boxes	\$9,246.05
Park Area: Wood Chip Replenishment	\$2,926.32
Sub Total	\$68,447.82

2031 Fiscal Year

Asphalt: Repairs	\$19,456.95
Asphalt: Type II Slurry Seal or HA5	\$205,268.58
Grounds: Granite Replenishment	\$28,981.85
Lighting: Pole Fixtures (Original)	\$7,651.21
Paint: Common Area Walls & Ramadas	\$47,530.24
Walls: Common Areas (Repair)	\$38,847.27
Sub Total	\$347,736.11

2032 Fiscal Year

Grounds: Irrigation System (General Replacements)	\$59,702.61
Paint & Repair: Wrought Iron Fencing	\$65,672.88

Paseo Crossing
Annual Expenditures
Sorted by Alphabetical

Park Area: Wood Chip Replenishment	\$3,104.54
Sub Total	\$128,480.03
 <u>2033 Fiscal Year</u>	
Grounds: Granite Replenishment	\$30,746.85
Grounds: Pump Station Components	\$24,597.48
Sub Total	\$55,344.32
 <u>2034 Fiscal Year</u>	
Grounds: Irrigation System (General Replacements)	\$63,338.50
McQueen Entrance: Access Phone	\$8,234.01
McQueen Entrance: Gate Operators	\$27,868.94
McQueen Entrance: RFID Reader	\$4,433.70
Park Area: Wood Chip Replenishment	\$3,293.60
Riggs Entrance: Access Phone	\$8,234.01
Riggs Entrance: Gate Operators	\$27,868.94
Riggs Entrance: RFID Reader	\$4,433.70
Sub Total	\$147,705.39
 <u>2035 Fiscal Year</u>	
Grounds: Concrete Components (Repairs)	\$26,095.46
Grounds: Granite Replenishment	\$32,619.33
Paint: Entrance Gates & Utility Boxes	\$10,718.71
Sub Total	\$69,433.51
 <u>2036 Fiscal Year</u>	
Asphalt: Cul De Sac R & R (2036)	\$134,391.64
Asphalt: Repairs	\$22,555.94
Asphalt: Type II Slurry Seal or HA5	\$237,962.54
Grounds: Irrigation System (General Replacements)	\$67,195.82
Grounds: Pavers (Cyclical Repairs)	\$6,249.21
Park Area: Play Components	\$100,793.73
Park Area: Wood Chip Replenishment	\$3,494.18
Sub Total	\$572,643.07
 <u>2037 Fiscal Year</u>	
Grounds: Granite Replenishment	\$34,605.85
Grounds: Monument Signs	\$41,527.02
Paint & Repair: Wrought Iron Fencing	\$76,132.86
Paint: Metal Light Poles (Original)	\$1,522.66
Paint: Metal Light Poles (Park Area)	\$2,214.77
Sub Total	\$156,003.16

Paseo Crossing

Annual Expenditures

Sorted by Alphabetical

2038 Fiscal Year

Asphalt: Cul De Sac R & R (2038)	\$71,288.04
Grounds: Irrigation System (General Replacements)	\$71,288.04
Grounds: Pump Station Components	\$28,515.22
Paint: Common Area Walls & Ramadas	\$58,456.20
Park Area: Wood Chip Replenishment	\$3,706.98
Walls: Common Areas (Repair)	\$47,777.25
Sub Total	\$281,031.73

2039 Fiscal Year

Grounds: Granite Replenishment	\$36,713.34
Sub Total	\$36,713.34

2040 Fiscal Year

Asphalt: Cul De Sac R & R (2040)	\$75,629.49
Grounds: Irrigation Controllers	\$30,251.79
Grounds: Irrigation System (General Replacements)	\$75,629.49
Paint: Entrance Gates & Utility Boxes	\$12,425.92
Park Area: Wood Chip Replenishment	\$3,932.73
Sub Total	\$197,869.42

2041 Fiscal Year

Asphalt: Repairs	\$26,148.52
Asphalt: Type II Slurry Seal or HA5	\$275,863.81
Fencing: Wrought Iron (Perimeter)	\$311,671.38
Grounds: Granite Replenishment	\$38,949.19
McQueen Entrance: Gates	\$28,199.21
Riggs Entrance: Gates	\$28,199.21
Sub Total	\$709,031.31

2042 Fiscal Year

Asphalt: Cul De Sac R & R (2042)	\$80,235.32
Grounds: Concrete Components (Repairs)	\$32,094.13
Grounds: Irrigation System (General Replacements)	\$80,235.32
Paint & Repair: Wrought Iron Fencing	\$88,258.85
Park Area: Wood Chip Replenishment	\$4,172.24
Sub Total	\$284,995.86

2043 Fiscal Year

Grounds: Granite Replenishment	\$41,321.19
Grounds: Pump Station Components	\$33,056.95
Sub Total	\$74,378.14

Paseo Crossing

Annual Expenditures

Sorted by Alphabetical

2044 Fiscal Year

Asphalt: Cul De Sac R & R (2044)	\$85,121.65
Grounds: Irrigation System (General Replacements)	\$85,121.65
Grounds: Mailboxes (Wall Mounted)	\$85,121.65
Park Area: Trash Receptacle	\$1,702.43
Park Area: Wood Chip Replenishment	\$4,426.33
Sub Total	\$261,493.72

2045 Fiscal Year

Grounds: Granite Replenishment	\$43,837.65
Paint: Common Area Walls & Ramadas	\$71,893.75
Paint: Entrance Gates & Utility Boxes	\$14,405.05
Paint: Metal Light Poles (Original)	\$1,928.86
Paint: Metal Light Poles (Park Area)	\$2,805.61
Walls: Common Areas (Repair)	\$58,759.99
Sub Total	\$193,630.91

2046 Fiscal Year

Asphalt: Cul De Sac R & R (2046)	\$90,305.56
Asphalt: Repairs	\$30,313.30
Asphalt: Type II Slurry Seal or HA5	\$319,801.76
Grounds: Irrigation System (General Replacements)	\$90,305.56
Park Area: Wood Chip Replenishment	\$4,695.89
Sub Total	\$535,422.07

2047 Fiscal Year

Grounds: Granite Replenishment	\$46,507.36
Paint & Repair: Wrought Iron Fencing	\$102,316.20
Sub Total	\$148,823.57

2048 Fiscal Year

Asphalt: Cul De Sac R & R (2048)	\$47,902.59
Grounds: Irrigation System (General Replacements)	\$95,805.17
Grounds: Pump Station Components	\$38,322.07
Park Area: Wood Chip Replenishment	\$4,981.87
Sub Total	\$187,011.69

2049 Fiscal Year

Grounds: Concrete Components (Repairs)	\$39,471.73
Grounds: Granite Replenishment	\$49,339.66
Lighting: Pole Fixtures (Park Area)	\$18,946.43
McQueen Entrance: Access Phone	\$12,828.31
McQueen Entrance: Gate Operators	\$43,418.90

Paseo Crossing
Annual Expenditures
Sorted by Alphabetical

McQueen Entrance: RFID Reader	\$6,907.55
Riggs Entrance: Access Phone	\$12,828.31
Riggs Entrance: Gate Operators	\$43,418.90
Riggs Entrance: RFID Reader	\$6,907.55
Sub Total	\$234,067.36

2050 Fiscal Year

Grounds: Irrigation System (General Replacements)	\$101,639.71
Paint: Entrance Gates & Utility Boxes	\$16,699.40
Park Area: Wood Chip Replenishment	\$5,285.26
Sub Total	\$123,624.37

2051 Fiscal Year

Asphalt: Repairs	\$35,141.42
Asphalt: Type II Slurry Seal or HA5	\$370,737.89
Grounds: Granite Replenishment	\$52,344.45
Sub Total	\$458,223.76

2052 Fiscal Year

Grounds: Irrigation System (General Replacements)	\$107,829.56
Paint & Repair: Wrought Iron Fencing	\$118,612.52
Paint: Common Area Walls & Ramadas	\$88,420.24
Park Area: Wood Chip Replenishment	\$5,607.14
Walls: Common Areas (Repair)	\$72,267.37
Sub Total	\$392,736.84

2053 Fiscal Year

Grounds: Granite Replenishment	\$55,532.23
Grounds: Pump Station Components	\$44,425.78
Paint: Metal Light Poles (Original)	\$2,443.42
Paint: Metal Light Poles (Park Area)	\$3,554.06
Sub Total	\$105,955.49

2054 Fiscal Year

Grounds: Irrigation System (General Replacements)	\$114,396.38
Park Area: Wood Chip Replenishment	\$5,948.61
Sub Total	\$120,345.00

2055 Fiscal Year

Grounds: Granite Replenishment	\$58,914.14
Grounds: Irrigation Controllers	\$47,131.31
Paint: Entrance Gates & Utility Boxes	\$19,359.19

Paseo Crossing
Annual Expenditures
Sorted by Alphabetical

Sub Total	\$125,404.63
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Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Comments			
Category	010 Asphalt	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2026	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

In April 2025, RAMM conducted a Limited Pavement Evaluation. The opinion listed in this evaluation indicates there is longitudinal and transverse cracking throughout the community as well as alligator cracking throughout, with cul de sacs containing the more significant cracking and deterioration. It is noted that there is evidence of past maintenance performed by Holbrook Asphalt in the form of sealed cracks and HA5 High Density Mineral Bond surface treatment which is still present but starting to wear from the surface. Additionally, it was noted that untreated cracks are present suggesting additional cracking has occurred more recently.

RAMM's recommendation is that in areas where alligator type cracking has developed, the existing pavement surface should be removed, the underlying base material and subgrade should be evaluated and potentially replaced, and then the asphalt should be replaced with 3" of new asphalt.

The Board has chosen to apply a Type II slurry seal in 2026 and then apply either HA5 or Type II slurry seal every 5 years thereafter.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Cul De Sac R & R (2036)

Category	010 Asphalt	Quantity	4 cul de sacs
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$100,000.00
Placed In Service	01/2029	Future Cost	\$134,391.64
Useful Life	7		
		Assigned Reserves at FYB	\$0.00
Remaining Life	10	Monthly Member Contribution	\$247.37
Replacement Year	2036	Monthly Interest Contribution	\$5.83
One-Time Replacement		Total Monthly Contribution	\$253.20

The Board has requested that we have funds available to be used to replace the asphalt in four (4) cul de sacs in 2036. This is a one-time expense that is not recurring in this analysis.

Note that the Board has indicated that even though this project is being budgeted for, the condition of the cul de sac asphalt will be evaluated and dealt with as needed, and if replacement is not necessary, then the funds that have accumulated for this project will be reallocated to other planned reserve projects.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Cul De Sac R & R (2038)

Category	010 Asphalt	Quantity	2 cul de sacs
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
Placed In Service	01/2029	Future Cost	\$71,288.04
Useful Life	9		
		Assigned Reserves at FYB	\$0.00
Remaining Life	12	Monthly Member Contribution	\$92.79
Replacement Year	2038	Monthly Interest Contribution	\$2.19
One-Time Replacement		Total Monthly Contribution	\$94.98

The Board has requested that we have funds available to be used to replace the asphalt in two (2) cul de sacs in 2038. This is a one-time expense that is not recurring in this analysis.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Cul De Sac R & R (2040)

Category	010 Asphalt	Quantity	2 cul de sacs
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
Placed In Service	01/2029	Future Cost	\$75,629.49
Useful Life	11		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$71.39
Replacement Year	2040	Monthly Interest Contribution	\$1.68
One-Time Replacement		Total Monthly Contribution	\$73.07

The Board has requested that we have funds available to be used to replace the asphalt in two (2) cul de sacs in 2040. This is a one-time expense that is not recurring in this analysis.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Cul De Sac R & R (2042)

Category	010 Asphalt	Quantity	2 cul de sacs
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
Placed In Service	01/2029	Future Cost	\$80,235.32
Useful Life	13		
		Assigned Reserves at FYB	\$0.00
Remaining Life	16	Monthly Member Contribution	\$55.91
Replacement Year	2042	Monthly Interest Contribution	\$1.32
One-Time Replacement		Total Monthly Contribution	\$57.23

The Board has requested that we have funds available to be used to replace the asphalt in two (2) cul de sacs in 2042. This is a one-time expense that is not recurring in this analysis.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Cul De Sac R & R (2044)			
Category	010 Asphalt	Quantity	2 cul de sacs
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
Placed In Service	01/2029	Future Cost	\$85,121.65
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	18	Monthly Member Contribution	\$44.35
Replacement Year	2044	Monthly Interest Contribution	\$1.05
One-Time Replacement		Total Monthly Contribution	\$45.40

The Board has requested that we have funds available to be used to replace the asphalt in two (2) cul de sacs in 2044. This is a one-time expense that is not recurring in this analysis.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Cul De Sac R & R (2046)			
Category	010 Asphalt	Quantity	2 cul de sacs
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
Placed In Service	01/2029	Future Cost	\$90,305.56
Useful Life	17		
		Assigned Reserves at FYB	\$0.00
Remaining Life	20	Monthly Member Contribution	\$35.53
Replacement Year	2046	Monthly Interest Contribution	\$0.84
One-Time Replacement		Total Monthly Contribution	\$36.37

The Board has requested that we have funds available to be used to replace the asphalt in two (2) cul de sacs in 2046. This is a one-time expense that is not recurring in this analysis.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Cul De Sac R & R (2048)

Category	010 Asphalt	Quantity	1 cul de sac
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$25,000.00
Placed In Service	01/2029	Future Cost	\$47,902.59
Useful Life	19		
		Assigned Reserves at FYB	\$0.00
Remaining Life	22	Monthly Member Contribution	\$14.34
Replacement Year	2048	Monthly Interest Contribution	\$0.34
One-Time Replacement		Total Monthly Contribution	\$14.68

The Board has requested that we have funds available to be used to replace the asphalt in one (1) cul de sacs in 2048. This is a one-time expense that is not recurring in this analysis.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Repairs			
Category	010 Asphalt	Quantity	559,458 sq. ft.
		Unit Cost	\$6.00
		% of Replacement	0.50%
		Current Cost	\$16,783.74
Placed In Service	01/2026	Future Cost	\$19,456.95
Useful Life	5		
		Assigned Reserves at FYB	\$0.00
Remaining Life	5	Monthly Member Contribution	\$106.56
Replacement Year	2031	Monthly Interest Contribution	\$2.51
		Total Monthly Contribution	\$109.07

It is estimated that a percentage of the asphalt areas will require repair or replacement. The actual condition of the asphalt should be monitored over time and these estimates adjusted accordingly.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Type II Slurry Seal or HA5

Category	010 Asphalt	Quantity	1 total
		Unit Cost	\$177,066.48
		% of Replacement	100.00%
		Current Cost	\$177,066.48
Placed In Service	01/2001	Future Cost	\$205,268.58
Useful Life	5		
		Assigned Reserves at FYB	\$177,066.48
Remaining Life	0	Monthly Member Contribution	\$1,124.21
Replacement Year	2026	Monthly Interest Contribution	\$26.51
		Total Monthly Contribution	\$1,150.72

The Board has requested that we budget to apply a Type II slurry seal in 2026 based on the Roadrunner Paving proposal dated 1/26/2026 for \$177,066.48 and then either an HA5 or Type II slurry seal every 5 years thereafter. The Board has been advised by the asphalt contractor that maintenance can be performed every 5 years.

Total Measurement is 559,458 sq. ft.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Roofs: Metal, Ramadas (Unfunded)

Category	020 Roofs	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2001	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

We are not budgeting to replace the metal ramada roof(s) because this type of roof has an indefinite useful life, and should last for the life of the ramada if properly maintained. Any required repairs should be handed on an as needed basis and the expense paid for out of the annual operating budget.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Paint & Repair: Wrought Iron Fencing

Category	030 Painting	Quantity	1 total
		Unit Cost	\$55,000.00
		% of Replacement	100.00%
		Current Cost	\$55,000.00
Placed In Service	01/2022	Future Cost	\$56,650.00
Useful Life	5		
		Assigned Reserves at FYB	\$44,000.00
Remaining Life	1	Monthly Member Contribution	\$428.10
Replacement Year	2027	Monthly Interest Contribution	\$95.45
		Total Monthly Contribution	\$523.55

In 2014, the wrought iron fencing was repaired and repainted by L&S Services for a total cost of \$51,612.73. We do not have any additional specific information about a complete wrought iron painting project. The Board has advised us to schedule painting the wrought iron on lot lines and perimeters in 2027.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Paint: Common Area Walls & Ramadas

Category	030 Painting	Quantity	1 total
		Unit Cost	\$41,000.00
		% of Replacement	100.00%
		Current Cost	\$41,000.00
Placed In Service	01/2024	Future Cost	\$47,530.24
Useful Life	7		
		Assigned Reserves at FYB	\$11,714.29
Remaining Life	5	Monthly Member Contribution	\$187.62
Replacement Year	2031	Monthly Interest Contribution	\$27.15
		Total Monthly Contribution	\$214.77

The common area block walls were repaired and painted by Clouse Legacy Painting in late 2023/early 2024 for \$37,182.66 and have a seven (7) year warranty. Going forward, we have accounted for wall repairs in a separate reserve component, to be completed in conjunction with each paint cycle.

Measurement: 83,775 sq. ft.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Paint: Entrance Gates & Utility Boxes

Category	030 Painting	Quantity	1 total
		Unit Cost	\$8,215.00
		% of Replacement	100.00%
		Current Cost	\$8,215.00
Placed In Service	01/2025	Future Cost	\$9,246.05
Useful Life	5		
		Assigned Reserves at FYB	\$1,643.00
Remaining Life	4	Monthly Member Contribution	\$54.95
Replacement Year	2030	Monthly Interest Contribution	\$4.48
		Total Monthly Contribution	\$59.43

Clouse Legacy Painting painted both sets of entrance gates and 15 utility boxes in late 2024 for \$7,977.24. Cost has been adjusted to account for inflation.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Paint: Metal Light Poles (Original)

Category	030 Painting	Quantity	11 poles
		Unit Cost	\$100.00
		% of Replacement	100.00%
		Current Cost	\$1,100.00
Placed In Service	01/2021	Future Cost	\$1,202.00
Useful Life	8		
		Assigned Reserves at FYB	\$687.50
Remaining Life	3	Monthly Member Contribution	\$4.91
Replacement Year	2029	Monthly Interest Contribution	\$1.45
		Total Monthly Contribution	\$6.36

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Paint: Metal Light Poles (Park Area)

Category	030 Painting	Quantity	16 poles
		Unit Cost	\$100.00
		% of Replacement	100.00%
		Current Cost	\$1,600.00
Placed In Service	01/2021	Future Cost	\$1,748.36
Useful Life	8		
		Assigned Reserves at FYB	\$1,000.00
Remaining Life	3	Monthly Member Contribution	\$7.14
Replacement Year	2029	Monthly Interest Contribution	\$2.11
		Total Monthly Contribution	\$9.24

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Fencing: Wrought Iron (Lot Lines) (Unfunded)

Category	040 Fencing/Walls	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2001	Future Cost	\$0.00
Useful Life	40		
		Assigned Reserves at FYB	\$0.00
Remaining Life	15	Monthly Member Contribution	\$0.00
Replacement Year	2041	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

This fencing is located on boundary lines between lots and common areas. We have been advised by the Board that the homeowner is responsible for replacement of this fencing but the Association is responsible for painting.

Measurement: 2,950 LF of 6' fencing

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Fencing: Wrought Iron (Perimeter)

Category	040 Fencing/Walls	Quantity	1 total
		Unit Cost	\$200,050.00
		% of Replacement	100.00%
		Current Cost	\$200,050.00
Placed In Service	01/2001	Future Cost	\$311,671.38
Useful Life	40		
		Assigned Reserves at FYB	\$49,826.10
Remaining Life	15	Monthly Member Contribution	\$193.63
Replacement Year	2041	Monthly Interest Contribution	\$101.22
		Total Monthly Contribution	\$294.85

2,450 LF of 6'0" fencing	@	\$75.00	=	\$183,750.00
6 5'7" x 4'0" pedestrian gates	@	\$1,450.00	=	\$8,700.00
2 6'0" x 9'9" vehicle gates (NEC)	@	\$3,800.00	=	\$7,600.00
		TOTAL	=	\$200,050.00

The Association is 100% responsible for maintaining this fencing.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Walls: Common Areas (Repair)

Category	040 Fencing/Walls	Quantity	83,775 sq. ft.
		Unit Cost	\$40.00
		% of Replacement	1.00%
		Current Cost	\$33,510.00
Placed In Service	01/2024	Future Cost	\$38,847.27
Useful Life	7		
		Assigned Reserves at FYB	\$9,574.29
Remaining Life	5	Monthly Member Contribution	\$153.35
Replacement Year	2031	Monthly Interest Contribution	\$22.19
		Total Monthly Contribution	\$175.54

This component will accumulate funds every seven (7) years for the major repair/replacement of a percentage of the common area walls. The accumulate funds should be used as needed, and the percentage budgeted for repair/replacement should be adjusted over time as conditions dictate.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Lighting (Unfunded)

Category	050 Lighting	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2001	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

We are not budgeting to replace any ground level landscape, monument or pathway lighting systems. Individual light fixtures are most often replaced as needed using operating funds due to frequent damage by pedestrians, landscape personnel, and/or weather conditions. Should complete replacement of the lighting system(s) be required, expert evaluation will be necessary to provide replacement cost information.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Lighting: Pole Fixtures (Original)

Category	050 Lighting	Quantity	11 fixtures
		Unit Cost	\$600.00
		% of Replacement	100.00%
		Current Cost	\$6,600.00
Placed In Service	01/2001	Future Cost	\$7,651.21
Useful Life	30		
		Assigned Reserves at FYB	\$5,500.00
Remaining Life	5	Monthly Member Contribution	\$7.78
Replacement Year	2031	Monthly Interest Contribution	\$10.85
		Total Monthly Contribution	\$18.63

These are original decorative lantern fixtures at the following areas:

- Riggs Road greenbelt on the exterior of the community

Note that we are not budgeting to replace the poles.

Count provided by the Board.

Paseo Crossing
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Lighting: Pole Fixtures (Park Area)

Category	050 Lighting	Quantity	16 fixtures
		Unit Cost	\$600.00
		% of Replacement	100.00%
		Current Cost	\$9,600.00
Placed In Service	01/2019	Future Cost	\$18,946.43
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	23	Monthly Member Contribution	\$4.96
Replacement Year	2049	Monthly Interest Contribution	\$0.12
		Total Monthly Contribution	\$5.07

These poles and fixtures were installed in January 2019 by Arizona Experts for \$25,355.26. This component budgets to replace the RAB LED fixtures (16) only, not the poles.

Count provided by the Board.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Park Area: Artificial Turf Removal (2026)

Category	065 Park Area	Quantity	1 total
		Unit Cost	\$23,739.00
		% of Replacement	100.00%
		Current Cost	\$23,739.00
Placed In Service	01/2025	Future Cost	
Useful Life	1		
		Assigned Reserves at FYB	\$23,739.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$0.00
One-Time Replacement		Total Monthly Contribution	\$0.00

HOA Playground Services completed a project to remove the artificial turf and install wood chips in 2026 for \$23,739. This is a one-time expense for 2026 that is not recurring in this analysis.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Park Area: Play Components

Category	065 Park Area	Quantity	1 total
		Unit Cost	\$75,000.00
		% of Replacement	100.00%
		Current Cost	\$75,000.00
Placed In Service	01/2001	Future Cost	\$100,793.73
Useful Life	30		
Adjustment	+5	Assigned Reserves at FYB	\$53,571.43
Remaining Life	10	Monthly Member Contribution	\$58.95
Replacement Year	2036	Monthly Interest Contribution	\$105.31
		Total Monthly Contribution	\$164.26

This component budgets to replace the Landscape Structures playstructure, swings, the T-Rex spring mate and the Drop Shot hoop.

The playstructure was repaired by HOA Playground Services in June 2020 for \$4,150.40 and included replacement of the periscope panel, spyroslide (green), the double slide hood (green) as well as labor and delivery fees.

The Board has requested that we budget \$75,000 (current cost) and schedule replacement for 2036.

Repairs have been completed over time including \$7,078 in 6/2023 and \$17,300 in 2026.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Park Area: Play Components (Repairs)

Category	065 Park Area	Quantity	1 total
		Unit Cost	\$17,300.00
		% of Replacement	100.00%
		Current Cost	\$17,300.00
Placed In Service	01/2025	Future Cost	
Useful Life	1		
		Assigned Reserves at FYB	\$17,300.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$0.00
One-Time Replacement		Total Monthly Contribution	\$0.00

The Board has advised that \$17,300 was spent in 2026 for playstructure repairs. This is a non-recurring expense.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Park Area: Trash Receptacle

Category	065 Park Area	Quantity	1 total
		Unit Cost	\$1,000.00
		% of Replacement	100.00%
		Current Cost	\$1,000.00
Placed In Service	01/2024	Future Cost	\$1,702.43
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	18	Monthly Member Contribution	\$0.89
Replacement Year	2044	Monthly Interest Contribution	\$0.02
		Total Monthly Contribution	\$0.91

This is a steel and recycled plastic trash receptacle at the park area ramada that was replaced in 2024.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Park Area: Wood Chip Replenishment

Category	065 Park Area	Quantity	1 total
		Unit Cost	\$2,600.00
		% of Replacement	100.00%
		Current Cost	\$2,600.00
Placed In Service	01/2026	Future Cost	\$2,758.34
Useful Life	2		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$47.49
Replacement Year	2028	Monthly Interest Contribution	\$1.12
		Total Monthly Contribution	\$48.61

This component budgets \$2,600 every other year for wood chip replenishment. The artificial turf was removed and wood chips were installed in 2026.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Riggs Entrance: Access Phone

Category	080 Riggs Entrance	Quantity	1 phone
		Unit Cost	\$6,500.00
		% of Replacement	100.00%
		Current Cost	\$6,500.00
Placed In Service	08/2019	Future Cost	\$8,234.01
Useful Life	15		
		Assigned Reserves at FYB	\$2,893.06
Remaining Life	8	Monthly Member Contribution	\$12.71
Replacement Year	2034	Monthly Interest Contribution	\$5.91
		Total Monthly Contribution	\$18.62

This is a Door King "hands-free" entry access phone.

Installed in 8/2019 by The Gate Guys for \$4,000 (after discounts).

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Riggs Entrance: Gate Operators

Category	080 Riggs Entrance	Quantity	4 operators
		Unit Cost	\$5,500.00
		% of Replacement	100.00%
		Current Cost	\$22,000.00
Placed In Service	08/2019	Future Cost	\$27,868.94
Useful Life	15		
		Assigned Reserves at FYB	\$9,791.91
Remaining Life	8	Monthly Member Contribution	\$43.01
Replacement Year	2034	Monthly Interest Contribution	\$20.01
		Total Monthly Contribution	\$63.02

These are Maximum Controls, Megatron 1400 Pro swing gate operators (6/27/2019).

Installed in 8/2019 by The Gate Guys for \$13,120 (after discounts).

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

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Riggs Entrance: Gates

Category	080 Riggs Entrance	Quantity	1 total
		Unit Cost	\$18,100.00
		% of Replacement	100.00%
		Current Cost	\$18,100.00
Placed In Service	01/2001	Future Cost	\$28,199.21
Useful Life	40		
		Assigned Reserves at FYB	\$11,312.50
Remaining Life	15	Monthly Member Contribution	\$9.51
Replacement Year	2041	Monthly Interest Contribution	\$22.17
		Total Monthly Contribution	\$31.68

This component budgets to replace the following gates:

2 5'6" x 3'9" pedestrian gates	@	\$1,350.00	=	\$2,700.00
4 7'3" x 8'2" vehicle gates	@	\$3,850.00	=	\$15,400.00
		TOTAL	=	\$18,100.00

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Riggs Entrance: RFID Reader

Category	080 Riggs Entrance	Quantity	1 reader
		Unit Cost	\$3,500.00
		% of Replacement	100.00%
		Current Cost	\$3,500.00
Placed In Service	08/2019	Future Cost	\$4,433.70
Useful Life	15		
		Assigned Reserves at FYB	\$1,557.80
Remaining Life	8	Monthly Member Contribution	\$6.84
Replacement Year	2034	Monthly Interest Contribution	\$3.18
		Total Monthly Contribution	\$10.03

This is a Dolphin Access Systems, RFID reader at the entrance.

Installed in 8/2019 per the Board.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

McQueen Entrance: Access Phone

Category	081 McQueen Entrance	Quantity	1 phone
		Unit Cost	\$6,500.00
		% of Replacement	100.00%
		Current Cost	\$6,500.00
Placed In Service	08/2019	Future Cost	\$8,234.01
Useful Life	15		
		Assigned Reserves at FYB	\$2,893.06
Remaining Life	8	Monthly Member Contribution	\$12.71
Replacement Year	2034	Monthly Interest Contribution	\$5.91
		Total Monthly Contribution	\$18.62

This is a Door King "hands-free" entry access phone.

Installed in 8/2019 by The Gate Guys for \$4,000 (after discounts).

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

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

McQueen Entrance: Gate Operators

Category	081 McQueen Entrance	Quantity	4 operators
		Unit Cost	\$5,500.00
		% of Replacement	100.00%
		Current Cost	\$22,000.00
Placed In Service	08/2019	Future Cost	\$27,868.94
Useful Life	15		
		Assigned Reserves at FYB	\$9,791.91
Remaining Life	8	Monthly Member Contribution	\$43.01
Replacement Year	2034	Monthly Interest Contribution	\$20.01
		Total Monthly Contribution	\$63.02

These are Maximum Controls, Megatron 1400 Pro swing gate operators (6/14/2019).

Installed in 8/2019 by The Gate Guys for \$13,120 (after discounts).

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

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

McQueen Entrance: Gates

Category	081 McQueen Entrance	Quantity	1 total
		Unit Cost	\$18,100.00
		% of Replacement	100.00%
		Current Cost	\$18,100.00
Placed In Service	01/2001	Future Cost	\$28,199.21
Useful Life	40		
		Assigned Reserves at FYB	\$11,312.50
Remaining Life	15	Monthly Member Contribution	\$9.51
Replacement Year	2041	Monthly Interest Contribution	\$22.17
		Total Monthly Contribution	\$31.68

This component budgets to replace the following gates:

2 5'6" x 3'9" pedestrian gates	@	\$1,350.00	=	\$2,700.00
4 7'3" x 8'2" vehicle gates	@	\$3,850.00	=	\$15,400.00
		TOTAL	=	\$18,100.00

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

McQueen Entrance: RFID Reader

Category	081 McQueen Entrance	Quantity	1 reader
		Unit Cost	\$3,500.00
		% of Replacement	100.00%
		Current Cost	\$3,500.00
		Future Cost	\$4,433.70
Placed In Service	08/2019		
Useful Life	15		
		Assigned Reserves at FYB	\$1,557.80
Remaining Life	8	Monthly Member Contribution	\$6.84
Replacement Year	2034	Monthly Interest Contribution	\$3.18
		Total Monthly Contribution	\$10.03

This is a Dolphin Access Systems, RFID reader at the entrance.

Installed in 8/2019 per the Board.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Concrete Components (Repairs)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$20,000.00
		% of Replacement	100.00%
		Current Cost	\$20,000.00
Placed In Service	01/2021	Future Cost	\$21,218.00
Useful Life	7		
		Assigned Reserves at FYB	\$14,285.71
Remaining Life	2	Monthly Member Contribution	\$106.75
Replacement Year	2028	Monthly Interest Contribution	\$30.23
		Total Monthly Contribution	\$136.98

This component will accumulate \$20,000 every seven (7) years for concrete repairs (sidewalks, drainage culverts at ends of cul de sacs, aprons, curbing).

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Drywells (Unfunded)			
Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2020	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

The Board has advised that the drywells will be repaired and cleaned out as needed out of the operating budget.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Granite Replenishment

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$25,000.00
Placed In Service	01/2025	Future Cost	\$25,750.00
Useful Life	2		
		Assigned Reserves at FYB	\$12,500.00
Remaining Life	1	Monthly Member Contribution	\$479.92
Replacement Year	2027	Monthly Interest Contribution	\$35.57
		Total Monthly Contribution	\$515.49

This component will accumulate \$25,000 every other year, next in 2027 per the Board, to be used as needed to replenish common area granite landscape rock throughout the community.

\$39,500 was spent in late 2020 for replenishment.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Controllers

Category	100 Grounds	Quantity	8 controllers
		Unit Cost	\$2,500.00
		% of Replacement	100.00%
		Current Cost	\$20,000.00
Placed In Service	01/2025	Future Cost	\$30,251.79
Useful Life	15		
		Assigned Reserves at FYB	\$1,333.33
Remaining Life	14	Monthly Member Contribution	\$26.77
Replacement Year	2040	Monthly Interest Contribution	\$3.22
		Total Monthly Contribution	\$29.99

These are Weathermatic, Smartline 48 station controllers with Smartlink wireless technology. The dates listed on these controllers is 11/2024. There are 3 at each entrance and 2 at the play area.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation System (General Replacements)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$50,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
Placed In Service	01/2026	Future Cost	\$53,045.00
Useful Life	2		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$913.23
Replacement Year	2028	Monthly Interest Contribution	\$21.54
		Total Monthly Contribution	\$934.77

The Board has indicated that they will not be able to do a complete irrigation system replacement but would like \$50,000 budgeted every other year starting in 2028 for irrigation system area replacements.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation System (McQueen Drip System)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$70,000.00
		% of Replacement	100.00%
		Current Cost	\$70,000.00
Placed In Service	01/2001	Future Cost	\$72,100.00
Useful Life	26		
		Assigned Reserves at FYB	\$67,307.69
Remaining Life	1	Monthly Member Contribution	\$114.66
Replacement Year	2027	Monthly Interest Contribution	\$133.27
One-Time Replacement		Total Monthly Contribution	\$247.94

The Board has advised that they will be spending \$70,000 (current cost) to replace the McQueed Road drip system in 2027. This is a one-time expense that is not recurring in this analysis.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Mailboxes (Wall Mounted)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$50,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
Placed In Service	01/2019	Future Cost	\$85,121.65
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	18	Monthly Member Contribution	\$44.35
Replacement Year	2044	Monthly Interest Contribution	\$1.05
		Total Monthly Contribution	\$45.40

Express Mailbox Lock Key & Repair Service completed a project to replace all of the mailboxes in 2019 for \$32,486.58. We are budgeting to replace the mailboxes every 20 years.

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

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Monument Signs

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$30,000.00
		% of Replacement	100.00%
		Current Cost	\$30,000.00
Placed In Service	01/2012	Future Cost	\$41,527.02
Useful Life	25		
		Assigned Reserves at FYB	\$16,800.00
Remaining Life	11	Monthly Member Contribution	\$29.94
Replacement Year	2037	Monthly Interest Contribution	\$33.30
		Total Monthly Contribution	\$63.23

Two (2) new, interior lit, aluminum frame monument sign structures were installed in 2012 for \$20,000.

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

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Pavers (Cyclical Repairs)

Category	100 Grounds	Quantity	11,625 sq. ft.
		Unit Cost	\$10.00
		% of Replacement	4.00%
		Current Cost	\$4,650.00
Placed In Service	01/2001	Future Cost	\$6,249.21
Useful Life	35		
		Assigned Reserves at FYB	\$3,321.43
Remaining Life	10	Monthly Member Contribution	\$3.65
Replacement Year	2036	Monthly Interest Contribution	\$6.53
		Total Monthly Contribution	\$10.18

This is an estimate for potential repairs to the concrete pavers at both entrances.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Pump Station Components			
Category	100 Grounds	Quantity	1 total
		Unit Cost	\$20,000.00
		% of Replacement	100.00%
		Current Cost	\$20,000.00
Placed In Service	01/2023	Future Cost	\$21,218.00
Useful Life	5		
		Assigned Reserves at FYB	\$12,000.00
Remaining Life	2	Monthly Member Contribution	\$148.12
Replacement Year	2028	Monthly Interest Contribution	\$26.77
		Total Monthly Contribution	\$174.89

Approximately \$18,775 was spent from 2022 - 2024 for pump station equipment including manifolds, pumps, bearings, motors, etc. Going forward we are budgeting \$20,000 every five (5) years to be used as needed for this type of work.

Paseo Crossing

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

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	01/2001	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

The Board has advised us that tree trimming is handled annually out of the operating budget.

Paseo Crossing
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING RESERVE BALANCE	\$574,281	\$425,313	\$345,610	\$330,407	\$394,491	\$432,330	\$197,521	\$195,976	\$285,653	\$301,290
Member Contribution	\$59,445	\$67,173	\$75,905	\$85,773	\$96,924	\$109,524	\$123,762	\$139,851	\$158,031	\$178,575
Interest Contribution	\$9,693	\$7,624	\$7,131	\$8,580	\$9,363	\$3,403	\$3,174	\$5,170	\$5,312	\$7,924
Expenditures (detailed below)	\$218,105	\$154,500	\$98,239	\$30,269	\$68,448	\$347,736	\$128,480	\$55,344	\$147,705	\$69,434
ENDING RESERVE BALANCE	\$425,313	\$345,610	\$330,407	\$394,491	\$432,330	\$197,521	\$195,976	\$285,653	\$301,290	\$418,356
Asphalt: Comments										
Asphalt: Cul De Sac R & R (2036)										
Asphalt: Cul De Sac R & R (2038)										
Asphalt: Cul De Sac R & R (2040)										
Asphalt: Cul De Sac R & R (2042)										
Asphalt: Cul De Sac R & R (2044)										
Asphalt: Cul De Sac R & R (2046)										
Asphalt: Cul De Sac R & R (2048)										
Asphalt: Repairs						\$19,457				
Asphalt: Type II Slurry Seal or HA5	\$177,066					\$205,269				
Roofs: Metal, Ramadas (Unfunded)										
Paint & Repair: Wrought Iron Fencing		\$56,650					\$65,673			
Paint: Common Area Walls & Ramadas						\$47,530				
Paint: Entrance Gates & Utility Boxes					\$9,246					\$10,719
Paint: Metal Light Poles (Original)				\$1,202						
Paint: Metal Light Poles (Park Area)				\$1,748						
Fencing: Wrought Iron (Lot Lines) (Unfunded)										
Fencing: Wrought Iron (Perimeter)										
Walls: Common Areas (Repair)						\$38,847				
Lighting (Unfunded)										
Lighting: Pole Fixtures (Original)						\$7,651				
Lighting: Pole Fixtures (Park Area)										
Park Area: Artificial Turf Removal (2026)	\$23,739									
Park Area: Play Components										
Park Area: Play Components (Repairs)	\$17,300									

Paseo Crossing
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
BEGINNING RESERVE BALANCE	\$418,356	\$45,930	\$117,797	\$93,276	\$352,514	\$456,258	\$41,753	\$54,773	\$287,352	\$337,285
Member Contribution	\$201,790	\$228,023	\$257,666	\$291,162	\$294,307	\$297,485	\$300,698	\$303,946	\$307,228	\$310,546
Interest Contribution	\$0	\$0	\$0	\$4,790	\$7,307	\$0	\$0	\$3,011	\$4,199	\$7,216
Expenditures (detailed below)	\$572,643	\$156,003	\$281,032	\$36,713	\$197,869	\$709,031	\$284,996	\$74,378	\$261,494	\$193,631
ENDING RESERVE BALANCE	\$45,930	\$117,797	\$93,276	\$352,514	\$456,258	\$41,753	\$54,773	\$287,352	\$337,285	\$461,417
Asphalt: Comments										
Asphalt: Cul De Sac R & R (2036)	\$134,392									
Asphalt: Cul De Sac R & R (2038)			\$71,288							
Asphalt: Cul De Sac R & R (2040)					\$75,629					
Asphalt: Cul De Sac R & R (2042)							\$80,235			
Asphalt: Cul De Sac R & R (2044)									\$85,122	
Asphalt: Cul De Sac R & R (2046)										
Asphalt: Cul De Sac R & R (2048)										
Asphalt: Repairs	\$22,556					\$26,149				
Asphalt: Type II Slurry Seal or HA5	\$237,963					\$275,864				
Roofs: Metal, Ramadas (Unfunded)										
Paint & Repair: Wrought Iron Fencing		\$76,133					\$88,259			
Paint: Common Area Walls & Ramadas			\$58,456							\$71,894
Paint: Entrance Gates & Utility Boxes					\$12,426					\$14,405
Paint: Metal Light Poles (Original)		\$1,523								\$1,929
Paint: Metal Light Poles (Park Area)		\$2,215								\$2,806
Fencing: Wrought Iron (Lot Lines) (Unfunded)										
Fencing: Wrought Iron (Perimeter)						\$311,671				
Walls: Common Areas (Repair)			\$47,777							\$58,760
Lighting (Unfunded)										
Lighting: Pole Fixtures (Original)										
Lighting: Pole Fixtures (Park Area)										
Park Area: Artificial Turf Removal (2026)										
Park Area: Play Components	\$100,794									
Park Area: Play Components (Repairs)										

Paseo Crossing
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
BEGINNING RESERVE BALANCE	\$461,417	\$241,646	\$416,121	\$559,321	\$661,400	\$882,838	\$770,395	\$725,869	\$977,909	\$1,225,267
Member Contribution	\$313,900	\$317,290	\$320,717	\$324,181	\$327,682	\$331,221	\$334,798	\$338,414	\$342,069	\$345,763
Interest Contribution	\$1,750	\$6,008	\$9,494	\$11,966	\$17,380	\$14,560	\$13,413	\$19,581	\$25,633	\$31,803
Expenditures (detailed below)	\$535,422	\$148,824	\$187,012	\$234,067	\$123,624	\$458,224	\$392,737	\$105,955	\$120,345	\$125,405
ENDING RESERVE BALANCE	\$241,646	\$416,121	\$559,321	\$661,400	\$882,838	\$770,395	\$725,869	\$977,909	\$1,225,267	\$1,477,428
Asphalt: Comments										
Asphalt: Cul De Sac R & R (2036)										
Asphalt: Cul De Sac R & R (2038)										
Asphalt: Cul De Sac R & R (2040)										
Asphalt: Cul De Sac R & R (2042)										
Asphalt: Cul De Sac R & R (2044)										
Asphalt: Cul De Sac R & R (2046)	\$90,306									
Asphalt: Cul De Sac R & R (2048)			\$47,903							
Asphalt: Repairs	\$30,313					\$35,141				
Asphalt: Type II Slurry Seal or HA5	\$319,802					\$370,738				
Roofs: Metal, Ramadas (Unfunded)										
Paint & Repair: Wrought Iron Fencing		\$102,316					\$118,613			
Paint: Common Area Walls & Ramadas							\$88,420			
Paint: Entrance Gates & Utility Boxes					\$16,699					\$19,359
Paint: Metal Light Poles (Original)								\$2,443		
Paint: Metal Light Poles (Park Area)								\$3,554		
Fencing: Wrought Iron (Lot Lines) (Unfunded)										
Fencing: Wrought Iron (Perimeter)										
Walls: Common Areas (Repair)							\$72,267			
Lighting (Unfunded)										
Lighting: Pole Fixtures (Original)										
Lighting: Pole Fixtures (Park Area)				\$18,946						
Park Area: Artificial Turf Removal (2026)										
Park Area: Play Components										
Park Area: Play Components (Repairs)										

Paseo Crossing
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING RESERVE BALANCE	\$574,281	\$425,313	\$345,610	\$330,407	\$394,491	\$432,330	\$197,521	\$195,976	\$285,653	\$301,290
Member Contribution	\$59,445	\$67,173	\$75,905	\$85,773	\$96,924	\$109,524	\$123,762	\$139,851	\$158,031	\$178,575
Interest Contribution	\$9,693	\$7,624	\$7,131	\$8,580	\$9,363	\$3,403	\$3,174	\$5,170	\$5,312	\$7,924
Expenditures (detailed below)	\$218,105	\$154,500	\$98,239	\$30,269	\$68,448	\$347,736	\$128,480	\$55,344	\$147,705	\$69,434
ENDING RESERVE BALANCE	\$425,313	\$345,610	\$330,407	\$394,491	\$432,330	\$197,521	\$195,976	\$285,653	\$301,290	\$418,356
Park Area: Trash Receptacle										
Park Area: Wood Chip Replenishment			\$2,758		\$2,926		\$3,105		\$3,294	
Riggs Entrance: Access Phone									\$8,234	
Riggs Entrance: Gate Operators									\$27,869	
Riggs Entrance: Gates										
Riggs Entrance: RFID Reader									\$4,434	
McQueen Entrance: Access Phone									\$8,234	
McQueen Entrance: Gate Operators									\$27,869	
McQueen Entrance: Gates										
McQueen Entrance: RFID Reader									\$4,434	
Grounds: Concrete Components (Repairs)			\$21,218							\$26,095
Grounds: Drywells (Unfunded)										
Grounds: Granite Replenishment		\$25,750		\$27,318		\$28,982		\$30,747		\$32,619
Grounds: Irrigation Controllers										
Grounds: Irrigation System (General Replacements)			\$53,045		\$56,275		\$59,703		\$63,339	
Grounds: Irrigation System (McQueen Drip System)		\$72,100								
Grounds: Mailboxes (Wall Mounted)										
Grounds: Monument Signs										
Grounds: Pavers (Cyclical Repairs)										
Grounds: Pump Station Components			\$21,218					\$24,597		
Grounds: Tree Trimming (Unfunded)										

Paseo Crossing
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
BEGINNING RESERVE BALANCE	\$418,356	\$45,930	\$117,797	\$93,276	\$352,514	\$456,258	\$41,753	\$54,773	\$287,352	\$337,285
Member Contribution	\$201,790	\$228,023	\$257,666	\$291,162	\$294,307	\$297,485	\$300,698	\$303,946	\$307,228	\$310,546
Interest Contribution	\$0	\$0	\$0	\$4,790	\$7,307	\$0	\$0	\$3,011	\$4,199	\$7,216
Expenditures (detailed below)	\$572,643	\$156,003	\$281,032	\$36,713	\$197,869	\$709,031	\$284,996	\$74,378	\$261,494	\$193,631
ENDING RESERVE BALANCE	\$45,930	\$117,797	\$93,276	\$352,514	\$456,258	\$41,753	\$54,773	\$287,352	\$337,285	\$461,417
Park Area: Trash Receptacle									\$1,702	
Park Area: Wood Chip Replenishment	\$3,494		\$3,707		\$3,933		\$4,172		\$4,426	
Riggs Entrance: Access Phone										
Riggs Entrance: Gate Operators										
Riggs Entrance: Gates						\$28,199				
Riggs Entrance: RFID Reader										
McQueen Entrance: Access Phone										
McQueen Entrance: Gate Operators										
McQueen Entrance: Gates						\$28,199				
McQueen Entrance: RFID Reader										
Grounds: Concrete Components (Repairs)							\$32,094			
Grounds: Drywells (Unfunded)										
Grounds: Granite Replenishment		\$34,606		\$36,713		\$38,949		\$41,321		\$43,838
Grounds: Irrigation Controllers					\$30,252					
Grounds: Irrigation System (General Replacements)	\$67,196		\$71,288		\$75,629		\$80,235		\$85,122	
Grounds: Irrigation System (McQueen Drip System)										
Grounds: Mailboxes (Wall Mounted)									\$85,122	
Grounds: Monument Signs		\$41,527								
Grounds: Pavers (Cyclical Repairs)	\$6,249									
Grounds: Pump Station Components			\$28,515					\$33,057		
Grounds: Tree Trimming (Unfunded)										

Paseo Crossing
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
BEGINNING RESERVE BALANCE	\$461,417	\$241,646	\$416,121	\$559,321	\$661,400	\$882,838	\$770,395	\$725,869	\$977,909	\$1,225,267
Member Contribution	\$313,900	\$317,290	\$320,717	\$324,181	\$327,682	\$331,221	\$334,798	\$338,414	\$342,069	\$345,763
Interest Contribution	\$1,750	\$6,008	\$9,494	\$11,966	\$17,380	\$14,560	\$13,413	\$19,581	\$25,633	\$31,803
Expenditures (detailed below)	\$535,422	\$148,824	\$187,012	\$234,067	\$123,624	\$458,224	\$392,737	\$105,955	\$120,345	\$125,405
ENDING RESERVE BALANCE	\$241,646	\$416,121	\$559,321	\$661,400	\$882,838	\$770,395	\$725,869	\$977,909	\$1,225,267	\$1,477,428
Park Area: Trash Receptacle										
Park Area: Wood Chip Replenishment	\$4,696		\$4,982		\$5,285		\$5,607		\$5,949	
Riggs Entrance: Access Phone				\$12,828						
Riggs Entrance: Gate Operators				\$43,419						
Riggs Entrance: Gates										
Riggs Entrance: RFID Reader				\$6,908						
McQueen Entrance: Access Phone				\$12,828						
McQueen Entrance: Gate Operators				\$43,419						
McQueen Entrance: Gates										
McQueen Entrance: RFID Reader				\$6,908						
Grounds: Concrete Components (Repairs)				\$39,472						
Grounds: Drywells (Unfunded)										
Grounds: Granite Replenishment		\$46,507		\$49,340		\$52,344		\$55,532		\$58,914
Grounds: Irrigation Controllers										\$47,131
Grounds: Irrigation System (General Replacements)	\$90,306		\$95,805		\$101,640		\$107,830		\$114,396	
Grounds: Irrigation System (McQueen Drip System)										
Grounds: Mailboxes (Wall Mounted)										
Grounds: Monument Signs										
Grounds: Pavers (Cyclical Repairs)										
Grounds: Pump Station Components			\$38,322					\$44,426		
Grounds: Tree Trimming (Unfunded)										

Paseo Crossing

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