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“Do-It-Yourself” Reserve Study Kit

Cedar Ridge Condominium Redmond, WA

Report #: 12486-1
For Period Beginning: January 1, 2006
Ending: December 31, 2006

Date Prepared: September 29, 2005

Hello, and welcome to your Reserve Study!

It's all very simple, really. A Reserve Study is the *art and science* of anticipating, and preparing for, major common area repair and replacement costs. With our experience in this industry, we have gathered the information necessary to make a financial evaluation of the current status of your Reserve Components, an evaluation of the current status of your Reserve Fund, and a recommended Reserve Funding Plan.

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

While this Report has been prepared to answer all of your questions, please don't hesitate to call us if unanswered questions remain. Our toll-free number is (866) 900-2792, and answers to most frequently asked questions are on our web site (www.ReserveStudy.com). A *Quick Reference Guide* is provided on the following page, to map out your Reserve Study and provide directions to the most valuable areas. From the entire staff of Association Reserves, thank you for selecting us as your Reserve-planning partner!



Quick Reference Guide



What do I distribute to the homeowners?

A good choice is to distribute copies of the “Executive Summary” immediately following the Table of Contents (a summary page and the Reserve Component Listing).

Where do I find...

...a listing of our Reserve Components?

Table 2 shows the name, Useful Life, Remaining Useful Life, and current Replacement Cost.

...our Percent Funded rating and recommended Reserve Contribution Rate?

With our major financial summary information, in the Executive Summary (Page i)

...a description of our objectives and methodology?

Beginning on Page 1 we introduce the Reserve Study, our objectives, and methodology.

More questions?

Visit our web site at www.ReserveStudy.com



or call us at (866) 900-2792

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Executive Summary

Association: Cedar Ridge Condominium Assoc. #: 12486-1
Location: Redmond, WA
of Units: 144
Report Period: January 1, 2006 through December 31, 2006

Results

Projected Starting Reserve Balance:	\$203,246
Fully Funded Reserve Balance:	\$586,903
Percent Funded:	34.6%
Recommended 2006 Monthly Reserve Contribution:	\$9,410
Recommended Special Assessment this year:.....	\$0
Most Recent Reserve Contribution Rate:	\$4,444

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves.....2.00%
Annual Inflation Rate3.00%

- This Reserve Study is based on the information provided to our firm, shown in the attached appendix, without oversight or review by Association Reserves personnel.
- Because your Reserve Fund is 34.6% Funded (the ratio of actual Reserve cash to the calculated *deteriorated fraction* of your Reserve assets), this represents a weak position, below the 70-100% level where associations statistically enjoy fiscal stability with relatively low risk of special assessment and/or deferred maintenance.
- Based upon this starting point, your anticipated future expenses and historical reserve contribution rate, our recommendation is to increase your Monthly Reserve Contributions to \$9,410 with annual inflation offsetting increases thereafter.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".
- Reserve projects anticipated this year include: see Table 1, proceeding page.

Table 1: Executive Summary

12486-1

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
102 Curbing - Partial Replace	5	5	\$1,400	\$1,623
103 Concrete - Repair/Replace	3	1	\$3,600	\$3,708
104 Elastomeric Surface - Seal/Repair	5	5	\$1,030	\$1,194
106 Entry Bridges - Repair/Replace	20	15	\$10,000	\$15,580
108 Wood Decks - Partial Replace (a)	12	3	\$21,600	\$23,603
108 Wood Decks - Partial Replace (b)	12	6	\$21,600	\$25,792
109 Wood Deck - Total Replace (a)	24	15	\$50,400	\$78,522
109 Wood Deck - Total Replace (b)	24	18	\$50,400	\$85,803
111 Stairs - Repair/Replace	5	2	\$6,750	\$7,161
201 Asphalt/Curbs - Overlay/Replace	30	0	\$137,500	\$333,749
202 Asphalt - Seal/Repair/Stripe	5	5	\$19,250	\$22,316
320 Pole Lights - Partial Replace	10	5	\$12,500	\$14,491
403 Mailboxes - Replace	25	25	\$35,750	\$74,853
506 Garbage Enclosures - Repair/Replace	30	5	\$27,500	\$31,880
601 Carpet/Vinyl - Replace	10	10	\$2,700	\$3,629
901 Kitchen - Refurbish	10	5	\$2,000	\$2,319
903 Furniture/Decor - Replace	15	1	\$5,000	\$5,150
909 Bathrooms - Refurbish	15	15	\$10,000	\$15,580
912 Office Equipment - Replace	5	1	\$2,000	\$2,060
1101 Front Doors - Repaint	7	6	\$5,840	\$6,973
1101 Front Doors - Repaint	7	7	\$5,840	\$7,182
1110 Interior Surfaces - Repaint	10	10	\$2,940	\$3,951
1116 Building Exteriors -Paint/Caulk (a)	7	6	\$158,400	\$189,138
1116 Building Exteriors -Paint/Caulk (b)	7	7	\$163,900	\$201,576
1200 Pool Deck - Resurface	30	2	\$13,000	\$13,792
1202 Pool - Resurface	10	0	\$9,000	\$12,095
1203 Pool Emergency Stop - Install	N/A	0	\$8,000	\$0
1204 Pool/Spa - Retile	20	0	\$2,450	\$4,425
1208 Pool Heater - Replace	10	5	\$3,250	\$3,768
1212 Pool Cover - Replace	10	5	\$1,750	\$2,029
1302 Carport Roofs - Replace	15	1	\$79,625	\$82,014
1303 Comp Shingle Roof - Replace	35	15	\$350,000	\$545,289
1310 Gutters/Downspouts - Repair/Replace	35	30	\$61,250	\$148,670
1320 Chimney Caps - Replace	35	30	\$14,400	\$34,953
1402 Signage - Replace	20	20	\$5,000	\$9,031
1704 Retention Pond - Clean/Maintain	2	0	\$2,850	\$3,024
36 Total Funded Components				

N/A in Useful Life column denotes one time, non-recurring expense.

Introduction

It is all very simple, really. A Reserve Study is the art and science of anticipating and preparing for major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

A Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. The Physical Analysis contains the information about the current condition and repair or replacement cost of the major common area components the association is obligated to maintain. In this Do-It-Yourself Reserve Study Kit, the Physical Analysis information has been assembled by the client. The Financial Analysis contains an evaluation of the association's Reserve balance (measured by Percent Funded) and a recommended Funding Plan to offset the anticipated Reserve expenses.

Reserve Study

- Physical Analysis
- Financial Analysis

The primary responsibility of the Board of Directors is to maintain, protect, and enhance the assets of the association. As the physical assets age and deteriorate, it is important to accumulate financial assets, keeping the two “in balance”. The Reserve Study is the document that helps keep the physical and financial assets of the association in balance. This Reserve Study is a budget-planning document. The primary information you will get from this document is a list of your major Reserve components, a finding of the current status (strength) of your Reserve Fund, and a recommended Funding Plan. The basic objective of the Reserve Study is to provide a plan to collect funds at a stable rate to offset the predicted irregular Reserve expenses. Setting a stable Reserve contribution rate will ensure that each owner pays their own “fair share” of the ongoing, gradual deterioration of the common areas.

Methodology

Association Reserves and the Board of Directors share a common goal: to point your association responsibly in the direction of proper Reserve planning. In this Do-It-Yourself Kit, the client has elected to assemble the information upon which the Reserve recommendations are based (without review or oversight by Association Reserves). By necessity, the Physical Analysis occurs before the Financial Analysis (first the projected expenses are established, then we determine the association’s financial status and create a Funding Plan). The information assembled by the client includes the Physical Analysis (component list,

Reserve Study Types

- Full
- Update With-Site-Visit
- Update No-Site-Visit
- ➔ • Do-It-Yourself Kit

Useful Life, Remaining Useful Life, Replacement costs), the projected starting Reserve balance, and the interest rate earned on your Reserve funds. The Reserve Component List you provided is shown in Table 1 and Table 2. With this information and an assumed inflation rate (as shown on the Executive Summary), we are able to project the array of future major expenses facing the association.

Which Physical Assets are Covered by Reserves?

Reserve expenses are the larger, infrequent expenses that require significant advance planning. Operating expenses, on the other hand, are those ongoing daily, weekly, or monthly expenses that occur and recur throughout the year. Small surprises are typically handled as maintenance contingencies, while the larger ones may be covered by insurance or require special assessments.

There is a national-standard four-part test to determine which expense items should be funded through Reserves. This four-part test was provided to the client in the workbook used to help compile the Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (not a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses.

Most Reserve Studies do not typically Reserve for building foundations and major infrastructure elements since they do not have limited life expectancies. Light bulbs or other small items are usually not listed as Reserve Components since their individual costs are insignificant. Finally, it is usually inappropriate to include unpredictable expenses such as damage due to fire, flood, or earthquake since these typically cannot be considered “reasonably predictable”.

Reserve Components

- **Common Area**
- **Limited Useful Life**
- **Predictable Life Limit**
- **Cost must be Significant**

The Financial Analysis

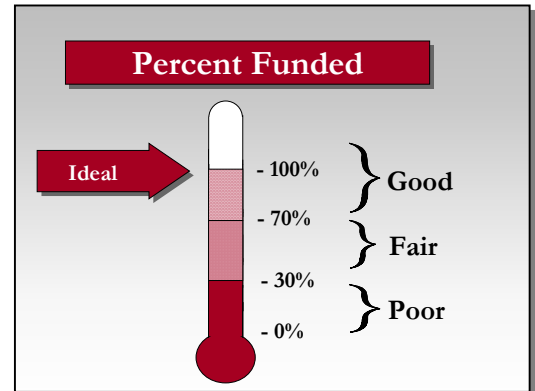
We have used the Reserve Component List provided by the client to compute the association’s current Percent Funded and an appropriate Reserve Contribution rate. These two pieces of information are considered the Financial Analysis.

So... How much Reserves are enough? Computing your Percent Funded.

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate for the needs of the association. Reserve Fund size is therefore measured by Percent Funded. Percent Funded is the actual (or projected) Reserve Balance, divided by the association’s calculated Fully Funded Balance (FFB),

expressed as a percentage. The Fully Funded Balance is the sum of the value of the deterioration fraction of each individual Reserve components, not the total replacement value of those components. The Fully Funded Balance for each individual component is shown in Table 3. of all the Reserve Components. To show how this works with one component, in the case of a \$10,000 component with a 10 year Useful Life, in the third year the Fully Funded Balance is three tenths of \$10,000, or \$3,000. The FFB grows as assets age, but shrinks as components are replaced. Deteriorated associations have a higher FFB than association with assets in good condition. The Fully Funded Balance changes each year, and is a predictable, but moving target.

Special assessments and deferred maintenance are common when the Percent Funded is weak (below 30%). While the 100% point is Ideal, a Reserve Fund above the 70% level should be considered “strong” because cash flow problems are rare. Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. An association with a strong Reserve Fund should experience smooth sailing financially, while an association with a weak Reserve Fund should expect cash flow problems. New buyers should be very aware of this important disclosure!



How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. First and foremost, our objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it indicates the association is being run on a stable financial platform, not being driven by the winds of change from year to year. For fairness, it is important to evenly distribute the contributions over the years so each owner pays their fair share of the deterioration in direct proportion to the amount of time they are owners. And finally, any Funding Plan must be based on fiscally responsible principles. Your Funding Plan was created by a process where different solutions were tested until one was found that most successfully met all four of these principles and achieved your Funding Goal.

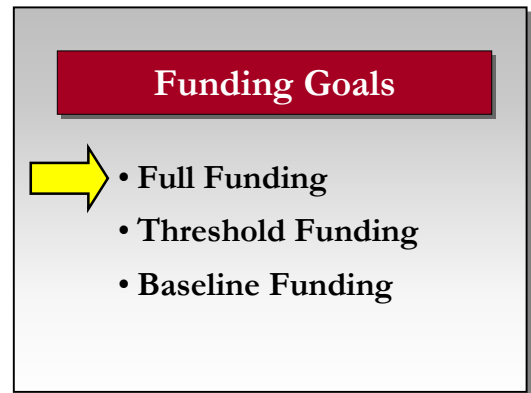
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- The figure is a rectangular box with a dark red header containing the text "Funding Principles". Below the header, there is a bulleted list of four items:
- Sufficient Cash
 - Stable Contribution Rate
 - Evenly Distributed
 - Fiscally Responsible

What is our Funding Goal?

There are different Funding Goals to strive for, ranging from conservative to risky. Establishing a goal of simply having sufficient cash for all future years is called "Baseline Funding". The drawback is that there is little or no "margin for error", and expenses that are higher than budgeted or projects that occur earlier than planned will often cause special assessments.

"Full Funding" is when the association has the goal of becoming Fully Funded (Reserve Cash equals the FFB). Such an objective means the association is following the simple and responsible principle that you "replace what you use up". Believing this to be the responsible choice, our Funding Plan will direct you to Full Funding. Members of Fully Funded associations enjoy low exposure to the risk of special assessments or deferred maintenance. Strong interest earnings will minimize their Reserve contributions. Board members enjoy peace of mind that the association's physical and financial assets are in balance, and therefore a degree of insulation from claims of fiscal irresponsibility.

"Threshold Funding" option is different in that the association selects a target other than 0% or 100%. This objective may be between 0% and 100% Funded, higher than 100% Funded, or a particular Reserve cash balance. Associations choosing Threshold Funding select this option to customize their risk exposure.



Projected Expenses

The figure below shows the array of the projected future expenses at your association. As with all computations in this Report, the estimates in this figure are based on the average of Best and Worst Case expense projections. As you can see, expenses are projected 30 years into the future, using the Inflation rate shown in the Executive Summary. This figure clearly shows the near term and future expenses that your association will face.

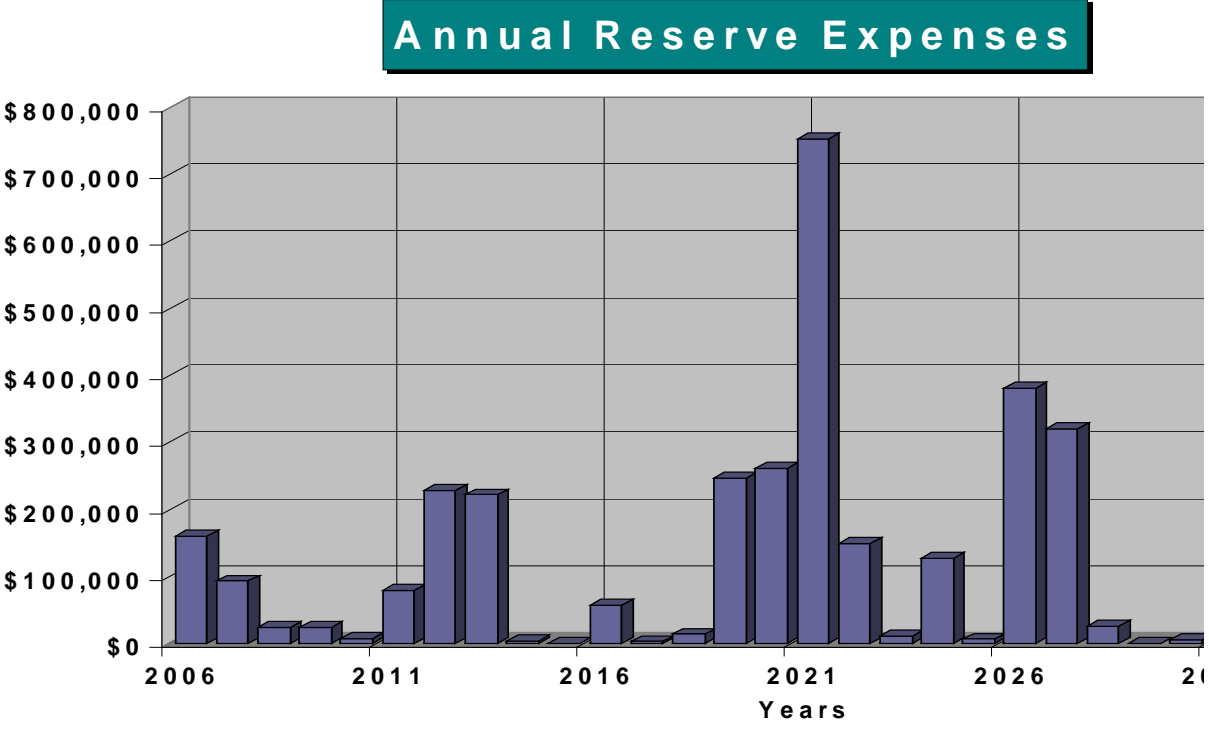


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$203,246 as-of the start of your Fiscal Year on January 1, 2006. As of January 1, 2006, your Fully Funded Balance is computed to be \$586,903 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 35% Funded. As indicated earlier in the Executive Summary, this represents a weak status, placing the association at increased risk of special assessment and/or deferred maintenance.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$9,410/month this Fiscal Year. This represents the first year of a 30-year Funding Plan. To most fairly spread out the contribution burden over current and future owners in our inflationary economic environment, nominal annual increases should be expected in future years. This Reserve contribution rate was established by testing different contribution rates and balancing the four Funding Principles in an attempt to eventually achieve Full Funding. Generally, the tools we utilize are regular ongoing contributions (for stability and fairness), and special assessments (used only as a last resort). Our recommended multi-year Funding Plan is shown below. This same information is shown numerically in both Table 4 and Table 5

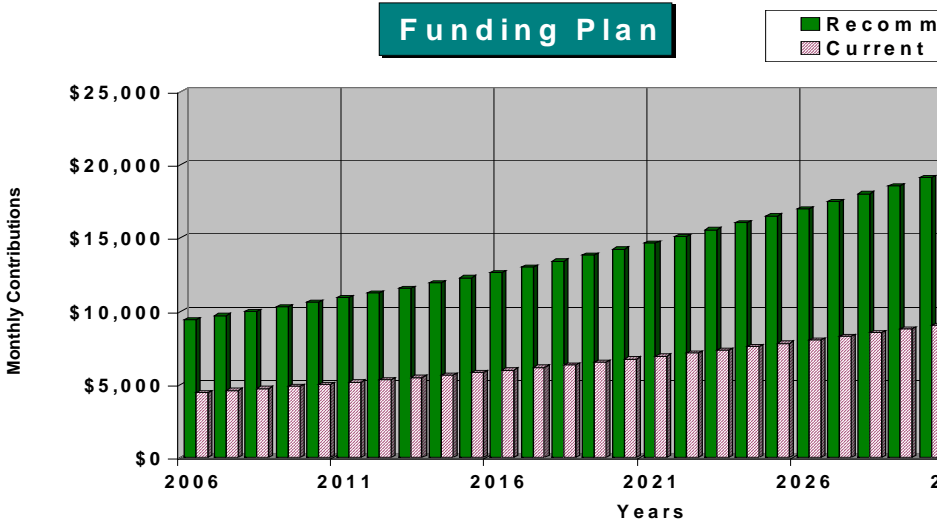


Figure 2

Your projected Reserve Balance as a result of following this Recommended multi-year Funding Plan and your Current Funding Plan is shown below, compared to your Fully Funded Balance target. This assumes the future expenses we have projected in this

Reserve Study. Note that your Reserve Fund gradually draws close to the Fully Funded Balance profile over a period of approximately thirty years. While your Reserve Balance might seem high in future years, remember that these figures are “inflated” future dollars. In addition, this Reserve Balance is necessary to prepare for expenses in following years and provide necessary “margin” for projects that will probably not occur exactly as planned.

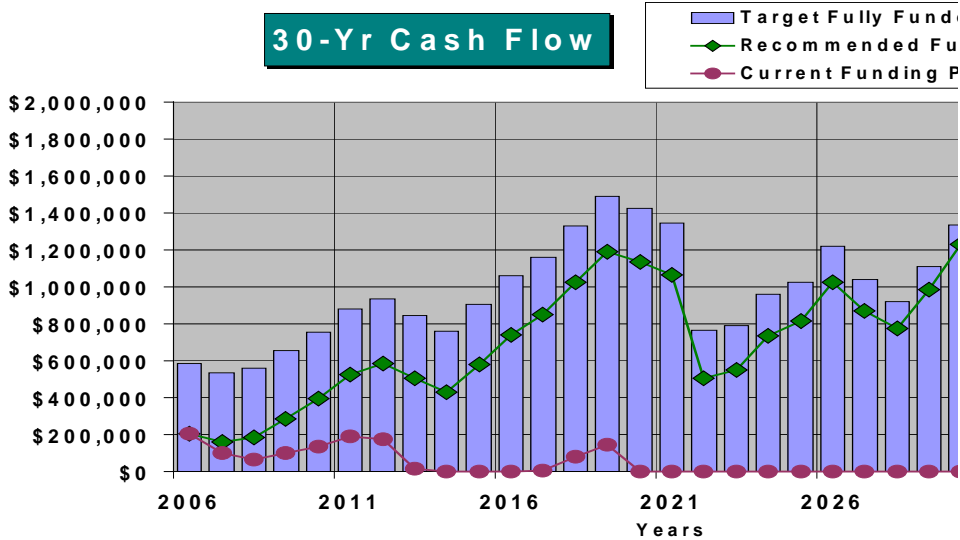


Figure 3

A simple comparison (a percentage comparison) of your Actual Reserve Balance to the moving Fully Funded Balance target is shown below. In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

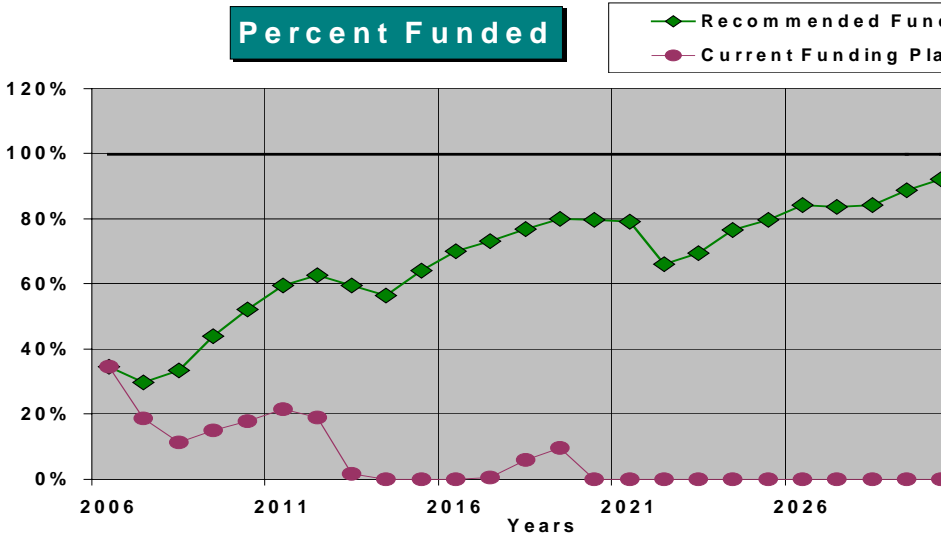


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

12486-1

# Component	Quantity	Rem.		Current	
		Useful Life	Useful Life	Best Cost	Worst Cost
102 Curbing - Partial Replace	Approx 1,600 linear feet	5	5	\$1,000	\$1,800
103 Concrete - Repair/Replace	Extensive square feet	3	1	\$2,400	\$4,800
104 Elastomeric Surface - Seal/Repair	Approx 200 square feet	5	5	\$825	\$1,235
106 Entry Bridges - Repair/Replace	Approx 400 square feet	20	15	\$8,000	\$12,000
108 Wood Decks - Partial Replace (a)	~1/2 of 17,280 GSF	12	3	\$14,400	\$28,800
108 Wood Decks - Partial Replace (b)	~1/2 of 17,280 GSF	12	6	\$14,400	\$28,800
109 Wood Deck - Total Replace (a)	~1/2 of 17,280 GSF	24	15	\$43,200	\$57,600
109 Wood Deck - Total Replace (b)	~1/2 of 17,280 GSF	24	18	\$43,200	\$57,600
111 Stairs - Repair/Replace	(36) stair assemblies	5	2	\$6,000	\$7,500
201 Asphalt/Curbs - Overlay/Replace	Approx 110,000 square ft	30	0	\$132,000	\$143,000
202 Asphalt - Seal/Repair/Stripe	Approx 110,000 square ft	5	5	\$16,500	\$22,000
320 Pole Lights - Partial Replace	~(23) wood poles	10	5	\$10,000	\$15,000
403 Mailboxes - Replace	(13) stanchions (144) box	25	25	\$32,500	\$39,000
506 Garbage Enclosures - Repair/Replace	(10) assorted sizes	30	5	\$25,000	\$30,000
601 Carpet/Vinyl - Replace	Approx 90 square yards	10	10	\$2,250	\$3,150
901 Kitchen - Refurbish	Approx 80 square feet	10	5	\$1,500	\$2,500
903 Furniture/Decor - Replace	Approx 12 assrtd pieces	15	1	\$4,000	\$6,000
909 Bathrooms - Refurbish	(2) approx 180 sq ft each	15	15	\$8,000	\$12,000
912 Office Equipment - Replace	Assorted equipment	5	1	\$1,500	\$2,500
1101 Front Doors - Repaint	(73) metal doors	7	6	\$5,110	\$6,570
1101 Front Doors - Repaint	(73) metal doors	7	7	\$5,110	\$6,570
1110 Interior Surfaces - Repaint	Approx 4,200 square feet	10	10	\$2,520	\$3,360
1116 Building Exteriors -Paint/Caulk (a)	~ 1/2 of 162,000 GSF	7	6	\$144,000	\$172,800
1116 Building Exteriors -Paint/Caulk (b)	~ 1/2 of 162,000 GSF	7	7	\$149,000	\$178,800
1200 Pool Deck - Resurface	Approx 1,000 square feet	30	2	\$12,000	\$14,000
1202 Pool - Resurface	Approx 15 x 30	10	0	\$8,000	\$10,000
1203 Pool Emergency Stop - Install	new system	N/A	0	\$7,000	\$9,000
1204 Pool/Spa - Retile	Approx 90 linear feet	20	0	\$2,200	\$2,700
1208 Pool Heater - Replace	(1) Laars Lite 2	10	5	\$3,000	\$3,500
1212 Pool Cover - Replace	Approx 575 square feet	10	5	\$1,500	\$2,000
1302 Carport Roofs - Replace	Approx 24,500 square feet	15	1	\$73,500	\$85,750
1303 Comp Shingle Roof - Replace	Approx 112,000 sq ft	35	15	\$336,000	\$364,000
1310 Gutters/Downspouts - Repair/Replace	Extensive linear feet	35	30	\$52,500	\$70,000
1320 Chimney Caps - Replace	(73) chaise (145) caps	35	30	\$12,960	\$15,840
1402 Signage - Replace	(1) sand blasted	20	20	\$4,000	\$6,000
1704 Retention Pond - Clean/Maintain	(1) retention pond	2	0	\$2,700	\$3,000
36 Total Funded Components					

Table 3: Contribution and Fund Breakdown**12486-1**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
102 Curbing - Partial Replace	5	5	\$1,400	\$0	\$0.00	\$0.00
103 Concrete - Repair/Replace	3	1	\$3,600	\$2,400	\$2,400.00	\$179.68
104 Elastomeric Surface - Seal/Repair	5	5	\$1,030	\$0	\$0.00	\$0.00
106 Entry Bridges - Repair/Replace	20	15	\$10,000	\$2,500	\$0.00	\$74.86
108 Wood Decks - Partial Replace (a)	12	3	\$21,600	\$16,200	\$0.00	\$269.51
108 Wood Decks - Partial Replace (b)	12	6	\$21,600	\$10,800	\$0.00	\$269.51
109 Wood Deck - Total Replace (a)	24	15	\$50,400	\$18,900	\$0.00	\$314.43
109 Wood Deck - Total Replace (b)	24	18	\$50,400	\$12,600	\$0.00	\$314.43
111 Stairs - Repair/Replace	5	2	\$6,750	\$4,050	\$0.00	\$202.13
201 Asphalt/Curbs - Overlay/Replace	30	0	\$137,500	\$137,500	\$137,500.00	\$686.26
202 Asphalt - Seal/Repair/Stripe	5	5	\$19,250	\$0	\$0.00	\$0.00
320 Pole Lights - Partial Replace	10	5	\$12,500	\$6,250	\$0.00	\$187.16
403 Mailboxes - Replace	25	25	\$35,750	\$0	\$0.00	\$0.00
506 Garbage Enclosures - Repair/Replace	30	5	\$27,500	\$22,917	\$0.00	\$137.25
601 Carpet/Vinyl - Replace	10	10	\$2,700	\$0	\$0.00	\$0.00
901 Kitchen - Refurbish	10	5	\$2,000	\$1,000	\$0.00	\$29.95
903 Furniture/Decor - Replace	15	1	\$5,000	\$4,667	\$4,666.67	\$49.91
909 Bathrooms - Refurbish	15	15	\$10,000	\$0	\$0.00	\$0.00
912 Office Equipment - Replace	5	1	\$2,000	\$1,600	\$1,600.00	\$59.89
1101 Front Doors - Repaint	7	6	\$5,840	\$834	\$0.00	\$124.92
1101 Front Doors - Repaint	7	7	\$5,840	\$0	\$0.00	\$0.00
1110 Interior Surfaces - Repaint	10	10	\$2,940	\$0	\$0.00	\$0.00
1116 Building Exteriors -Paint/Caulk (a)	7	6	\$158,400	\$22,629	\$0.00	\$3,388.16
1116 Building Exteriors -Paint/Caulk (b)	7	7	\$163,900	\$0	\$0.00	\$0.00
1200 Pool Deck - Resurface	30	2	\$13,000	\$12,133	\$0.00	\$64.88
1202 Pool - Resurface	10	0	\$9,000	\$9,000	\$9,000.00	\$134.76
1203 Pool Emergency Stop - Install	N/A	0	\$8,000	\$8,000	\$8,000.00	\$0.00
1204 Pool/Spa - Retile	20	0	\$2,450	\$2,450	\$2,450.00	\$18.34
1208 Pool Heater - Replace	10	5	\$3,250	\$1,625	\$0.00	\$48.66
1212 Pool Cover - Replace	10	5	\$1,750	\$875	\$0.00	\$26.20
1302 Carport Roofs - Replace	15	1	\$79,625	\$74,317	\$34,779.33	\$794.81
1303 Comp Shingle Roof - Replace	35	15	\$350,000	\$200,000	\$0.00	\$1,497.29
1310 Gutters/Downspouts - Repair/Replace	35	30	\$61,250	\$8,750	\$0.00	\$262.03
1320 Chimney Caps - Replace	35	30	\$14,400	\$2,057	\$0.00	\$61.60
1402 Signage - Replace	20	20	\$5,000	\$0	\$0.00	\$0.00
1704 Retention Pond - Clean/Maintain	2	0	\$2,850	\$2,850	\$2,850.00	\$213.36
36 Total Funded Components				\$586,903	\$203,246	\$9,410

Table 4: 30-Year Reserve Plan Summary**12486-1**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Annual Reserve Contribs.	Special Assessments	Interest Income	Reserve Expenses
2006	\$203,246	\$586,903	34.6%	\$112,920	\$0	\$3,629	\$159,800
2007	\$159,995	\$537,089	29.8%	\$116,308	\$0	\$3,465	\$92,932
2008	\$186,836	\$557,569	33.5%	\$119,797	\$0	\$4,738	\$23,976
2009	\$287,395	\$652,691	44.0%	\$123,391	\$0	\$6,808	\$23,603
2010	\$393,991	\$754,143	52.2%	\$127,092	\$0	\$9,162	\$7,260
2011	\$522,986	\$878,658	59.5%	\$130,905	\$0	\$11,074	\$79,619
2012	\$585,346	\$935,660	62.6%	\$134,832	\$0	\$10,878	\$227,694
2013	\$503,362	\$845,234	59.6%	\$138,877	\$0	\$9,326	\$221,488
2014	\$430,078	\$761,968	56.4%	\$143,044	\$0	\$10,088	\$3,610
2015	\$579,599	\$904,203	64.1%	\$147,335	\$0	\$13,186	\$0
2016	\$740,120	\$1,058,117	69.9%	\$151,755	\$0	\$15,890	\$57,479
2017	\$850,286	\$1,161,248	73.2%	\$156,308	\$0	\$18,712	\$2,768
2018	\$1,022,537	\$1,327,744	77.0%	\$160,997	\$0	\$22,126	\$13,687
2019	\$1,191,973	\$1,492,022	79.9%	\$165,827	\$0	\$23,245	\$246,479
2020	\$1,134,566	\$1,425,611	79.6%	\$170,802	\$0	\$21,990	\$261,058
2021	\$1,066,299	\$1,346,471	79.2%	\$175,926	\$0	\$15,701	\$752,779
2022	\$505,147	\$762,895	66.2%	\$181,203	\$0	\$10,517	\$149,358
2023	\$547,510	\$787,876	69.5%	\$186,640	\$0	\$12,822	\$11,157
2024	\$735,815	\$960,631	76.6%	\$192,239	\$0	\$15,506	\$127,427
2025	\$816,133	\$1,023,630	79.7%	\$198,006	\$0	\$18,408	\$6,313
2026	\$1,026,234	\$1,218,229	84.2%	\$203,946	\$0	\$18,929	\$380,837
2027	\$868,272	\$1,038,018	83.6%	\$210,064	\$0	\$16,421	\$319,487
2028	\$775,270	\$920,856	84.2%	\$216,366	\$0	\$17,577	\$25,293
2029	\$983,921	\$1,108,623	88.8%	\$222,857	\$0	\$22,109	\$0
2030	\$1,228,887	\$1,333,659	92.1%	\$229,543	\$0	\$27,062	\$5,793
2031	\$1,479,699	\$1,565,233	94.5%	\$236,429	\$0	\$30,551	\$168,612
2032	\$1,578,068	\$1,641,977	96.1%	\$243,522	\$0	\$34,204	\$10,459
2033	\$1,845,335	\$1,890,024	97.6%	\$250,828	\$0	\$35,461	\$427,798
2034	\$1,703,826	\$1,721,940	98.9%	\$258,353	\$0	\$32,930	\$403,110
2035	\$1,591,998	\$1,580,718	100.7%	\$266,103	\$0	\$34,819	\$0

Table 5: 30-Year Reserve Plan Detail (yrs 0 through 4) 12486-1

Fiscal Year	2006	2007	2008	2009	2010
Starting Reserve Balance	\$203,246	\$159,995	\$186,836	\$287,395	\$393,991
Annual Reserve Contribution	\$112,920	\$116,308	\$119,797	\$123,391	\$127,092
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,629	\$3,465	\$4,738	\$6,808	\$9,162
Subtotal	\$319,795	\$279,768	\$311,371	\$417,594	\$530,245
# Component					
102 Curbing - Partial Replace	\$0	\$0	\$0	\$0	\$0
103 Concrete - Repair/Replace	\$0	\$3,708	\$0	\$0	\$4,052
104 Elastomeric Surface - Seal/Repair	\$0	\$0	\$0	\$0	\$0
106 Entry Bridges - Repair/Replace	\$0	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (a)	\$0	\$0	\$0	\$23,603	\$0
108 Wood Decks - Partial Replace (b)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (a)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (b)	\$0	\$0	\$0	\$0	\$0
111 Stairs - Repair/Replace	\$0	\$0	\$7,161	\$0	\$0
201 Asphalt/Curbs - Overlay/Replace	\$137,500	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair/Stripe	\$0	\$0	\$0	\$0	\$0
320 Pole Lights - Partial Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
506 Garbage Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
901 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
903 Furniture/Decor - Replace	\$0	\$5,150	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
912 Office Equipment - Replace	\$0	\$2,060	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$0	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$0	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (a)	\$0	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (b)	\$0	\$0	\$0	\$0	\$0
1200 Pool Deck - Resurface	\$0	\$0	\$13,792	\$0	\$0
1202 Pool - Resurface	\$9,000	\$0	\$0	\$0	\$0
1203 Pool Emergency Stop - Install	\$8,000	\$0	\$0	\$0	\$0
1204 Pool/Spa - Retile	\$2,450	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
1212 Pool Cover - Replace	\$0	\$0	\$0	\$0	\$0
1302 Carport Roofs - Replace	\$0	\$82,014	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1320 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
1402 Signage - Replace	\$0	\$0	\$0	\$0	\$0
1704 Retention Pond - Clean/Maintain	\$2,850	\$0	\$3,024	\$0	\$3,208
Subtotal	\$159,800	\$92,932	\$23,976	\$23,603	\$7,260
Ending Reserve Balance:	\$159,995	\$186,836	\$287,395	\$393,991	\$522,986

Table 5: 30-Year Reserve Plan Detail (yrs 5 through 9) 12486-1

Fiscal Year	2011	2012	2013	2014	2015
Starting Reserve Balance	\$522,986	\$585,346	\$503,362	\$430,078	\$579,599
Annual Reserve Contribution	\$130,905	\$134,832	\$138,877	\$143,044	\$147,335
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$11,074	\$10,878	\$9,326	\$10,088	\$13,186
Subtotal	\$664,965	\$731,056	\$651,566	\$583,209	\$740,120
# Component					
102 Curbing - Partial Replace	\$1,623	\$0	\$0	\$0	\$0
103 Concrete - Repair/Replace	\$0	\$0	\$4,428	\$0	\$0
104 Elastomeric Surface - Seal/Repair	\$1,194	\$0	\$0	\$0	\$0
106 Entry Bridges - Repair/Replace	\$0	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (a)	\$0	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (b)	\$0	\$25,792	\$0	\$0	\$0
109 Wood Deck - Total Replace (a)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (b)	\$0	\$0	\$0	\$0	\$0
111 Stairs - Repair/Replace	\$0	\$0	\$8,302	\$0	\$0
201 Asphalt/Curbs - Overlay/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair/Stripe	\$22,316	\$0	\$0	\$0	\$0
320 Pole Lights - Partial Replace	\$14,491	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
506 Garbage Enclosures - Repair/Replace	\$31,880	\$0	\$0	\$0	\$0
601 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
901 Kitchen - Refurbish	\$2,319	\$0	\$0	\$0	\$0
903 Furniture/Decor - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
912 Office Equipment - Replace	\$0	\$2,388	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$6,973	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$0	\$7,182	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (a)	\$0	\$189,138	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (b)	\$0	\$0	\$201,576	\$0	\$0
1200 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
1203 Pool Emergency Stop - Install	\$0	\$0	\$0	\$0	\$0
1204 Pool/Spa - Retile	\$0	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$3,768	\$0	\$0	\$0	\$0
1212 Pool Cover - Replace	\$2,029	\$0	\$0	\$0	\$0
1302 Carport Roofs - Replace	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1320 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
1402 Signage - Replace	\$0	\$0	\$0	\$0	\$0
1704 Retention Pond - Clean/Maintain	\$0	\$3,403	\$0	\$3,610	\$0
Subtotal	\$79,619	\$227,694	\$221,488	\$3,610	\$0
Ending Reserve Balance:	\$585,346	\$503,362	\$430,078	\$579,599	\$740,120

Table 5: 30-Year Reserve Plan Detail (yrs 10 through 14)**12486-1**

Fiscal Year	2016	2017	2018	2019	2020
Starting Reserve Balance	\$740,120	\$850,286	\$1,022,537	\$1,191,973	\$1,134,566
Annual Reserve Contribution	\$151,755	\$156,308	\$160,997	\$165,827	\$170,802
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$15,890	\$18,712	\$22,126	\$23,245	\$21,990
Subtotal	\$907,765	\$1,025,305	\$1,205,660	\$1,381,045	\$1,327,357
# Component					
102 Curbing - Partial Replace	\$1,881	\$0	\$0	\$0	\$0
103 Concrete - Repair/Replace	\$4,838	\$0	\$0	\$5,287	\$0
104 Elastomeric Surface - Seal/Repair	\$1,384	\$0	\$0	\$0	\$0
106 Entry Bridges - Repair/Replace	\$0	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (a)	\$0	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (b)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (a)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (b)	\$0	\$0	\$0	\$0	\$0
111 Stairs - Repair/Replace	\$0	\$0	\$9,624	\$0	\$0
201 Asphalt/Curbs - Overlay/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair/Stripe	\$25,870	\$0	\$0	\$0	\$0
320 Pole Lights - Partial Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
506 Garbage Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet/Vinyl - Replace	\$3,629	\$0	\$0	\$0	\$0
901 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
903 Furniture/Decor - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
912 Office Equipment - Replace	\$0	\$2,768	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$0	\$0	\$8,576	\$0
1101 Front Doors - Repaint	\$0	\$0	\$0	\$0	\$8,834
1110 Interior Surfaces - Repaint	\$3,951	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (a)	\$0	\$0	\$0	\$232,616	\$0
1116 Building Exteriors -Paint/Caulk (b)	\$0	\$0	\$0	\$0	\$247,913
1200 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$12,095	\$0	\$0	\$0	\$0
1203 Pool Emergency Stop - Install	\$0	\$0	\$0	\$0	\$0
1204 Pool/Spa - Retile	\$0	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
1212 Pool Cover - Replace	\$0	\$0	\$0	\$0	\$0
1302 Carport Roofs - Replace	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1320 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
1402 Signage - Replace	\$0	\$0	\$0	\$0	\$0
1704 Retention Pond - Clean/Maintain	\$3,830	\$0	\$4,063	\$0	\$4,311
Subtotal	\$57,479	\$2,768	\$13,687	\$246,479	\$261,058
Ending Reserve Balance:	\$850,286	\$1,022,537	\$1,191,973	\$1,134,566	\$1,066,299

Table 5: 30-Year Reserve Plan Detail (yrs 15 through 19)**12486-1**

Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$1,066,299	\$505,147	\$547,510	\$735,815	\$816,133
Annual Reserve Contribution	\$175,926	\$181,203	\$186,640	\$192,239	\$198,006
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$15,701	\$10,517	\$12,822	\$15,506	\$18,408
Subtotal	\$1,257,926	\$696,868	\$746,972	\$943,560	\$1,032,546
# Component					
102 Curbing - Partial Replace	\$2,181	\$0	\$0	\$0	\$0
103 Concrete - Repair/Replace	\$0	\$5,777	\$0	\$0	\$6,313
104 Elastomeric Surface - Seal/Repair	\$1,605	\$0	\$0	\$0	\$0
106 Entry Bridges - Repair/Replace	\$15,580	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (a)	\$33,652	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (b)	\$0	\$0	\$0	\$36,773	\$0
109 Wood Deck - Total Replace (a)	\$78,522	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (b)	\$0	\$0	\$0	\$85,803	\$0
111 Stairs - Repair/Replace	\$0	\$0	\$11,157	\$0	\$0
201 Asphalt/Curbs - Overlay/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair/Stripe	\$29,991	\$0	\$0	\$0	\$0
320 Pole Lights - Partial Replace	\$19,475	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
506 Garbage Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
901 Kitchen - Refurbish	\$3,116	\$0	\$0	\$0	\$0
903 Furniture/Decor - Replace	\$0	\$8,024	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$15,580	\$0	\$0	\$0	\$0
912 Office Equipment - Replace	\$0	\$3,209	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$0	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$0	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (a)	\$0	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (b)	\$0	\$0	\$0	\$0	\$0
1200 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
1203 Pool Emergency Stop - Install	\$0	\$0	\$0	\$0	\$0
1204 Pool/Spa - Retile	\$0	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$5,063	\$0	\$0	\$0	\$0
1212 Pool Cover - Replace	\$2,726	\$0	\$0	\$0	\$0
1302 Carport Roofs - Replace	\$0	\$127,775	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$545,289	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1320 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
1402 Signage - Replace	\$0	\$0	\$0	\$0	\$0
1704 Retention Pond - Clean/Maintain	\$0	\$4,573	\$0	\$4,852	\$0
Subtotal	\$752,779	\$149,358	\$11,157	\$127,427	\$6,313
Ending Reserve Balance:	\$505,147	\$547,510	\$735,815	\$816,133	\$1,026,234

Table 5: 30-Year Reserve Plan Detail (yrs 20 through 24)**12486-1**

Fiscal Year	2026	2027	2028	2029	2030
Starting Reserve Balance	\$1,026,234	\$868,272	\$775,270	\$983,921	\$1,228,887
Annual Reserve Contribution	\$203,946	\$210,064	\$216,366	\$222,857	\$229,543
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$18,929	\$16,421	\$17,577	\$22,109	\$27,062
Subtotal	\$1,249,108	\$1,094,757	\$1,009,213	\$1,228,887	\$1,485,493
# Component					
102 Curbing - Partial Replace	\$2,529	\$0	\$0	\$0	\$0
103 Concrete - Repair/Replace	\$0	\$0	\$6,898	\$0	\$0
104 Elastomeric Surface - Seal/Repair	\$1,860	\$0	\$0	\$0	\$0
106 Entry Bridges - Repair/Replace	\$0	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (a)	\$0	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (b)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (a)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (b)	\$0	\$0	\$0	\$0	\$0
111 Stairs - Repair/Replace	\$0	\$0	\$12,934	\$0	\$0
201 Asphalt/Curbs - Overlay/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair/Stripe	\$34,768	\$0	\$0	\$0	\$0
320 Pole Lights - Partial Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
506 Garbage Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet/Vinyl - Replace	\$4,877	\$0	\$0	\$0	\$0
901 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
903 Furniture/Decor - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
912 Office Equipment - Replace	\$0	\$3,721	\$0	\$0	\$0
1101 Front Doors - Repaint	\$10,548	\$0	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$10,864	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$5,310	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (a)	\$286,088	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (b)	\$0	\$304,902	\$0	\$0	\$0
1200 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$16,255	\$0	\$0	\$0	\$0
1203 Pool Emergency Stop - Install	\$0	\$0	\$0	\$0	\$0
1204 Pool/Spa - Retile	\$4,425	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
1212 Pool Cover - Replace	\$0	\$0	\$0	\$0	\$0
1302 Carport Roofs - Replace	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1320 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
1402 Signage - Replace	\$9,031	\$0	\$0	\$0	\$0
1704 Retention Pond - Clean/Maintain	\$5,147	\$0	\$5,461	\$0	\$5,793
Subtotal	\$380,837	\$319,487	\$25,293	\$0	\$5,793
Ending Reserve Balance:	\$868,272	\$775,270	\$983,921	\$1,228,887	\$1,479,699

Table 5: 30-Year Reserve Plan Detail (yrs 25 through 29)**12486-1**

Fiscal Year	2031	2032	2033	2034	2035
Starting Reserve Balance	\$1,479,699	\$1,578,068	\$1,845,335	\$1,703,826	\$1,591,998
Annual Reserve Contribution	\$236,429	\$243,522	\$250,828	\$258,353	\$266,103
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$30,551	\$34,204	\$35,461	\$32,930	\$34,819
Subtotal	\$1,746,680	\$1,855,795	\$2,131,624	\$1,995,108	\$1,892,921
# Component					
102 Curbing - Partial Replace	\$2,931	\$0	\$0	\$0	\$0
103 Concrete - Repair/Replace	\$7,538	\$0	\$0	\$8,237	\$0
104 Elastomeric Surface - Seal/Repair	\$2,157	\$0	\$0	\$0	\$0
106 Entry Bridges - Repair/Replace	\$0	\$0	\$0	\$0	\$0
108 Wood Decks - Partial Replace (a)	\$0	\$0	\$47,980	\$0	\$0
108 Wood Decks - Partial Replace (b)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (a)	\$0	\$0	\$0	\$0	\$0
109 Wood Deck - Total Replace (b)	\$0	\$0	\$0	\$0	\$0
111 Stairs - Repair/Replace	\$0	\$0	\$14,994	\$0	\$0
201 Asphalt/Curbs - Overlay/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair/Stripe	\$40,305	\$0	\$0	\$0	\$0
320 Pole Lights - Partial Replace	\$26,172	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$74,853	\$0	\$0	\$0	\$0
506 Garbage Enclosures - Repair/Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
901 Kitchen - Refurbish	\$4,188	\$0	\$0	\$0	\$0
903 Furniture/Decor - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
912 Office Equipment - Replace	\$0	\$4,313	\$0	\$0	\$0
1101 Front Doors - Repaint	\$0	\$0	\$12,972	\$0	\$0
1101 Front Doors - Repaint	\$0	\$0	\$0	\$13,361	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Building Exteriors -Paint/Caulk (a)	\$0	\$0	\$351,852	\$0	\$0
1116 Building Exteriors -Paint/Caulk (b)	\$0	\$0	\$0	\$374,991	\$0
1200 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
1203 Pool Emergency Stop - Install	\$0	\$0	\$0	\$0	\$0
1204 Pool/Spa - Retile	\$0	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$6,805	\$0	\$0	\$0	\$0
1212 Pool Cover - Replace	\$3,664	\$0	\$0	\$0	\$0
1302 Carport Roofs - Replace	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1320 Chimney Caps - Replace	\$0	\$0	\$0	\$0	\$0
1402 Signage - Replace	\$0	\$0	\$0	\$0	\$0
1704 Retention Pond - Clean/Maintain	\$0	\$6,146	\$0	\$6,521	\$0
Subtotal	\$168,612	\$10,459	\$427,798	\$403,110	\$0
Ending Reserve Balance:	\$1,578,068	\$1,845,335	\$1,703,826	\$1,591,998	\$1,892,921

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things that can be controlled are measurements, starting Reserve Balance, and interest rate. For this Report these figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves, Inc., and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Robert M. Nordlund, P.E., R.S., company president, is a California licensed Professional Engineer (Mechanical, #22322), and credentialed Reserve Specialist (#5). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association’s situation.

The Board of Directors has agreed to accept full responsibility for the accuracy of the information provided to us. They have been told that Association Reserves, Inc. will not verify the accuracy of the information submitted. As a result, Association Reserves will not be responsible for updates or revisions to this Report required as a result of errors, omissions, or changes in the information that was provided to us.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a common area component can be expected to serve its intended function.

Do-It-Yourself Worksheets

Note: Any questions relating to the information contained in this Appendix should be directed to the contact person indicated on the following page.