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4733 E. Firestone Drive
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The Fairways at Los Portales *Casa Grande, AZ*



Report #: 52891-0
Beginning: January 1, 2025
Expires: December 31, 2025

RESERVE STUDY Update "With-Site-Visit"

November 27, 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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The Fairways at Los Portales -

Casa Grande, AZ

Level of Service: **Update "With-Site-Visit"**

Report #: **52891-0**

of Units: 207

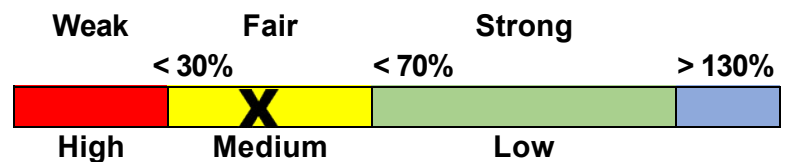
January 1, 2025 through December 31, 2025

Findings & Recommendations

as of January 1, 2025

Projected Starting Reserve Balance	\$151,699
Current Fully Funded Reserve Balance	\$319,287
Average Reserve Deficit (Surplus) Per Unit	\$810
Percent Funded	47.5 %
2024 Approved Monthly Reserve Transfers	\$1,493
2025 Approved Monthly Reserve Transfers	\$1,537
2026 Recommended Monthly Reserve Transfers	\$1,800

Reserve Fund Strength: 47.5%



Risk of Special Assessment:

Economic Assumptions:

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

This is an **Update "With-Site-Visit" Reserve Study** based on a prior report prepared by another company for your 2015 Fiscal Year. We performed the site inspection on 10/8/2024.

The Reserve expense threshold for this analysis is \$2,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is **47.5 % Funded**. This means the Reserve Fund status is **Fair**, and the HOA's risk of special assessments & deferred maintenance is currently Medium. Reserve Transfers are below ongoing asset deterioration (estimated at ~\$2,228/month) and should be increased.

The 2025 budget has already been approved with Monthly Reserve Transfers of \$1,537, so the starting point of our funding plan reflects the approved budget. Based on your current Percent Funded and cash flow requirements, we recommend increasing **Monthly Reserve Transfers to \$1,800 for the 2026 Fiscal Year**. Annual increases are scheduled to help strengthen the Reserve fund over time while also helping to offset inflation. Going forward, the transfer rate should be increased as illustrated on the 30-Year Summary Table.

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

This Reserve Study does not account for every potential expense the Association may face. Projects deemed unpredictable with regard to timing and cost are typically not included. It is beyond the scope of a Reserve Study to inspect or assess structural conditions of buildings, walls, electrical systems, utilities, plumbing systems, irrigation, drainage, etc. We recommend scheduling periodic inspections by qualified engineers or other industry professionals to assess any potential issues or concerns.



#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
100	Monument - Replace	20	2	\$4,400
220	Concrete - Major Repair	12	0	\$10,000
221	Concrete - Minor Repair	4	0	\$3,000
380	Mailboxes - Replace	20	5	\$48,400
500	Block Walls - Repair	16	8	\$25,000
501	Block Walls - Repaint	8	0	\$25,500
520	View Fence - Replace	40	22	\$116,300
550	Metal Surfaces - Repaint	8	0	\$24,200
610	Irrig. Controllers - Replace	12	9	\$16,500
630	Backflow Valves - Replace	20	2	\$9,000
664	Drywells - Partial Replace	30	12	\$27,000
PARK AREA				
806	Pole Lights - Replace	15	13	\$27,000
808	Light Poles - Replace	30	13	\$40,000
900	Park Furniture - Replace	15	4	\$9,000
910	Playground Equip - Replace	20	4	\$65,500
914	Shade Screen - Replace	12	0	\$7,100
917	Playground Turf - Replace	20	4	\$14,000
924	Ramada Roof - Replace	25	0	\$17,700
932	Basketball Equip - Replace	20	2	\$2,000
19 Total Funded Components				

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

Introduction



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

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



Reserve funding is not "for the future". Ongoing Reserve transfers are intended 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

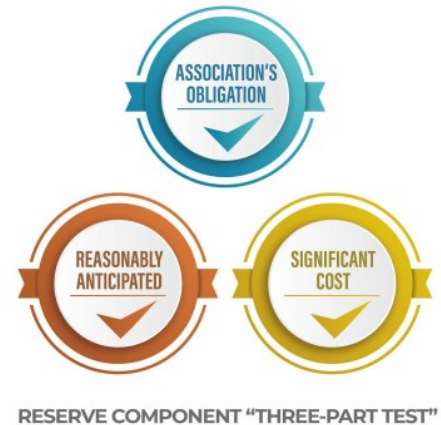


For this [Update With-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

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.



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 transfer to Reserves?



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 rate of ongoing Reserve transfers is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve transfers 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 Board members to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Board members invite liability exposure when Reserve transfers are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

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



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, recommended Reserve transfers for Baseline Funding average only 10% to 15% less than Full Funding recommendations. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During the site visit on 10/8/2024, we began by meeting with Board President Ron Price and Community Manager Jessica Adamson from RealManage Arizona. During the meeting, we toured the community with them to look over the common areas. After the meeting, we went back through the community to visually inspect the common areas, starting at the park.

Please see the Component Details Appendix at the end of this report for a detailed look at each component.



Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will take place as anticipated. This Reserve Study needs to be updated annually, because we expect the timing of expenses to shift and the size of the expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The chart below summarizes the projected future expenses at your association as defined by the Reserve Component List. A summary of these components is shown in the Component Details Table, while a summary of the expenses themselves is shown in the 30-yr Expense Summary Table.

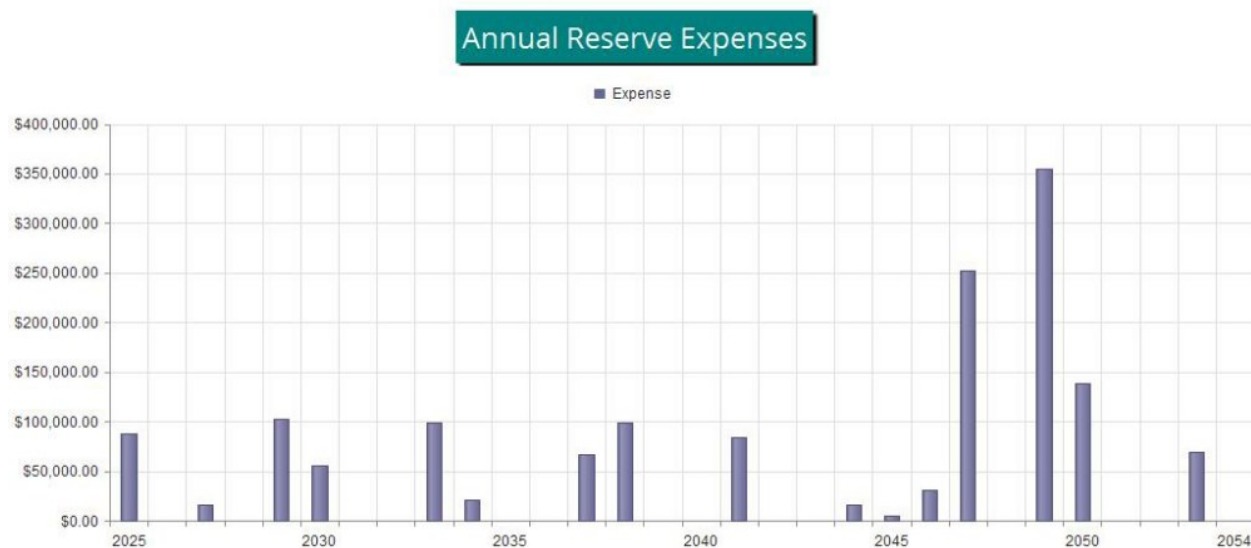


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$151,699 as-of the start of your fiscal year on 1/1/2025. This is based on your actual balance of \$148,712 on 10/31/2024 and anticipated Reserve transfers and expenses projected through the end of your Fiscal Year.

As of 1/1/2025, your Fully Funded Balance is computed to be \$319,287. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 47.5 % Funded.

Recommended Funding Plan

Reserve Transfers are below ongoing asset deterioration (estimated at ~\$2,228/month) and should be increased. The 2025 budget has already been approved with Monthly Reserve Transfers of \$1,537, so the starting point of our funding plan reflects the approved budget. Based on your current Percent Funded and cash flow requirements, we recommend increasing **Monthly Reserve Transfers to \$1,800 for the 2026 Fiscal Year**. Annual increases are scheduled to help strengthen the Reserve fund over time while also helping to offset inflation. Going forward, the transfer rate should be increased as illustrated on the 30-Year Summary Table. The overall 30-year plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

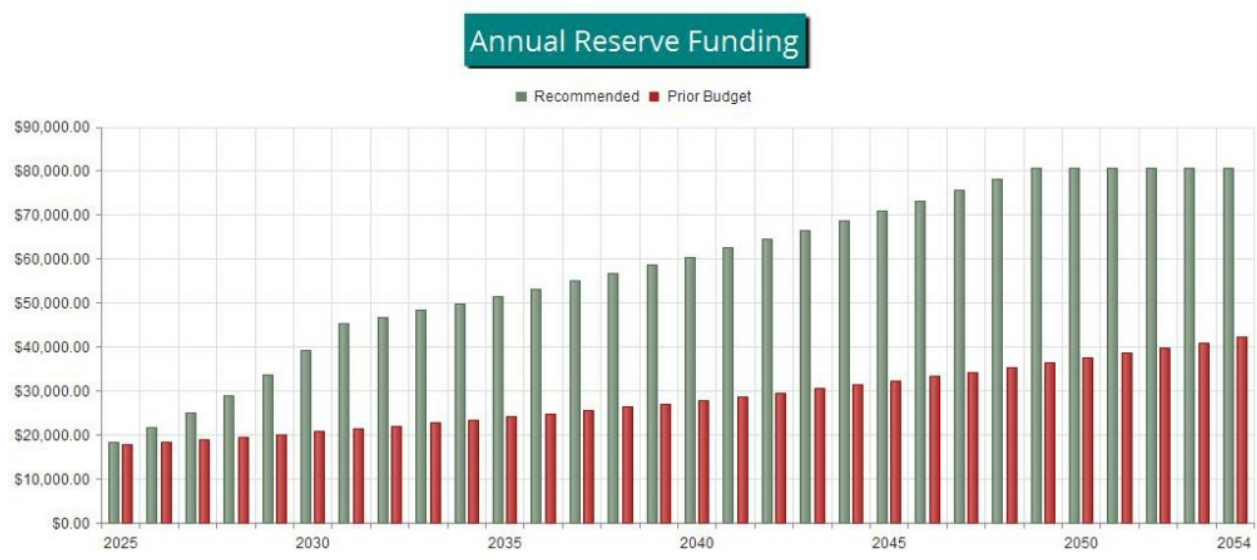


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and at your current budgeted level of Reserve funding, compared to the always-changing Fully Funded Balance target.

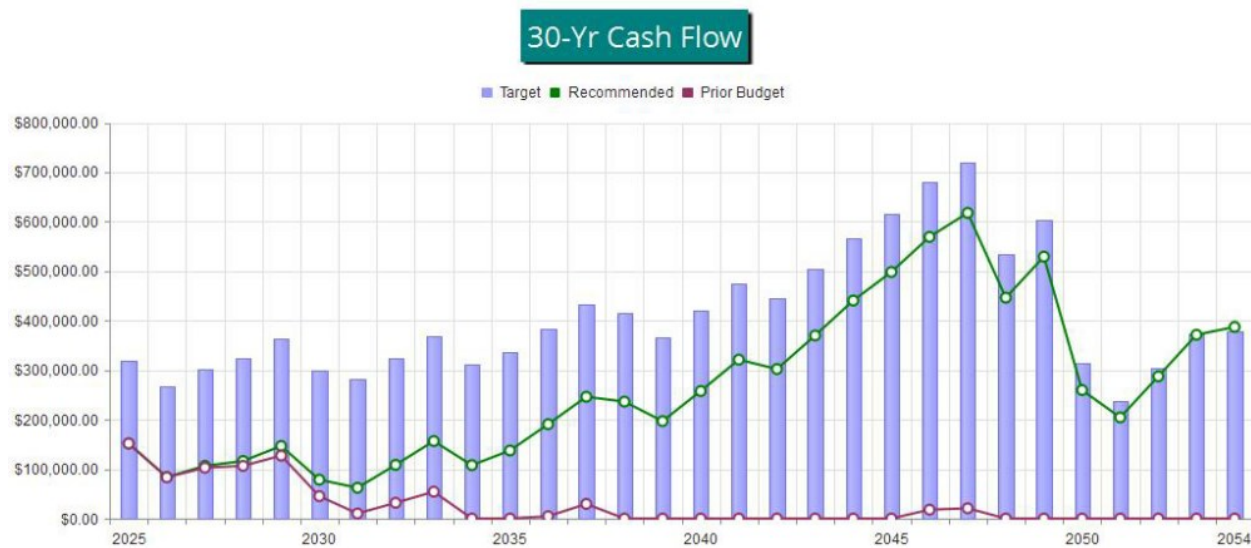


Figure 3

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

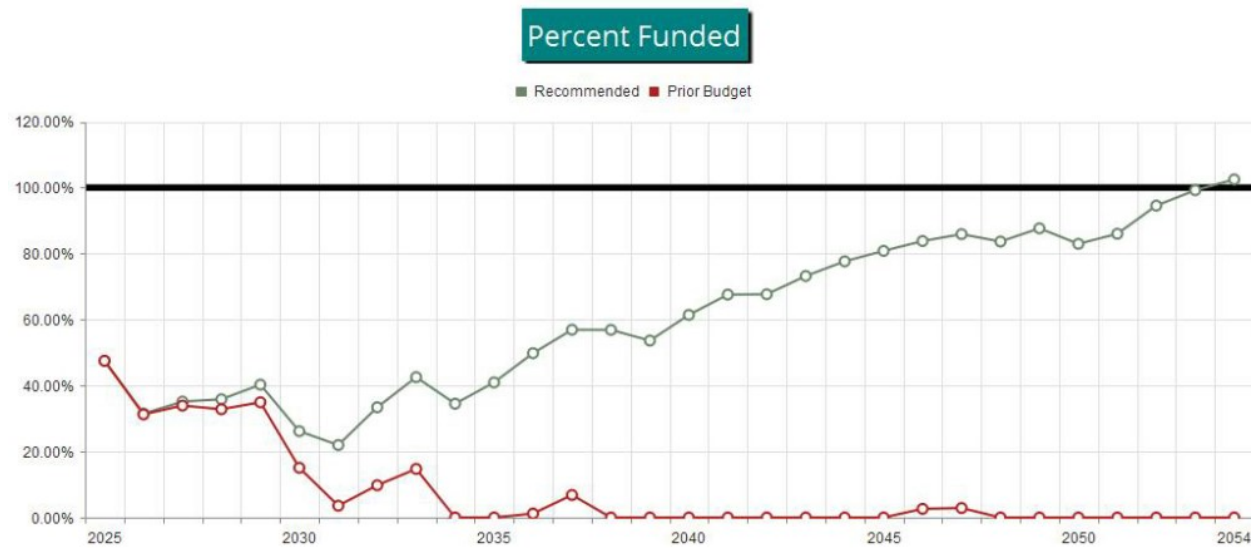


Figure 4



Table Descriptions

Executive Summary is a summary of your Reserve Components

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

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

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their specific proportion related 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 funding requirements. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

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

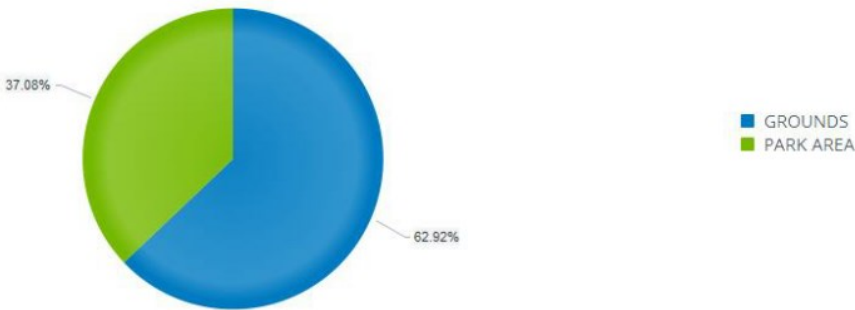
30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.



	Useful Life		2025 Rem. Useful Life		Estimated Replacement Cost in 2025	2025 Expenditures	01/01/2025 Current Fund Balance	01/01/2025 Fully Funded Balance	Remaining Bal. to be Funded	2025 Funding
	Min	Max	Min	Max						
GROUNDS	4	40	0	22	\$309,300	\$62,700	\$74,760	\$196,220	\$234,540	\$12,161
PARK AREA	12	30	0	13	\$182,300	\$24,800	\$76,939	\$123,067	\$105,361	\$6,282
					\$491,600	\$87,500	\$151,699	\$319,287	\$339,901	\$18,443
Percent Funded:									47.5%	

Budget Summary

Percentage of Total Estimated Replacement Costs





#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
GROUNDS					
100	Monument - Replace	(1) Monument	20	2	\$4,400
220	Concrete - Major Repair	Numerous Sq Ft	12	0	\$10,000
221	Concrete - Minor Repair	Numerous Sq Ft	4	0	\$3,000
380	Mailboxes - Replace	(18) Clusters	20	5	\$48,400
500	Block Walls - Repair	Approx 56,500 Sq Ft	16	8	\$25,000
501	Block Walls - Repaint	Approx 56,500 Sq Ft	8	0	\$25,500
520	View Fence - Replace	50% of ~3,100 LF	40	22	\$116,300
550	Metal Surfaces - Repaint	Fence, Rails, Posts	8	0	\$24,200
610	Irrig. Controllers - Replace	(9) Hunter	12	9	\$16,500
630	Backflow Valves - Replace	(3) Febco Valves	20	2	\$9,000
664	Drywells - Partial Replace	(1) of (9) Drywells	30	12	\$27,000
PARK AREA					
806	Pole Lights - Replace	(15) LED Fixtures	15	13	\$27,000
808	Light Poles - Replace	(15) Metal Poles	30	13	\$40,000
900	Park Furniture - Replace	(9) Pieces	15	4	\$9,000
910	Playground Equip - Replace	(1) Play Structure	20	4	\$65,500
914	Shade Screen - Replace	(1) Screen, ~680 Sq Ft	12	0	\$7,100
917	Playground Turf - Replace	Approx 350 Sq Ft	20	4	\$14,000
924	Ramada Roof - Replace	(1) Roof, ~465 Sq Ft	25	0	\$17,700
932	Basketball Equip - Replace	(1) Backboard & Goal	20	2	\$2,000
<hr/>					
19	Total Funded Components				



#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
GROUNDS								
100	Monument - Replace	\$4,400	X	18	/	20	=	\$3,960
220	Concrete - Major Repair	\$10,000	X	12	/	12	=	\$10,000
221	Concrete - Minor Repair	\$3,000	X	4	/	4	=	\$3,000
380	Mailboxes - Replace	\$48,400	X	15	/	20	=	\$36,300
500	Block Walls - Repair	\$25,000	X	8	/	16	=	\$12,500
501	Block Walls - Repaint	\$25,500	X	8	/	8	=	\$25,500
520	View Fence - Replace	\$116,300	X	18	/	40	=	\$52,335
550	Metal Surfaces - Repaint	\$24,200	X	8	/	8	=	\$24,200
610	Irrig. Controllers - Replace	\$16,500	X	3	/	12	=	\$4,125
630	Backflow Valves - Replace	\$9,000	X	18	/	20	=	\$8,100
664	Drywells - Partial Replace	\$27,000	X	18	/	30	=	\$16,200
PARK AREA								
806	Pole Lights - Replace	\$27,000	X	2	/	15	=	\$3,600
808	Light Poles - Replace	\$40,000	X	17	/	30	=	\$22,667
900	Park Furniture - Replace	\$9,000	X	11	/	15	=	\$6,600
910	Playground Equip - Replace	\$65,500	X	16	/	20	=	\$52,400
914	Shade Screen - Replace	\$7,100	X	12	/	12	=	\$7,100
917	Playground Turf - Replace	\$14,000	X	16	/	20	=	\$11,200
924	Ramada Roof - Replace	\$17,700	X	25	/	25	=	\$17,700
932	Basketball Equip - Replace	\$2,000	X	18	/	20	=	\$1,800
								\$319,287



# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
GROUNDS				
100 Monument - Replace	20	\$4,400	\$220	0.82 %
220 Concrete - Major Repair	12	\$10,000	\$833	3.12 %
221 Concrete - Minor Repair	4	\$3,000	\$750	2.80 %
380 Mailboxes - Replace	20	\$48,400	\$2,420	9.05 %
500 Block Walls - Repair	16	\$25,000	\$1,563	5.84 %
501 Block Walls - Repaint	8	\$25,500	\$3,188	11.92 %
520 View Fence - Replace	40	\$116,300	\$2,908	10.87 %
550 Metal Surfaces - Repaint	8	\$24,200	\$3,025	11.31 %
610 Irrig. Controllers - Replace	12	\$16,500	\$1,375	5.14 %
630 Backflow Valves - Replace	20	\$9,000	\$450	1.68 %
664 Drywells - Partial Replace	30	\$27,000	\$900	3.37 %
PARK AREA				
806 Pole Lights - Replace	15	\$27,000	\$1,800	6.73 %
808 Light Poles - Replace	30	\$40,000	\$1,333	4.99 %
900 Park Furniture - Replace	15	\$9,000	\$600	2.24 %
910 Playground Equip - Replace	20	\$65,500	\$3,275	12.25 %
914 Shade Screen - Replace	12	\$7,100	\$592	2.21 %
917 Playground Turf - Replace	20	\$14,000	\$700	2.62 %
924 Ramada Roof - Replace	25	\$17,700	\$708	2.65 %
932 Basketball Equip - Replace	20	\$2,000	\$100	0.37 %
19 Total Funded Components			\$26,739	100.00 %



30-Year Reserve Plan Summary

Report # 52891-0
With-Site-Visit

Fiscal Year Start: 2025

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		Loan or Special Assmts	Interest Income	Reserve Expenses
						Reserve Funding	Reserve Funding			
2025	\$151,699	\$319,287	47.5 %		Medium	2.93 %	\$18,443	\$0	\$1,177	\$87,500
2026	\$83,819	\$266,281	31.5 %		Medium	17.12 %	\$21,600	\$0	\$951	\$0
2027	\$106,369	\$302,637	35.1 %		Medium	16.00 %	\$25,056	\$0	\$1,112	\$16,338
2028	\$116,200	\$324,106	35.9 %		Medium	16.00 %	\$29,065	\$0	\$1,313	\$0
2029	\$146,578	\$363,924	40.3 %		Medium	16.00 %	\$33,715	\$0	\$1,125	\$102,984
2030	\$78,434	\$299,766	26.2 %		High	16.00 %	\$39,110	\$0	\$703	\$56,109
2031	\$62,137	\$282,894	22.0 %		High	16.00 %	\$45,367	\$0	\$852	\$0
2032	\$108,357	\$324,267	33.4 %		Medium	3.25 %	\$46,842	\$0	\$1,324	\$0
2033	\$156,522	\$367,867	42.5 %		Medium	3.25 %	\$48,364	\$0	\$1,321	\$98,428
2034	\$107,780	\$312,410	34.5 %		Medium	3.25 %	\$49,936	\$0	\$1,225	\$21,529
2035	\$137,412	\$335,542	41.0 %		Medium	3.25 %	\$51,559	\$0	\$1,639	\$0
2036	\$190,611	\$382,621	49.8 %		Medium	3.25 %	\$53,235	\$0	\$2,182	\$0
2037	\$246,027	\$432,223	56.9 %		Medium	3.25 %	\$54,965	\$0	\$2,410	\$67,153
2038	\$236,249	\$415,289	56.9 %		Medium	3.25 %	\$56,751	\$0	\$2,164	\$98,392
2039	\$196,773	\$366,849	53.6 %		Medium	3.25 %	\$58,595	\$0	\$2,271	\$0
2040	\$257,639	\$419,513	61.4 %		Medium	3.25 %	\$60,500	\$0	\$2,892	\$0
2041	\$321,031	\$475,006	67.6 %		Medium	3.25 %	\$62,466	\$0	\$3,114	\$84,568
2042	\$302,043	\$446,346	67.7 %		Medium	3.25 %	\$64,496	\$0	\$3,358	\$0
2043	\$369,898	\$505,258	73.2 %		Low	3.25 %	\$66,592	\$0	\$4,050	\$0
2044	\$440,541	\$567,302	77.7 %		Low	3.25 %	\$68,757	\$0	\$4,692	\$15,782
2045	\$498,208	\$616,360	80.8 %		Low	3.25 %	\$70,991	\$0	\$5,334	\$5,418
2046	\$569,115	\$679,012	83.8 %		Low	3.25 %	\$73,298	\$0	\$5,931	\$30,695
2047	\$617,650	\$719,001	85.9 %		Low	3.25 %	\$75,681	\$0	\$5,317	\$252,351
2048	\$446,297	\$533,421	83.7 %		Low	3.25 %	\$78,140	\$0	\$4,876	\$0
2049	\$529,313	\$603,778	87.7 %		Low	3.25 %	\$80,680	\$0	\$3,943	\$354,316
2050	\$259,620	\$312,931	83.0 %		Low	0.00 %	\$80,680	\$0	\$2,318	\$138,399
2051	\$204,219	\$237,433	86.0 %		Low	0.00 %	\$80,680	\$0	\$2,457	\$0
2052	\$287,356	\$303,950	94.5 %		Low	0.00 %	\$80,680	\$0	\$3,292	\$0
2053	\$371,328	\$374,245	99.2 %		Low	0.00 %	\$80,680	\$0	\$3,791	\$68,638
2054	\$387,160	\$377,788	102.5 %		Low	0.00 %	\$80,680	\$0	\$4,295	\$0



30-Year Income/Expense Detail

Report # 52891-0
With-Site-Visit

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$151,699	\$83,819	\$106,369	\$116,200	\$146,578
Annual Reserve Funding	\$18,443	\$21,600	\$25,056	\$29,065	\$33,715
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,177	\$951	\$1,112	\$1,313	\$1,125
Total Income	\$171,319	\$106,369	\$132,538	\$146,578	\$181,418
# Component					
GROUNDS					
100 Monument - Replace	\$0	\$0	\$4,668	\$0	\$0
220 Concrete - Major Repair	\$10,000	\$0	\$0	\$0	\$0
221 Concrete - Minor Repair	\$3,000	\$0	\$0	\$0	\$3,377
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
500 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repaint	\$25,500	\$0	\$0	\$0	\$0
520 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
550 Metal Surfaces - Repaint	\$24,200	\$0	\$0	\$0	\$0
610 Irrig. Controllers - Replace	\$0	\$0	\$0	\$0	\$0
630 Backflow Valves - Replace	\$0	\$0	\$9,548	\$0	\$0
664 Drywells - Partial Replace	\$0	\$0	\$0	\$0	\$0
PARK AREA					
806 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
808 Light Poles - Replace	\$0	\$0	\$0	\$0	\$0
900 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$10,130
910 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$73,721
914 Shade Screen - Replace	\$7,100	\$0	\$0	\$0	\$0
917 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$15,757
924 Ramada Roof - Replace	\$17,700	\$0	\$0	\$0	\$0
932 Basketball Equip - Replace	\$0	\$0	\$2,122	\$0	\$0
Total Expenses	\$87,500	\$0	\$16,338	\$0	\$102,984
Ending Reserve Balance	\$83,819	\$106,369	\$116,200	\$146,578	\$78,434

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$78,434	\$62,137	\$108,357	\$156,522	\$107,780
Annual Reserve Funding	\$39,110	\$45,367	\$46,842	\$48,364	\$49,936
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$703	\$852	\$1,324	\$1,321	\$1,225
Total Income	\$118,246	\$108,357	\$156,522	\$206,208	\$158,941
# Component					
GROUNDS					
100 Monument - Replace	\$0	\$0	\$0	\$0	\$0
220 Concrete - Major Repair	\$0	\$0	\$0	\$0	\$0
221 Concrete - Minor Repair	\$0	\$0	\$0	\$3,800	\$0
380 Mailboxes - Replace	\$56,109	\$0	\$0	\$0	\$0
500 Block Walls - Repair	\$0	\$0	\$0	\$31,669	\$0
501 Block Walls - Repaint	\$0	\$0	\$0	\$32,303	\$0
520 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
550 Metal Surfaces - Repaint	\$0	\$0	\$0	\$30,656	\$0
610 Irrig. Controllers - Replace	\$0	\$0	\$0	\$0	\$21,529
630 Backflow Valves - Replace	\$0	\$0	\$0	\$0	\$0
664 Drywells - Partial Replace	\$0	\$0	\$0	\$0	\$0
PARK AREA					
806 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
808 Light Poles - Replace	\$0	\$0	\$0	\$0	\$0
900 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
910 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
914 Shade Screen - Replace	\$0	\$0	\$0	\$0	\$0
917 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
924 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
932 Basketball Equip - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$56,109	\$0	\$0	\$98,428	\$21,529
Ending Reserve Balance	\$62,137	\$108,357	\$156,522	\$107,780	\$137,412

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$137,412	\$190,611	\$246,027	\$236,249	\$196,773
Annual Reserve Funding	\$51,559	\$53,235	\$54,965	\$56,751	\$58,595
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,639	\$2,182	\$2,410	\$2,164	\$2,271
Total Income	\$190,611	\$246,027	\$303,403	\$295,165	\$257,639
# Component					
GROUNDS					
100 Monument - Replace	\$0	\$0	\$0	\$0	\$0
220 Concrete - Major Repair	\$0	\$0	\$14,258	\$0	\$0
221 Concrete - Minor Repair	\$0	\$0	\$4,277	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
500 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repaint	\$0	\$0	\$0	\$0	\$0
520 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
550 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
610 Irrig. Controllers - Replace	\$0	\$0	\$0	\$0	\$0
630 Backflow Valves - Replace	\$0	\$0	\$0	\$0	\$0
664 Drywells - Partial Replace	\$0	\$0	\$38,496	\$0	\$0
PARK AREA					
806 Pole Lights - Replace	\$0	\$0	\$0	\$39,650	\$0
808 Light Poles - Replace	\$0	\$0	\$0	\$58,741	\$0
900 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
910 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
914 Shade Screen - Replace	\$0	\$0	\$10,123	\$0	\$0
917 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
924 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
932 Basketball Equip - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$67,153	\$98,392	\$0
Ending Reserve Balance	\$190,611	\$246,027	\$236,249	\$196,773	\$257,639

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$257,639	\$321,031	\$302,043	\$369,898	\$440,541
Annual Reserve Funding	\$60,500	\$62,466	\$64,496	\$66,592	\$68,757
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,892	\$3,114	\$3,358	\$4,050	\$4,692
Total Income	\$321,031	\$386,611	\$369,898	\$440,541	\$513,989
# Component					
GROUNDS					
100 Monument - Replace	\$0	\$0	\$0	\$0	\$0
220 Concrete - Major Repair	\$0	\$0	\$0	\$0	\$0
221 Concrete - Minor Repair	\$0	\$4,814	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
500 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repaint	\$0	\$40,920	\$0	\$0	\$0
520 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
550 Metal Surfaces - Repaint	\$0	\$38,834	\$0	\$0	\$0
610 Irrig. Controllers - Replace	\$0	\$0	\$0	\$0	\$0
630 Backflow Valves - Replace	\$0	\$0	\$0	\$0	\$0
664 Drywells - Partial Replace	\$0	\$0	\$0	\$0	\$0
PARK AREA					
806 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
808 Light Poles - Replace	\$0	\$0	\$0	\$0	\$0
900 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$15,782
910 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
914 Shade Screen - Replace	\$0	\$0	\$0	\$0	\$0
917 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
924 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
932 Basketball Equip - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$84,568	\$0	\$0	\$15,782
Ending Reserve Balance	\$321,031	\$302,043	\$369,898	\$440,541	\$498,208

Fiscal Year	2045	2046	2047	2048	2049
Starting Reserve Balance	\$498,208	\$569,115	\$617,650	\$446,297	\$529,313
Annual Reserve Funding	\$70,991	\$73,298	\$75,681	\$78,140	\$80,680
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,334	\$5,931	\$5,317	\$4,876	\$3,943
Total Income	\$574,533	\$648,344	\$698,648	\$529,313	\$613,936
# Component					
GROUNDS					
100 Monument - Replace	\$0	\$0	\$8,431	\$0	\$0
220 Concrete - Major Repair	\$0	\$0	\$0	\$0	\$20,328
221 Concrete - Minor Repair	\$5,418	\$0	\$0	\$0	\$6,098
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
500 Block Walls - Repair	\$0	\$0	\$0	\$0	\$50,820
501 Block Walls - Repaint	\$0	\$0	\$0	\$0	\$51,836
520 View Fence - Replace	\$0	\$0	\$222,843	\$0	\$0
550 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$49,194
610 Irrig. Controllers - Replace	\$0	\$30,695	\$0	\$0	\$0
630 Backflow Valves - Replace	\$0	\$0	\$17,245	\$0	\$0
664 Drywells - Partial Replace	\$0	\$0	\$0	\$0	\$0
PARK AREA					
806 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
808 Light Poles - Replace	\$0	\$0	\$0	\$0	\$0
900 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
910 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$133,148
914 Shade Screen - Replace	\$0	\$0	\$0	\$0	\$14,433
917 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$28,459
924 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
932 Basketball Equip - Replace	\$0	\$0	\$3,832	\$0	\$0
Total Expenses	\$5,418	\$30,695	\$252,351	\$0	\$354,316
Ending Reserve Balance	\$569,115	\$617,650	\$446,297	\$529,313	\$259,620

Fiscal Year	2050	2051	2052	2053	2054
Starting Reserve Balance	\$259,620	\$204,219	\$287,356	\$371,328	\$387,160
Annual Reserve Funding	\$80,680	\$80,680	\$80,680	\$80,680	\$80,680
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,318	\$2,457	\$3,292	\$3,791	\$4,295
Total Income	\$342,618	\$287,356	\$371,328	\$455,798	\$472,135
# Component					
GROUNDS					
100 Monument - Replace	\$0	\$0	\$0	\$0	\$0
220 Concrete - Major Repair	\$0	\$0	\$0	\$0	\$0
221 Concrete - Minor Repair	\$0	\$0	\$0	\$6,864	\$0
380 Mailboxes - Replace	\$101,339	\$0	\$0	\$0	\$0
500 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repaint	\$0	\$0	\$0	\$0	\$0
520 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
550 Metal Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
610 Irrig. Controllers - Replace	\$0	\$0	\$0	\$0	\$0
630 Backflow Valves - Replace	\$0	\$0	\$0	\$0	\$0
664 Drywells - Partial Replace	\$0	\$0	\$0	\$0	\$0
PARK AREA					
806 Pole Lights - Replace	\$0	\$0	\$0	\$61,774	\$0
808 Light Poles - Replace	\$0	\$0	\$0	\$0	\$0
900 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
910 Playground Equip - Replace	\$0	\$0	\$0	\$0	\$0
914 Shade Screen - Replace	\$0	\$0	\$0	\$0	\$0
917 Playground Turf - Replace	\$0	\$0	\$0	\$0	\$0
924 Ramada Roof - Replace	\$37,060	\$0	\$0	\$0	\$0
932 Basketball Equip - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$138,399	\$0	\$0	\$68,638	\$0
Ending Reserve Balance	\$204,219	\$287,356	\$371,328	\$387,160	\$472,135



Accuracy, Limitations, and Disclosures

Association Reserves – AZ, LLC and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. DJ Vlaming, R.S., company president, is a credentialed Reserve Specialist (#61). All work done by Association Reserves – AZ, LLC 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 three-part test to determine if they meet the criteria for reserve funding:

- 1) Common area repair & replacement responsibility
- 2) Need and schedule for the project can be reasonably anticipated, and
- 3) The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above three 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 a representative market cost. There are many factors that can result in a wide variety of potential costs, and we have attempted to present a reasonable estimate of your actual expense.

Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

GROUNDS

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

Location: Community Entrance on Kortsen Rd & Shultz St

Funded?: Yes.

History: Installed in 2007.

Comments: Monument appears to be in fair condition. Surfaces exhibit some fading and weathering but no major issues were observed. This component funds an allowance to update or modernize the monument with new lettering plus repairs to the walls and landscape.

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$ 4,400

Worst Case: \$ 4,400

Cost Source: AR Cost Allowance

Comp #: 102 Monument Lights - Replace**Quantity: Approx (2) Lights**

Location: Community Entrance on Kortsen Rd & Shultz St

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

History: Installed around 2023 (per Google Street View)

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 220 Concrete - Major Repair**Quantity: Numerous Sq Ft**

Location: Common area walkways, landscape curbing, and concrete drainage areas

Funded?: Yes.

History: Installed in 2007.

Comments: There is no expectancy to completely replace the concrete. In our experience, larger repair/replacement expenses emerge as the community ages, especially as trees adjacent to walkways continue to grow. Although difficult to predict timing and cost, This component funds an allowance for longer-term repairs and partial replacements.

Useful Life:

12 years

Remaining Life:

0 years



Best Case: \$ 10,000

Worst Case: \$ 10,000

Cost Source: HOA's Proposal from AZ Spruce Up (602-469-1847)

Comp #: 221 Concrete - Minor Repair**Quantity: Numerous Sq Ft**

Location: Common area walkways & landscape curbing

Funded?: Yes.

History: Installed in 2007.

Comments: Concrete sidewalk appeared to be in good shape. Landscape curbing was very broken and missing pieces throughout. There is no expectancy to completely replace the concrete. This component funds an allowance for periodic repairs and partial replacements as needed.

Useful Life:

4 years

Remaining Life:

0 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: AR Cost Allowance

Comp #: 380 Mailboxes - Replace**Quantity: (18) Clusters**

Location: Bordering streets throughout the community

Funded?: Yes.

History: Installed in 2007.

Comments: Quantity includes (7) 16-box, (5) 12-box, and (6) 8-box clusters. They were manufactured in 2006. Mailboxes are in fair condition. They exhibit some weathering and discoloration, but no issues were observed.

Useful Life:
20 years

Remaining Life:
5 years



Best Case: \$ 48,400

Worst Case: \$ 48,400

Cost Source: Internet Research & AR Cost Database

Comp #: 500 Block Walls - Repair**Quantity: Approx 56,500 Sq Ft**

Location: Common areas throughout the community

Funded?: Yes.

History: Installed in 2007.

Comments: Walls are expected to last the life of the community under normal circumstances. This component funds an allowance for repairs and partial replacement due to excessive settling or other sources of damage. Walls exhibit some fading and weathering. No major damage or issues observed. Funding for repaint is included under Block Walls - Repaint, component #501.

Useful Life:
16 years

Remaining Life:
8 years



Best Case: \$ 25,000

Worst Case: \$ 25,000

Cost Source: AR Cost Allowance

Comp #: 501 Block Walls - Repaint**Quantity: Approx 56,500 Sq Ft**

Location: Common areas throughout the community

Funded?: Yes.

History: Age is unknown. Previously installed & painted in 2007.

Comments: Block surfaces appeared weathered and discolored throughout. Repaint periodically to maintain the appearance and to inhibit rusting.

Useful Life:
8 yearsRemaining Life:
0 years

Best Case: \$ 25,500

Worst Case: \$ 25,500

Cost Source: HOA's Proposal from AZ Spruce Up (602-469-1847)

Comp #: 520 View Fence - Replace**Quantity: 50% of ~3,100 LF**

Location: Common areas throughout the community

Funded?: Yes.

History: Installed in 2007.

Comments: View fence is generally intact but some sections are rusted. Surfaces appear old and faded, but no major issues noted. This component funds to completely replace view fence throughout the community. Replacement cost is shared 50/50 between the HOA and lot owners, so this component only accounts for the HOA's 50% responsibility. Funding for repaint is included under Metal Surfaces - Repaint, component #550.

Useful Life:
40 yearsRemaining Life:
22 years

Best Case: \$ 116,300

Worst Case: \$ 116,300

Cost Source: AR Cost Database

Comp #: 530 Culvert Rails - Replace**Quantity: (6) Rails, ~65 LF**

Location: Common areas throughout the community

Funded?: No. This component has an extended life span with no expectancy to replace in the foreseeable future. Inspections and repairs should be addressed as a maintenance expense when needed. Funding for repaint is included under Metal Surfaces -

Repaint, component #550.

History: Installed in 2007.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 550 Metal Surfaces - Repaint**Quantity: Fence, Rails, Posts**

Location: Common areas throughout the community

Funded?: Yes.

History: Age is unknown. Previously installed in 2007.

Comments: This component funds to repaint ~3,100 LF of 4' tall view fence, ~65 LF of culvert rails, (15) light poles, ~780 sq ft of ramada surfaces, and ~190 sq ft of shade screen posts. Surfaces appear weathered and faded. Some visible surface rust and discoloration observed. Repaint periodically to maintain the appearance and to inhibit rusting.

Useful Life:

8 years

Remaining Life:

0 years



Best Case: \$ 24,200

Worst Case: \$ 24,200

Cost Source: AR Cost Database

Comp #: 600 Irrigation System - Replace

Quantity: Lines, Valves, Heads

Location: Common areas throughout the community

Funded?: No. It is beyond the scope of this Reserve Study to quantify and assess conditions of the irrigation system. Funding can be added for future replacement at the client's request, but we need to be provided with cost and life expectancy estimates.

Repairs and partial replacements should be included in the annual landscape maintenance budget.

History: Installed in 2007.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 610 Irrig. Controllers - Replace

Quantity: (9) Hunter

Location: Common areas throughout the community

Funded?: Yes.

History: Replaced in 2022 for \$14,240. Previously installed in 2007.

Comments: This component funds to replace (6) XCH-600-SS and (3) XCH-1200-SS. Controllers appear functional. No damage or issues observed.

Useful Life:
12 years

Remaining Life:
9 years



Best Case: \$ 16,500

Worst Case: \$ 16,500

Cost Source: Internet Research & AR Cost Database

Comp #: 630 Backflow Valves - Replace

Quantity: (3) Febco Valves

Location: Common areas throughout the community

Funded?: Yes.

History: Installed in 2007.

Comments: Assumed to be functional with no issues reported. Backflow valves typically last a long time. They can often be repaired and rebuilt rather than replaced. Recommend repairing as-needed with Operating funds. This component funds long-term replacement.

*Model: 825YA and sizes include (2) 1 1/2" and (1) 1".

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$ 9,000

Worst Case: \$ 9,000

Cost Source: Internet Research & AR Cost Database

Comp #: 640 Granite - Replenish

Quantity: Approx 300,000 Sq Ft

Location: Common areas throughout the community

Funded?: No. HOA plans to replenish granite as needed with Operating funds, so no Reserve funding has been allocated.

History: Installed in 2007.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 645 Erosion - Control/Repair

Quantity: Numerous Sq Ft

Location: Drainage areas throughout the community
Funded?: No. It is beyond the scope of this Reserve Study to predict the timing and extent of repairs that will be needed for erosion control. We assume erosion control will be treated as an Operating expense. Reserve funding can be added at the HOA's request, however we would need to be provided with cost and timing estimates.
History:
Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 650 Trees - Trim/Replace

Quantity: Numerous Trees

Location: Common areas throughout the community
Funded?: No. Trees should be trimmed and maintained annually. Partial replacement should be anticipated annually as well due to storm damage and disease. These expenses should be funded as an Operating expense through the Landscape Maintenance Budget.
History:
Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 660 Drywells & Drainage - Inspect/Clean

Quantity: (24) Locations

Location: Common areas throughout the community

Funded?: No. HOA plans to completely repair and clean out drywells and drainage annually out of the operating budget.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 664 Drywells - Partial Replace

Quantity: (1) of (9) Drywells

Location: Common areas throughout the community

Funded?: Yes.

History: Installed in 2007.

Comments: There is no expectancy to replace all drywells under normal circumstances. Replacement is usually the result of improper installation or neglect. This component funds a long-term allowance for partial replacement in the event some do fail. Drywells appear functional with no issues.

Useful Life:
30 years

Remaining Life:
12 years



Best Case: \$ 27,000

Worst Case: \$ 27,000

Cost Source: AR Cost Allowance

PARK AREA

Comp #: 806 Pole Lights - Replace

Quantity: (15) LED Fixtures

Location: Park Area

Funded?: Yes.

History: Refurbished with LED in 2023 for \$4,725. Previously installed in 2007.

Comments: Fixtures were refurbished with LED bulbs. This component funds complete replacement of the current housing with modern LED fixtures. Replacement should be anticipated eventually to update and modernize the lighting. Life span varies depending on usage, but the fixtures will not last as long as the poles. Lights appear functional. No issues observed or reported.

Useful Life:
15 years

Remaining Life:
13 years



Best Case: \$ 27,000

Worst Case: \$ 27,000

Cost Source: AR Cost Database

Comp #: 808 Light Poles - Replace

Quantity: (15) Metal Poles

Location: Park Area

Funded?: Yes.

History: Installed in 2007.

Comments: Poles are not exposed to irrigation. They appear faded and discolored, but remain structurally intact with no issues observed. The metal light poles will last longer than the light fixtures, but replacement should still be anticipated. This component funds to replace the poles in conjunction with a future light fixture project. Funding for repaint is included under Metal Surfaces - Repaint, component #550.

Useful Life:
30 years

Remaining Life:
13 years



Best Case: \$ 40,000

Worst Case: \$ 40,000

Cost Source: AR Cost Database

Comp #: 900 Park Furniture - Replace**Quantity: (9) Pieces**

Location: Park Area

Funded?: Yes.

History: Installed in 2007.

Comments: Quantity includes (4) 6' benches, (2) 8' ADA picnic tables, (1) trash cans, and (2) BBQ grills. Fair conditions observed. Pieces exhibit minor fading and rusting, but they are structurally intact. Inspect regularly and repair as needed with Operating funds. We recommend planning for regular intervals of complete replacement to maintain a good, consistent appearance in the common areas.

Useful Life:
15 years

Remaining Life:
4 years



Best Case: \$ 9,000

Worst Case: \$ 9,000

Cost Source: Internet Research & AR Cost Database

Comp #: 910 Playground Equip - Replace**Quantity: (1) Play Structure**

Location: Park Area

Funded?: Yes.

History: Installed in 2007.

Comments: Playground equipment is manufactured by Playworld Systems. Equipment includes (1) small sized structure and (1) spring rider. Fair conditions observed. Some minor weathering, but pieces are intact. Long life expectancy under normal circumstances. Replacement should be expected to update and modernize the equipment.

Useful Life:
20 years

Remaining Life:
4 years



Best Case: \$ 65,500

Worst Case: \$ 65,500

Cost Source: AR Cost Database

Comp #: 914 Shade Screen - Replace

Quantity: (1) Screen, ~680 Sq Ft

Location: Park Area

Funded?: Yes.

History: Age is unknown. Previously installed in 2007.

Comments: Shade screen contains (1) large hole with various smaller rips/tears. Fabric exhibits weathering and is due for replacement. This component funds periodic replacement of shade screen material. Shade screen structures have a long and unpredictable life span, so replacement funding has not been included.

Useful Life:

12 years

Remaining Life:

0 years



Best Case: \$ 7,100

Worst Case: \$ 7,100

Cost Source: AR Cost Database

Comp #: 916 Playground Sand - Replenish

Quantity: Approx 1,250 Sq Ft

Location: Park Area

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

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 917 Playground Turf - Replace**Quantity: Approx 350 Sq Ft**

Location: Park Area

Funded?: Yes.

History: Installed in 2007.

Comments: Rubberized playground turf is in fair condition. Minor cuts and raveling observed. No major issues noted. This is a poured-in-place rubberized surface. Life span will vary depending on the level of use and maintenance. It will need to be replaced with the play equipment, so timing is scheduled at the same time. There is potential the turf will not last that long due to lack of maintenance and vandalism. Combined cost with the coat component accounts for the total estimated replacement budget.

Useful Life:

20 years

Remaining Life:

4 years



Best Case: \$ 14,000

Worst Case: \$ 14,000

Cost Source: AR Cost Database

Comp #: 918 Playground Turf - Coat**Quantity: Approx 350 Sq Ft**

Location: Park Area

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

History:

Comments: Playground companies recommend regularly applying a urethane coating on the rubber turf. This coating helps to bind the turf granules and reportedly helps extends its life span.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source: AR Cost Database

Comp #: 924 Ramada Roof - Replace**Quantity: (1) Roof, ~465 Sq Ft**

Location: Park Area

Funded?: Yes.

History: Installed in 2007.

Comments: Ramada has a corrugated metal roof. Long life expectancy under normal circumstances. Roof appears significantly damaged and weathered. Various dents, holes, and lifting roof panels observed. Replacement should be anticipated soon. Funding for repaint is included under Metal Surfaces - Repaint, component #550, in the Grounds chapter.

Useful Life:

25 years

Remaining Life:

0 years



Best Case: \$ 17,700

Worst Case: \$ 17,700

Cost Source: AR Cost Database

Comp #: 930 Basketball Court - Resurface**Quantity: (1) Half Court**

Location: Park Area - Basketball Court

Funded?: No. This is a concrete court without a coated surface. Replacement of the court is not expected, and there is no coating to resurface, so no Reserve funding has been allocated. Re-stripe the court as an Operating expense when needed or combine with other painting projects.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source: AR Cost Database

Comp #: 932 Basketball Equip - Replace

Quantity: (1) Backboard & Goal

Location: Park Area - Basketball Court

Funded?: Yes.

History: Installed in 2007.

Comments: This is a heavy duty backboard and goal mounted to a metal post. It is manufactured by PW Athletics. The equipment was observed to be in fair condition with no significant issues observed at the time of the inspection. There is no expectancy to replace the metal post. This component funds to replace only the backboard and goal.

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$ 2,000

Worst Case: \$ 2,000

Cost Source: Internet Research & AR Cost Database
