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Kissing Tree Cottages
San Marcos , TX

ELON GOLDMAN CAI-RS 00358 DESIGNATION RESERVE SPECIALIST

Report #: 40052-1
Beginning: January 1, 2024
Expires: December 31, 2024

RESERVE STUDY
Update "With-Site-Visit"

May 3, 2024

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.

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Reserve Study Executive Summary — With-Site-Visit

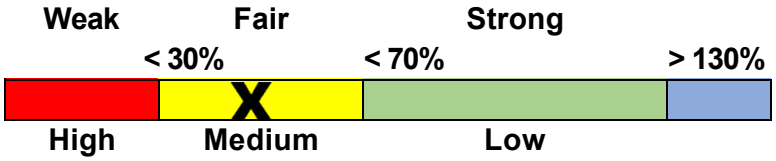
Kissing Tree - Cottages
San Marcos , TX
Level of Service: **Update "With-Site-Visit"**

Report #: **40052-1**
# of Units: 171
January 1, 2024 through **December 31, 2024**

Findings & Recommendations — as of January 1, 2024

Starting Reserve Balance	**$92,828**
Current Fully Funded (Ideal) Reserve Balance	**$194,410**
Average Reserve Deficit Per Unit	**$594**
Percent Funded	**47.7 %**
Recommended 2024 Annual "Full Funding" Contributions	**$90,500**
Alternate 2024 Annual "Baseline Funding" Contributions	**$81,500**
Most Recent Reserve Contribution Rate	**$17,226**

Reserve Fund Strength: 47.7%



Risk of Special Assessment: **High** **Medium** **Low**

Economic Assumptions:

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

• This is an Update "With-Site-Visit" Reserve Study.

• The information in this Reserve Study is based on our site inspection on 10/17/2023.

• This Reserve Study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).

• Because your Reserve Fund is at 47.7 % Funded, this means the association's special assessment & deferred maintenance risk is currently Medium.

• Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, we recommend increasing your Reserve contributions to $90,500/year.

• This Reserve Study has been prepared using the “pooled” method of Reserve funding (also known as the cash flow method). The terms "full funding" and/or “fully funding” as used in this Reserve Study are based on the National Reserve Study Standards definition of full funding: "setting a Reserve funding goal to attain and maintain Reserves at or near 100 percent funded." (The definition and means of calculating percent-funded are addressed later in this report.)

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	SITE AND GROUNDS			
201	Asphalt (4C) - Mill and Overlay	25	22	$143,000
201	Asphalt (P21A - P21B) - Mill and Overlay	25	22	$293,500
201	Asphalt (P6-7) -Mill and Overlay	25	24	$162,500
201	Asphalt (P8)- Mill and Overlay	25	24	$85,500
201	Asphalt (P9B) - Mill and Overlay	25	23	$422,500
201	Asphalt (P9C) - Mill and Overlay	25	22	$214,500
203	Asphalt (4C) - Seal/Repair	5	2	$13,150
203	Asphalt (P21A - P21B) - Seal/Repair	5	2	$27,100
203	Asphalt (P6-7) - Seal/Repair	5	4	$15,000
203	Asphalt (P8) - Seal/Repair	5	4	$7,900
203	Asphalt (P9B) - Seal/Repair	5	3	$39,000
203	Asphalt (P9C) - Seal/Repair	5	3	$19,850
206	Concrete: Curbs/Driveways - Repair	10	12	$105,000
503	Fencing: Metal - Replace	30	28	$49,500
517	Walls: Retaining - Inspect/Repair	20	16	$65,000
1107	Fencing: Metal - Paint/Refurbish	5	3	$10,000
16	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.

Introduction

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

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

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

Methodology

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

Which Physical Assets are Funded by Reserves?

There is a national-standard three-part test to determine which projects should appear in a Reserve Component List. First, it must be a common area maintenance obligation. Second, both the need and schedule of a component's project can be reasonably anticipated. Third, the project's total cost is material to the client, can be reasonably anticipated, and includes all direct and related costs. A project cost is commonly considered *material* if it is more than 0.5% to 1% of the total annual budget. This limits Reserve components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to natural disasters and/or insurable events), and expenses more appropriately handled from the Operational budget.

RESERVE COMPONENT "THREE-PART TEST"

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order…

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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

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

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

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

How much should we contribute?

RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

FUNDING OBJECTIVES

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

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

Site Inspection Notes

During our site visit on 10/17/2023, we started with a brief meeting with Matthew Dozier (General Manager) and Mark Weeden (Director or Community Assets), and then started the site inspection beginning with the streets. We visually inspected and were able to see all common areas. Please refer to the Component Details section at the bottom of the report for additional information on each of your Reserve components.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections. The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

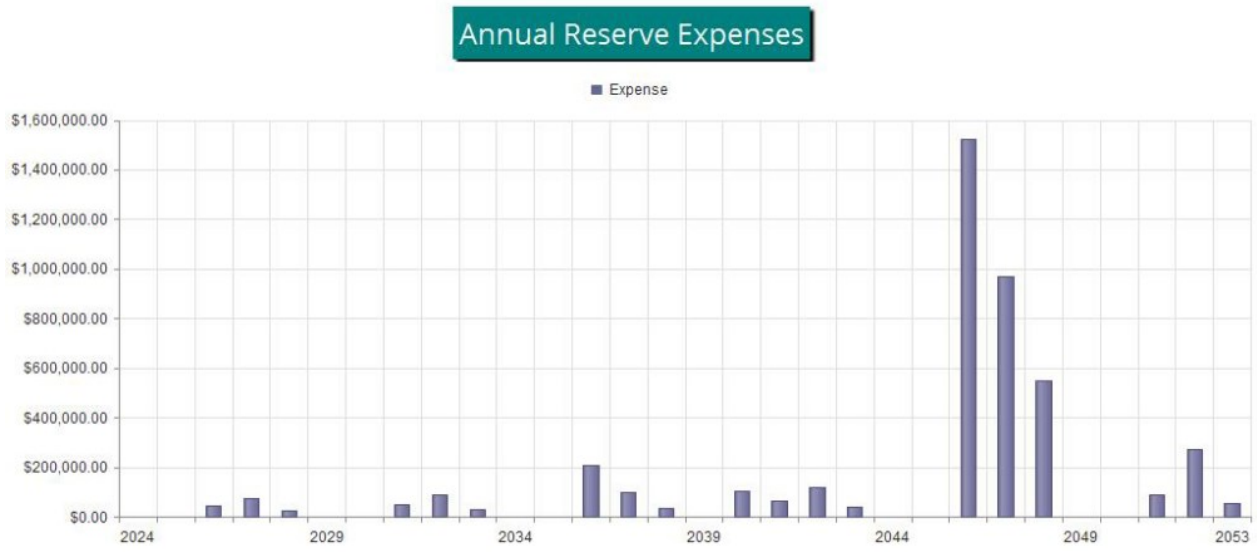


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $92,828 as-of the start of your Fiscal Year on 1/1/2024. This is based on your actual balance on 1/1/2024 of $92,828 and anticipated Reserve contributions and expenses projected through the end of your Fiscal Year. As of your Fiscal Year Start, your Fully Funded Balance is computed to be $194,410. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 47.7 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of $90,500 this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

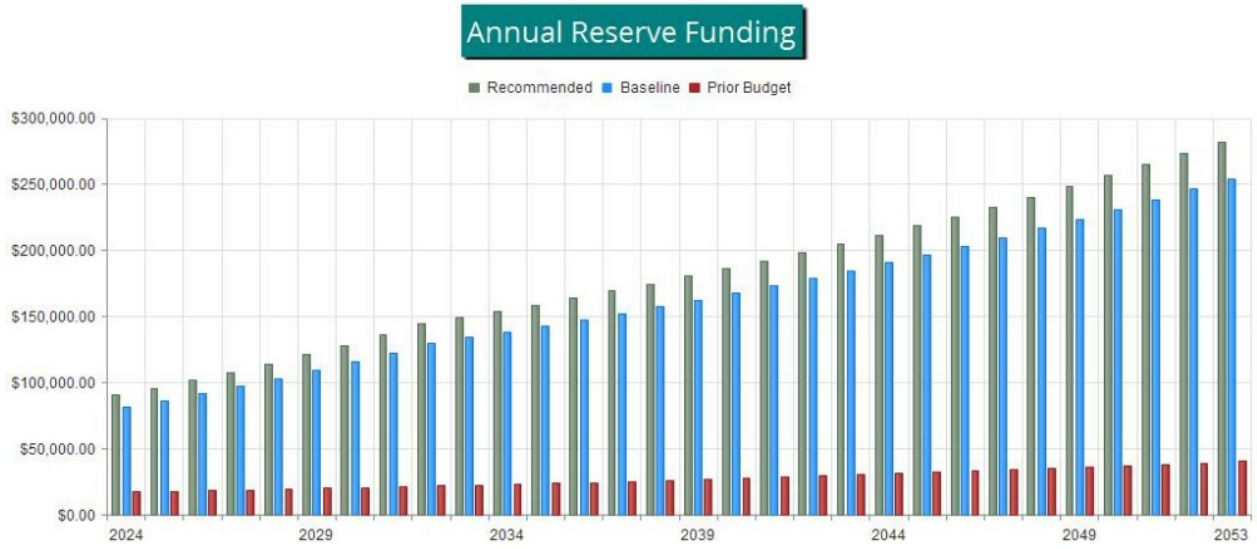


Figure 2

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

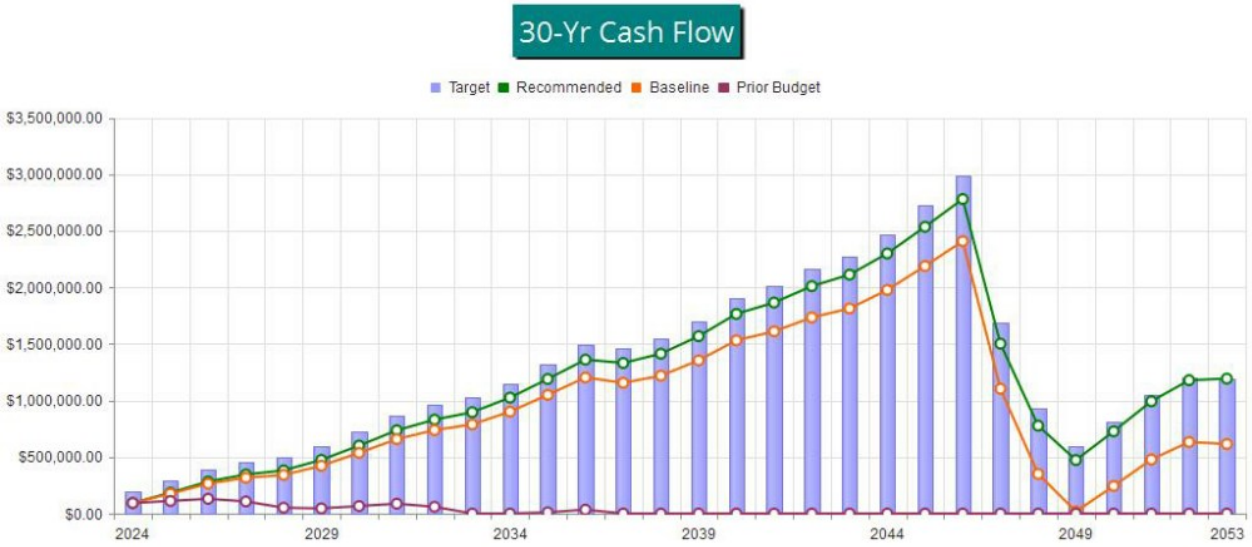


Figure 3

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

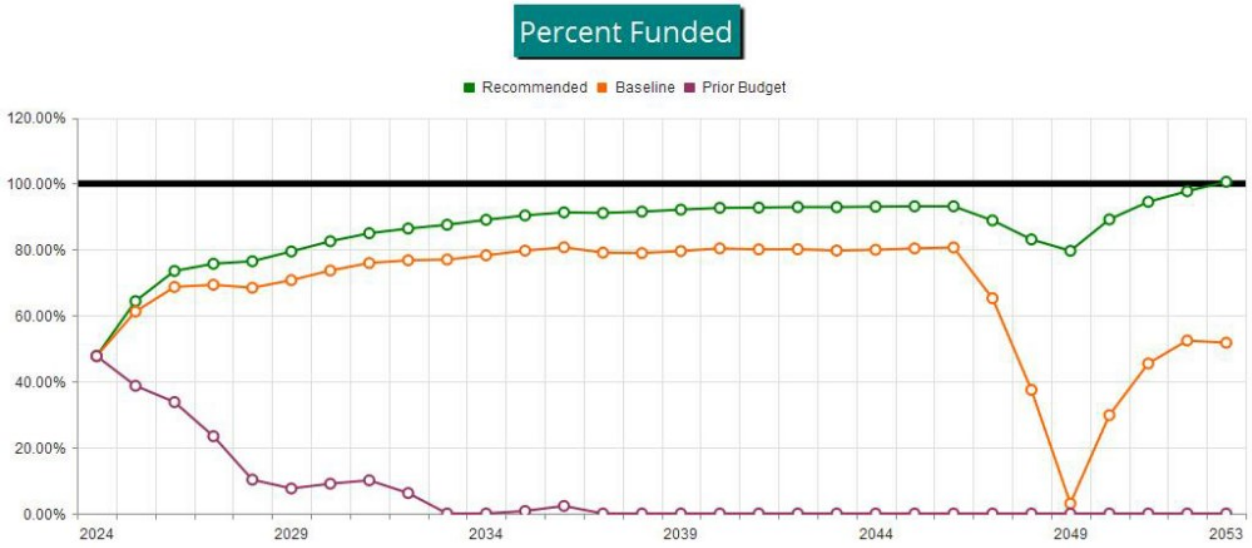


Figure 4

Table Descriptions

Executive Summary is a summary of your Reserve Components

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

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

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

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

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

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
	SITE AND GROUNDS				
201	Asphalt (4C) - Mill and Overlay	~ 43,900 GSF	25	22	$143,000
201	Asphalt (P21A - P21B) - Mill and Overlay	~ 90,300 GSF	25	22	$293,500
201	Asphalt (P6-7) -Mill and Overlay	~ 50,000 GSF	25	24	$162,500
201	Asphalt (P8)- Mill and Overlay	~ 26,300 GSF	25	24	$85,500
201	Asphalt (P9B) - Mill and Overlay	~ 130,000 GSF	25	23	$422,500
201	Asphalt (P9C) - Mill and Overlay	~ 66,100 GSF	25	22	$214,500
203	Asphalt (4C) - Seal/Repair	~ 43,900 GSF	5	2	$13,150
203	Asphalt (P21A - P21B) - Seal/Repair	~ 90,300 GSF	5	2	$27,100
203	Asphalt (P6-7) - Seal/Repair	~ 50,000 GSF	5	4	$15,000
203	Asphalt (P8) - Seal/Repair	~ 26,300 GSF	5	4	$7,900
203	Asphalt (P9B) - Seal/Repair	~ 130,000 GSF	5	3	$39,000
203	Asphalt (P9C) - Seal/Repair	~ 66,100 GSF	5	3	$19,850
206	Concrete: Curbs/Driveways - Repair	Lump Sum Allowance	10	12	$105,000
503	Fencing: Metal - Replace	~ 900 LF	30	28	$49,500
517	Walls: Retaining - Inspect/Repair	Lump Sum Allowance	20	16	$65,000
1107	Fencing: Metal - Paint/Refurbish	~ 900 LF	5	3	$10,000

16 Total Funded Components

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	SITE AND GROUNDS							
201	Asphalt (4C) - Mill and Overlay	$143,000	X	3	/	25	=	$17,160
201	Asphalt (P21A - P21B) - Mill and Overlay	$293,500	X	3	/	25	=	$35,220
201	Asphalt (P6-7) -Mill and Overlay	$162,500	X	1	/	25	=	$6,500
201	Asphalt (P8)- Mill and Overlay	$85,500	X	1	/	25	=	$3,420
201	Asphalt (P9B) - Mill and Overlay	$422,500	X	2	/	25	=	$33,800
201	Asphalt (P9C) - Mill and Overlay	$214,500	X	3	/	25	=	$25,740
203	Asphalt (4C) - Seal/Repair	$13,150	X	3	/	5	=	$7,890
203	Asphalt (P21A - P21B) - Seal/Repair	$27,100	X	3	/	5	=	$16,260
203	Asphalt (P6-7) - Seal/Repair	$15,000	X	1	/	5	=	$3,000
203	Asphalt (P8) - Seal/Repair	$7,900	X	1	/	5	=	$1,580
203	Asphalt (P9B) - Seal/Repair	$39,000	X	2	/	5	=	$15,600
203	Asphalt (P9C) - Seal/Repair	$19,850	X	2	/	5	=	$7,940
206	Concrete: Curbs/Driveways - Repair	$105,000	X	0	/	10	=	$0
503	Fencing: Metal - Replace	$49,500	X	2	/	30	=	$3,300
517	Walls: Retaining - Inspect/Repair	$65,000	X	4	/	20	=	$13,000
1107	Fencing: Metal - Paint/Refurbish	$10,000	X	2	/	5	=	$4,000
								$194,410

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	SITE AND GROUNDS				
201	Asphalt (4C) - Mill and Overlay	25	$143,000	$5,720	6.04 %
201	Asphalt (P21A - P21B) - Mill and Overlay	25	$293,500	$11,740	12.40 %
201	Asphalt (P6-7) -Mill and Overlay	25	$162,500	$6,500	6.87 %
201	Asphalt (P8)- Mill and Overlay	25	$85,500	$3,420	3.61 %
201	Asphalt (P9B) - Mill and Overlay	25	$422,500	$16,900	17.85 %
201	Asphalt (P9C) - Mill and Overlay	25	$214,500	$8,580	9.06 %
203	Asphalt (4C) - Seal/Repair	5	$13,150	$2,630	2.78 %
203	Asphalt (P21A - P21B) - Seal/Repair	5	$27,100	$5,420	5.73 %
203	Asphalt (P6-7) - Seal/Repair	5	$15,000	$3,000	3.17 %
203	Asphalt (P8) - Seal/Repair	5	$7,900	$1,580	1.67 %
203	Asphalt (P9B) - Seal/Repair	5	$39,000	$7,800	8.24 %
203	Asphalt (P9C) - Seal/Repair	5	$19,850	$3,970	4.19 %
206	Concrete: Curbs/Driveways - Repair	10	$105,000	$10,500	11.09 %
503	Fencing: Metal - Replace	30	$49,500	$1,650	1.74 %
517	Walls: Retaining - Inspect/Repair	20	$65,000	$3,250	3.43 %
1107	Fencing: Metal - Paint/Refurbish	5	$10,000	$2,000	2.11 %
16	Total Funded Components			$94,660	100.00 %

30-Year Reserve Plan Summary

Report # 40052-1
With-Site-Visit

Fiscal Year Start: 2024	Interest: 1.00 %	Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	$92,828	$194,410	47.7 %	Medium	425.37 %	$90,500	$0	$1,387	$0
2025	$184,715	$286,927	64.4 %	Medium	6.00 %	$95,930	$0	$2,337	$0
2026	$282,983	$384,820	73.5 %	Low	6.00 %	$101,686	$0	$3,139	$42,701
2027	$345,106	$455,820	75.7 %	Low	6.00 %	$107,787	$0	$3,630	$75,234
2028	$381,289	$498,544	76.5 %	Low	6.00 %	$114,254	$0	$4,275	$25,774
2029	$474,044	$596,690	79.4 %	Low	6.00 %	$121,109	$0	$5,371	$0
2030	$600,524	$727,620	82.5 %	Low	6.00 %	$128,376	$0	$6,678	$0
2031	$735,578	$865,868	85.0 %	Low	6.00 %	$136,079	$0	$7,824	$49,502
2032	$829,979	$960,769	86.4 %	Low	6.00 %	$144,243	$0	$8,624	$87,217
2033	$895,629	$1,023,268	87.5 %	Low	3.25 %	$148,931	$0	$9,595	$29,879
2034	$1,024,276	$1,150,406	89.0 %	Low	3.25 %	$153,771	$0	$11,062	$0
2035	$1,189,110	$1,315,950	90.4 %	Low	3.25 %	$158,769	$0	$12,743	$0
2036	$1,360,622	$1,490,391	91.3 %	Low	3.25 %	$163,929	$0	$13,452	$207,092
2037	$1,330,911	$1,460,809	91.1 %	Low	3.25 %	$169,257	$0	$13,713	$101,109
2038	$1,412,772	$1,543,673	91.5 %	Low	3.25 %	$174,758	$0	$14,896	$34,638
2039	$1,567,788	$1,701,783	92.1 %	Low	3.25 %	$180,437	$0	$16,656	$0
2040	$1,764,881	$1,904,738	92.7 %	Low	3.25 %	$186,301	$0	$18,142	$104,306
2041	$1,865,018	$2,010,904	92.7 %	Low	3.25 %	$192,356	$0	$19,368	$66,527
2042	$2,010,215	$2,163,861	92.9 %	Low	3.25 %	$198,608	$0	$20,603	$117,213
2043	$2,112,214	$2,274,034	92.9 %	Low	3.25 %	$205,062	$0	$22,048	$40,155
2044	$2,299,169	$2,471,862	93.0 %	Low	3.25 %	$211,727	$0	$24,161	$0
2045	$2,535,056	$2,722,113	93.1 %	Low	3.25 %	$218,608	$0	$26,565	$0
2046	$2,780,230	$2,985,155	93.1 %	Low	3.25 %	$225,713	$0	$21,400	$1,525,697
2047	$1,501,646	$1,690,061	88.9 %	Low	3.25 %	$233,049	$0	$11,385	$969,722
2048	$776,358	$934,374	83.1 %	Low	3.25 %	$240,623	$0	$6,242	$550,684
2049	$472,538	$593,398	79.6 %	Low	3.25 %	$248,443	$0	$5,995	$0
2050	$726,976	$815,342	89.2 %	Low	3.25 %	$256,517	$0	$8,592	$0
2051	$992,085	$1,050,070	94.5 %	Low	3.25 %	$264,854	$0	$10,848	$89,407
2052	$1,178,380	$1,206,058	97.7 %	Low	3.25 %	$273,462	$0	$11,851	$270,776
2053	$1,192,917	$1,186,413	100.5 %	Low	3.25 %	$282,349	$0	$13,131	$53,965

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 40052-1
With-Site-Visit

Fiscal Year Start: 2024	Interest: 1.00 %	Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	$92,828	$194,410	47.7 %	Medium	373.12 %	$81,500	$0	$1,342	$0
2025	$175,670	$286,927	61.2 %	Medium	6.00 %	$86,390	$0	$2,199	$0
2026	$264,259	$384,820	68.7 %	Medium	6.00 %	$91,573	$0	$2,900	$42,701
2027	$316,031	$455,820	69.3 %	Medium	6.00 %	$97,068	$0	$3,285	$75,234
2028	$341,149	$498,544	68.4 %	Medium	6.00 %	$102,892	$0	$3,815	$25,774
2029	$422,081	$596,690	70.7 %	Low	6.00 %	$109,065	$0	$4,788	$0
2030	$535,935	$727,620	73.7 %	Low	6.00 %	$115,609	$0	$5,965	$0
2031	$657,509	$865,868	75.9 %	Low	6.00 %	$122,546	$0	$6,972	$49,502
2032	$737,524	$960,769	76.8 %	Low	6.00 %	$129,899	$0	$7,624	$87,217
2033	$787,829	$1,023,268	77.0 %	Low	3.25 %	$134,120	$0	$8,438	$29,879
2034	$900,509	$1,150,406	78.3 %	Low	3.25 %	$138,479	$0	$9,742	$0
2035	$1,048,730	$1,315,950	79.7 %	Low	3.25 %	$142,980	$0	$11,254	$0
2036	$1,202,963	$1,490,391	80.7 %	Low	3.25 %	$147,627	$0	$11,786	$207,092
2037	$1,155,284	$1,460,809	79.1 %	Low	3.25 %	$152,425	$0	$11,864	$101,109
2038	$1,218,464	$1,543,673	78.9 %	Low	3.25 %	$157,378	$0	$12,857	$34,638
2039	$1,354,061	$1,701,783	79.6 %	Low	3.25 %	$162,493	$0	$14,419	$0
2040	$1,530,973	$1,904,738	80.4 %	Low	3.25 %	$167,774	$0	$15,699	$104,306
2041	$1,610,141	$2,010,904	80.1 %	Low	3.25 %	$173,227	$0	$16,711	$66,527
2042	$1,733,552	$2,163,861	80.1 %	Low	3.25 %	$178,857	$0	$17,725	$117,213
2043	$1,812,921	$2,274,034	79.7 %	Low	3.25 %	$184,670	$0	$18,938	$40,155
2044	$1,976,373	$2,471,862	80.0 %	Low	3.25 %	$190,671	$0	$20,812	$0
2045	$2,187,857	$2,722,113	80.4 %	Low	3.25 %	$196,868	$0	$22,968	$0
2046	$2,407,693	$2,985,155	80.7 %	Low	3.25 %	$203,266	$0	$17,545	$1,525,697
2047	$1,102,807	$1,690,061	65.3 %	Medium	3.25 %	$209,872	$0	$7,262	$969,722
2048	$350,220	$934,374	37.5 %	Medium	3.25 %	$216,693	$0	$1,841	$550,684
2049	$18,070	$593,398	3.0 %	High	3.25 %	$223,736	$0	$1,305	$0
2050	$243,111	$815,342	29.8 %	High	3.25 %	$231,007	$0	$3,603	$0
2051	$477,721	$1,050,070	45.5 %	Medium	3.25 %	$238,515	$0	$5,548	$89,407
2052	$632,377	$1,206,058	52.4 %	Medium	3.25 %	$246,267	$0	$6,230	$270,776
2053	$614,097	$1,186,413	51.8 %	Medium	3.25 %	$254,270	$0	$7,175	$53,965

	Fiscal Year	2024	2025	2026	2027	2028
	Starting Reserve Balance	$92,828	$184,715	$282,983	$345,106	$381,289
	Annual Reserve Funding	$90,500	$95,930	$101,686	$107,787	$114,254
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,387	$2,337	$3,139	$3,630	$4,275
	Total Income	$184,715	$282,983	$387,808	$456,524	$499,818
#	Component					
	SITE AND GROUNDS					
201	Asphalt (4C) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P21A - P21B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P6-7) -Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P8)- Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9C) - Mill and Overlay	$0	$0	$0	$0	$0
203	Asphalt (4C) - Seal/Repair	$0	$0	$13,951	$0	$0
203	Asphalt (P21A - P21B) - Seal/Repair	$0	$0	$28,750	$0	$0
203	Asphalt (P6-7) - Seal/Repair	$0	$0	$0	$0	$16,883
203	Asphalt (P8) - Seal/Repair	$0	$0	$0	$0	$8,892
203	Asphalt (P9B) - Seal/Repair	$0	$0	$0	$42,616	$0
203	Asphalt (P9C) - Seal/Repair	$0	$0	$0	$21,691	$0
206	Concrete: Curbs/Driveways - Repair	$0	$0	$0	$0	$0
503	Fencing: Metal - Replace	$0	$0	$0	$0	$0
517	Walls: Retaining - Inspect/Repair	$0	$0	$0	$0	$0
1107	Fencing: Metal - Paint/Refurbish	$0	$0	$0	$10,927	$0
	Total Expenses	$0	$0	$42,701	$75,234	$25,774
	Ending Reserve Balance	$184,715	$282,983	$345,106	$381,289	$474,044

	Fiscal Year	2029	2030	2031	2032	2033
	Starting Reserve Balance	$474,044	$600,524	$735,578	$829,979	$895,629
	Annual Reserve Funding	$121,109	$128,376	$136,079	$144,243	$148,931
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,371	$6,678	$7,824	$8,624	$9,595
	Total Income	$600,524	$735,578	$879,481	$982,846	$1,054,156
#	Component					
	SITE AND GROUNDS					
201	Asphalt (4C) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P21A - P21B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P6-7) -Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P8)- Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9C) - Mill and Overlay	$0	$0	$0	$0	$0
203	Asphalt (4C) - Seal/Repair	$0	$0	$16,173	$0	$0
203	Asphalt (P21A - P21B) - Seal/Repair	$0	$0	$33,330	$0	$0
203	Asphalt (P6-7) - Seal/Repair	$0	$0	$0	$0	$19,572
203	Asphalt (P8) - Seal/Repair	$0	$0	$0	$0	$10,308
203	Asphalt (P9B) - Seal/Repair	$0	$0	$0	$49,404	$0
203	Asphalt (P9C) - Seal/Repair	$0	$0	$0	$25,145	$0
206	Concrete: Curbs/Driveways - Repair	$0	$0	$0	$0	$0
503	Fencing: Metal - Replace	$0	$0	$0	$0	$0
517	Walls: Retaining - Inspect/Repair	$0	$0	$0	$0	$0
1107	Fencing: Metal - Paint/Refurbish	$0	$0	$0	$12,668	$0
	Total Expenses	$0	$0	$49,502	$87,217	$29,879
	Ending Reserve Balance	$600,524	$735,578	$829,979	$895,629	$1,024,276

	Fiscal Year	2034	2035	2036	2037	2038
	Starting Reserve Balance	$1,024,276	$1,189,110	$1,360,622	$1,330,911	$1,412,772
	Annual Reserve Funding	$153,771	$158,769	$163,929	$169,257	$174,758
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$11,062	$12,743	$13,452	$13,713	$14,896
	Total Income	$1,189,110	$1,360,622	$1,538,003	$1,513,881	$1,602,426
#	Component					
	SITE AND GROUNDS					
201	Asphalt (4C) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P21A - P21B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P6-7) -Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P8)- Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9C) - Mill and Overlay	$0	$0	$0	$0	$0
203	Asphalt (4C) - Seal/Repair	$0	$0	$18,749	$0	$0
203	Asphalt (P21A - P21B) - Seal/Repair	$0	$0	$38,638	$0	$0
203	Asphalt (P6-7) - Seal/Repair	$0	$0	$0	$0	$22,689
203	Asphalt (P8) - Seal/Repair	$0	$0	$0	$0	$11,949
203	Asphalt (P9B) - Seal/Repair	$0	$0	$0	$57,273	$0
203	Asphalt (P9C) - Seal/Repair	$0	$0	$0	$29,150	$0
206	Concrete: Curbs/Driveways - Repair	$0	$0	$149,705	$0	$0
503	Fencing: Metal - Replace	$0	$0	$0	$0	$0
517	Walls: Retaining - Inspect/Repair	$0	$0	$0	$0	$0
1107	Fencing: Metal - Paint/Refurbish	$0	$0	$0	$14,685	$0
	Total Expenses	$0	$0	$207,092	$101,109	$34,638
	Ending Reserve Balance	$1,189,110	$1,360,622	$1,330,911	$1,412,772	$1,567,788

	Fiscal Year	2039	2040	2041	2042	2043
	Starting Reserve Balance	$1,567,788	$1,764,881	$1,865,018	$2,010,215	$2,112,214
	Annual Reserve Funding	$180,437	$186,301	$192,356	$198,608	$205,062
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$16,656	$18,142	$19,368	$20,603	$22,048
	Total Income	$1,764,881	$1,969,324	$2,076,742	$2,229,426	$2,339,324
#	Component					
	SITE AND GROUNDS					
201	Asphalt (4C) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P21A - P21B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P6-7) -Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P8)- Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9C) - Mill and Overlay	$0	$0	$0	$0	$0
203	Asphalt (4C) - Seal/Repair	$0	$0	$21,735	$0	$0
203	Asphalt (P21A - P21B) - Seal/Repair	$0	$0	$44,792	$0	$0
203	Asphalt (P6-7) - Seal/Repair	$0	$0	$0	$0	$26,303
203	Asphalt (P8) - Seal/Repair	$0	$0	$0	$0	$13,853
203	Asphalt (P9B) - Seal/Repair	$0	$0	$0	$66,395	$0
203	Asphalt (P9C) - Seal/Repair	$0	$0	$0	$33,793	$0
206	Concrete: Curbs/Driveways - Repair	$0	$0	$0	$0	$0
503	Fencing: Metal - Replace	$0	$0	$0	$0	$0
517	Walls: Retaining - Inspect/Repair	$0	$104,306	$0	$0	$0
1107	Fencing: Metal - Paint/Refurbish	$0	$0	$0	$17,024	$0
	Total Expenses	$0	$104,306	$66,527	$117,213	$40,155
	Ending Reserve Balance	$1,764,881	$1,865,018	$2,010,215	$2,112,214	$2,299,169

	Fiscal Year	2044	2045	2046	2047	2048
	Starting Reserve Balance	$2,299,169	$2,535,056	$2,780,230	$1,501,646	$776,358
	Annual Reserve Funding	$211,727	$218,608	$225,713	$233,049	$240,623
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$24,161	$26,565	$21,400	$11,385	$6,242
	Total Income	$2,535,056	$2,780,230	$3,027,343	$1,746,079	$1,023,222
#	Component					
	SITE AND GROUNDS					
201	Asphalt (4C) - Mill and Overlay	$0	$0	$274,003	$0	$0
201	Asphalt (P21A - P21B) - Mill and Overlay	$0	$0	$562,376	$0	$0
201	Asphalt (P6-7) -Mill and Overlay	$0	$0	$0	$0	$330,329
201	Asphalt (P8)- Mill and Overlay	$0	$0	$0	$0	$173,804
201	Asphalt (P9B) - Mill and Overlay	$0	$0	$0	$833,840	$0
201	Asphalt (P9C) - Mill and Overlay	$0	$0	$411,004	$0	$0
203	Asphalt (4C) - Seal/Repair	$0	$0	$25,197	$0	$0
203	Asphalt (P21A - P21B) - Seal/Repair	$0	$0	$51,926	$0	$0
203	Asphalt (P6-7) - Seal/Repair	$0	$0	$0	$0	$30,492
203	Asphalt (P8) - Seal/Repair	$0	$0	$0	$0	$16,059
203	Asphalt (P9B) - Seal/Repair	$0	$0	$0	$76,970	$0
203	Asphalt (P9C) - Seal/Repair	$0	$0	$0	$39,176	$0
206	Concrete: Curbs/Driveways - Repair	$0	$0	$201,191	$0	$0
503	Fencing: Metal - Replace	$0	$0	$0	$0	$0
517	Walls: Retaining - Inspect/Repair	$0	$0	$0	$0	$0
1107	Fencing: Metal - Paint/Refurbish	$0	$0	$0	$19,736	$0
	Total Expenses	$0	$0	$1,525,697	$969,722	$550,684
	Ending Reserve Balance	$2,535,056	$2,780,230	$1,501,646	$776,358	$472,538

	Fiscal Year	2049	2050	2051	2052	2053
	Starting Reserve Balance	$472,538	$726,976	$992,085	$1,178,380	$1,192,917
	Annual Reserve Funding	$248,443	$256,517	$264,854	$273,462	$282,349
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,995	$8,592	$10,848	$11,851	$13,131
	Total Income	$726,976	$992,085	$1,267,787	$1,463,693	$1,488,397
#	Component					
	SITE AND GROUNDS					
201	Asphalt (4C) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P21A - P21B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P6-7) -Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P8)- Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9B) - Mill and Overlay	$0	$0	$0	$0	$0
201	Asphalt (P9C) - Mill and Overlay	$0	$0	$0	$0	$0
203	Asphalt (4C) - Seal/Repair	$0	$0	$29,210	$0	$0
203	Asphalt (P21A - P21B) - Seal/Repair	$0	$0	$60,197	$0	$0
203	Asphalt (P6-7) - Seal/Repair	$0	$0	$0	$0	$35,348
203	Asphalt (P8) - Seal/Repair	$0	$0	$0	$0	$18,617
203	Asphalt (P9B) - Seal/Repair	$0	$0	$0	$89,229	$0
203	Asphalt (P9C) - Seal/Repair	$0	$0	$0	$45,415	$0
206	Concrete: Curbs/Driveways - Repair	$0	$0	$0	$0	$0
503	Fencing: Metal - Replace	$0	$0	$0	$113,252	$0
517	Walls: Retaining - Inspect/Repair	$0	$0	$0	$0	$0
1107	Fencing: Metal - Paint/Refurbish	$0	$0	$0	$22,879	$0
	Total Expenses	$0	$0	$89,407	$270,776	$53,965
	Ending Reserve Balance	$726,976	$992,085	$1,178,380	$1,192,917	$1,434,432

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Robert M. Nordlund, P.E., R.S., company Founder/CEO, 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 and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation. Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified. Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing. Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses. In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Terms and Definitions

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

Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding. 1) Common area repair & replacement responsibility 2) Component must have a limited useful life 3) Life limit must be predictable 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses). Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed "Best Cost" and "Worst Cost". There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur. Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

SITE AND GROUNDS

Comp #: 201 Asphalt (4C) - Mill and Overlay **Quantity: ~ 43,900 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2021
Comments: Good condition: Asphalt pavement determined to be in good condition typically exhibits a consistent appearance with uniform coloring and relatively smooth texture with only light to moderate signs of wear or age. If present, cracking and raveling or other signs of wear are sporadic in nature, and asphalt is still up to aesthetic standards for the development. No unusual signs of wear considering the age of the asphalt surface.

As routine maintenance, keep the roadway clean, free of debris and well drained; fill/seal cracks to prevent water from penetrating into the sub-base and accelerating damage. Even with ordinary care and maintenance, a plan for eventual large-scale resurface (milling and overlay of all asphalt surfaces is recommended here, unless otherwise noted) at roughly the time frame below. Take note of any areas of ponding water or other drainage concerns, and incorporate repairs into scope of work for resurfacing. Our inspection is visual only and does not incorporate any core sampling or other testing, which may be advisable when asphalt is nearing end of useful life. Some communities choose to work with independent paving consultants or engineering firms in order to identify any hidden concerns and develop scope of work prior to bidding. If more comprehensive analysis becomes available, incorporate findings into future reserve study updates as appropriate.

Useful Life:
25 years

Remaining Life:
22 years

Best Case: $ 132,000 Worst Case: $ 154,000

Cost Source: AR Cost Database

Comp #: 201 Asphalt (P21A - P21B) - Mill and Overlay **Quantity: ~ 90,300 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2021
Comments: Good condition: Asphalt pavement determined to be in good condition typically exhibits a consistent appearance with uniform coloring and relatively smooth texture with only light to moderate signs of wear or age. If present, cracking and raveling or other signs of wear are sporadic in nature, and asphalt is still up to aesthetic standards for the development. No unusual signs of wear considering the age of the asphalt surface.

Please refer to the prior component (#201) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
25 years

Remaining Life:
22 years

Best Case: $ 271,000 Worst Case: $ 316,000

Cost Source: AR Cost Database

Comp #: 201 Asphalt (P6-7) -Mill and Overlay **Quantity: ~ 50,000 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2023
Comments: Good condition: Asphalt pavement determined to be in good condition typically exhibits a consistent appearance with uniform coloring and relatively smooth texture with only light to moderate signs of wear or age. If present, cracking and raveling or other signs of wear are sporadic in nature, and asphalt is still up to aesthetic standards for the development. No unusual signs of wear considering the age of the asphalt surface.

Please refer to the prior component (#201) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
25 years

Remaining Life:
24 years

Best Case: $ 150,000 Worst Case: $ 175,000

Cost Source: AR Cost Database

Comp #: 201 Asphalt (P8)- Mill and Overlay **Quantity: ~ 26,300 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2023
Comments: Good condition: Asphalt pavement determined to be in good condition typically exhibits a consistent appearance with uniform coloring and relatively smooth texture with only light to moderate signs of wear or age. If present, cracking and raveling or other signs of wear are sporadic in nature, and asphalt is still up to aesthetic standards for the development. No unusual signs of wear considering the age of the asphalt surface.

Please refer to the prior component (#201) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
25 years

Remaining Life:
24 years

Best Case: $ 78,900 Worst Case: $ 92,100

Cost Source: AR Cost Database

Comp #: 201 Asphalt (P9B) - Mill and Overlay **Quantity: ~ 130,000 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2022
Comments: Good condition: Asphalt pavement determined to be in good condition typically exhibits a consistent appearance with uniform coloring and relatively smooth texture with only light to moderate signs of wear or age. If present, cracking and raveling or other signs of wear are sporadic in nature, and asphalt is still up to aesthetic standards for the development. No unusual signs of wear considering the age of the asphalt surface.

Please refer to the prior component (#201) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
25 years

Remaining Life:
23 years

Best Case: $ 390,000 Worst Case: $ 455,000

Cost Source: AR Cost Database

Comp #: 201 Asphalt (P9C) - Mill and Overlay **Quantity: ~ 66,100 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2022
Comments: Good condition: Asphalt pavement determined to be in good condition typically exhibits a consistent appearance with uniform coloring and relatively smooth texture with only light to moderate signs of wear or age. If present, cracking and raveling or other signs of wear are sporadic in nature, and asphalt is still up to aesthetic standards for the development. No unusual signs of wear considering the age of the asphalt surface.

Please refer to the prior component (#201) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
25 years

Remaining Life:
22 years

Best Case: $ 198,000 Worst Case: $ 231,000

Cost Source: AR Cost Database

Comp #: 203 Asphalt (4C) - Seal/Repair **Quantity: ~ 43,900 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2021
Comments: N/A: Asphalt does not exhibit any signs of prior seal-coating. May not have been done at any point, or has deteriorated completely.

Regular cycles of seal coating (along with any needed repair) has proven to be the best program in our opinion for the long term care of asphalt pavement. The primary reason to seal coat asphalt pavement is to protect the pavement from the deteriorating effects of sun and water. When asphalt pavement is exposed, the asphalt oxidizes, or hardens which causes the pavement to become more brittle. As a result, the pavement will be more likely to crack because it is unable to bend and flex when subjected to traffic and temperature changes. A seal coat combats this situation by providing a water-resistant membrane, which not only slows down the oxidation process but also helps the pavement to shed water, preventing it from entering the base material. Seal coating also provides uniform appearance, concealing the inevitable patching and repairs which accumulate over time. Seal coating ultimately can extend the useful life of asphalt, postponing the need for asphalt resurfacing. If asphalt is already cracked, raveled and otherwise deteriorated, seal-coating will not provide much physical benefit, but still may have aesthetic benefits for curb appeal.

Useful Life:
5 years

Remaining Life:
2 years

Best Case: $ 12,300 Worst Case: $ 14,000

Cost Source: AR Cost Database

Comp #: 203 Asphalt (P21A - P21B) - Seal/Repair **Quantity: ~ 90,300 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2021
Comments: N/A: Asphalt does not exhibit any signs of prior seal-coating. May not have been done at any point, or has deteriorated completely.

Please refer to the prior component (#203) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
5 years

Remaining Life:
2 years

Best Case: $ 25,300 Worst Case: $ 28,900

Cost Source: AR Cost Database

Comp #: 203 Asphalt (P6-7) - Seal/Repair **Quantity: ~ 50,000 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2023
Comments: N/A: Asphalt does not exhibit any signs of prior seal-coating. May not have been done at any point, or has deteriorated completely.

Please refer to the prior component (#203) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
5 years

Remaining Life:
4 years

Best Case: $ 14,000 Worst Case: $ 16,000

Cost Source: AR Cost Database

Comp #: 203 Asphalt (P8) - Seal/Repair **Quantity: ~ 26,300 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2023
Comments: N/A: Asphalt does not exhibit any signs of prior seal-coating. May not have been done at any point, or has deteriorated completely.

Please refer to the prior component (#203) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
5 years

Remaining Life:
4 years

Best Case: $ 7,400 Worst Case: $ 8,400

Cost Source: AR Cost Database

Comp #: 203 Asphalt (P9B) - Seal/Repair **Quantity: ~ 130,000 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2022
Comments: N/A: Asphalt does not exhibit any signs of prior seal-coating. May not have been done at any point, or has deteriorated completely.

Please refer to the prior component (#203) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
5 years

Remaining Life:
3 years

Best Case: $ 36,400 Worst Case: $ 41,600

Cost Source: AR Cost Database

Comp #: 203 Asphalt (P9C) - Seal/Repair **Quantity: ~ 66,100 GSF**
Location: Streets
Funded?: Yes.
History: Constructed in 2022
Comments: N/A: Asphalt does not exhibit any signs of prior seal-coating. May not have been done at any point, or has deteriorated completely.

Please refer to the prior component (#203) in this series for more general information. The useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
5 years

Remaining Life:
3 years

Best Case: $ 18,500 Worst Case: $ 21,200

Cost Source: AR Cost Database

Comp #: 206 Concrete: Curbs/Driveways - Repair **Quantity: Lump Sum Allowance**
Location: Throughout the cottages
Funded?: Yes.
History:
Comments: Includes: Approximately 30,700 LF of curbing and 59,100 GSF of driveways

Funding provided to repair 5% or 1,535 LF of curbs and 2,955 GSF of driveways

Good condition: Concrete curbs and driveways determined to be in good condition typically exhibit smooth surfaces with positive slopes. Good, consistent aesthetic condition noted at the time of inspection.

Driveways are reported to be the maintenance, repair, and replacement responsibility of the client. All areas should be inspected periodically to identify potential trip hazards or other safety issues. Concrete maintenance typically consists of pressure washing, crack repairs, and replacement of small sections as-needed. Exposure to sunlight, weather, and frequent vehicle traffic can lead to larger, more frequent repairs, especially for older properties. Although life expectancy for comprehensive replacement has been deemed to be too indeterminate for reserve designation, conditions observed merit inclusion of an allowance for ongoing repairs and partial replacements. Timeline and cost ranges shown here should be re-evaluated during future reserve study updates, and adjustments made based on the most current information available at that time.

Useful Life:
10 years

Remaining Life:
12 years

Best Case: $ 100,000 Worst Case: $ 110,000

Cost Source: AR Cost Database

Comp #: 503 Fencing: Metal - Replace **Quantity: ~ 900 LF**
Location: Perimeter areas of development
Funded?: Yes.
History: Constructed in 2022
Comments: Good condition: Metal fencing determined to be in good physical/structural condition is stable and upright, with no signs or reports of damage or required repairs. All components and hardware appear to be in serviceable condition with no unusual or advanced signs of wear or age. Fencing is in good aesthetic condition.

In our experience, metal fencing will typically eventually break down due to a combination of sun and weather exposure, which is sometimes exacerbated by other factors such as irrigation overspray, abuse and lack of preventive maintenance. For some types of fencing, complete replacement is advisable over recoating or refinishing due to relatively short lifespan of coatings and consideration of total life-cycle cost.

Useful Life:
30 years

Remaining Life:
28 years

Best Case: $ 45,000 Worst Case: $ 54,000

Cost Source: AR Cost Database

Comp #: 517 Walls: Retaining - Inspect/Repair **Quantity: Lump Sum Allowance**
Location: Perimeters of the cottages
Funded?: Yes.
History:
Comments: The association maintains approximately 25,670 GSF of retaining walls

Good condition: Retaining walls determined to be in good condition exhibit straight alignment with no leaning/bulging sections. No reports of any unusual concerns or repair issues. Any exposed sections are properly painted or otherwise protected from the elements, and drainage appears to be sufficient.

Assumed to have been properly designed and installed with adequate base and surrounding drainage. Sections above ground should be inspected regularly and repaired as-needed from the operating budget. In our experience, retaining walls should have a very long useful life with minimal need for substantial repairs or maintenance. However, at longer intervals, major repairs and even complete replacement may be warranted. We recommend budgeting for such projects as shown below, but this component should be further evaluated by a qualified professional (i.e. engineer or technical professional) to determine proper scope of work and cost estimates. Unless otherwise noted, costs are based on replacement with comparable material/design.

Useful Life:
20 years

Remaining Life:
16 years

Best Case: $ 60,000 Worst Case: $ 70,000

Cost Source: AR Cost Database

Comp #: 1107 Fencing: Metal - Paint/Refurbish **Quantity: ~ 900 LF**

Location: Perimeter areas of development

Funded?: Yes.

History:

Comments: Good condition: Metal fencing determined to be in good condition typically exhibits a uniform coating or surface finish without any noticeable corrosion or rust. Color and appearance is consistent over most/all areas.

Metal fencing should be painted at the interval shown here in order to inhibit or delay onset of rust/corrosion and prevent or minimize costly repairs. Painting not only protects the metal surface from excessive wear, but promotes a good, attractive appearance in the common areas. Costs can vary greatly depending on existing conditions of fencing, which will dictate amount of repair/prep work required.

Useful Life:
5 years

Remaining Life:
3 years

Best Case: $ 8,000 Worst Case: $ 12,000

Cost Source: AR Cost Database