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Rancho Reina HOA
Tucson, AZ



Report #: 51549-0
Beginning: January 1, 2025
Expires: December 31, 2025

RESERVE STUDY
"Full"

August 22, 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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Rancho Reina HOA
Tucson, AZ
Level of Service: "Full"

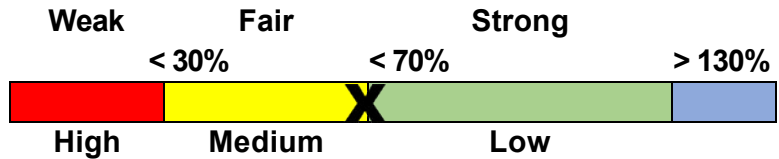
Report #: 51549-0
of Units: 25
January 1, 2025 through December 31, 2025

Findings & Recommendations

as of January 1, 2025

Projected Starting Reserve Balance	\$58,597
Current Fully Funded Reserve Balance	\$83,570
Average Reserve Deficit (Surplus) Per Unit	\$999
Percent Funded	70.1 %
2024 Approved Monthly Reserve Transfers	\$305
2025 Recommended Monthly Reserve Transfers	\$625

Reserve Fund Strength: 70.1%



Risk of Special Assessment:

Economic Assumptions:

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

This is a "Full" Reserve Study (original, created "from scratch") based on our site inspection on 7/30/2024.

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 **70.1 % Funded**. This means the Reserve Fund status is **Strong**, and the HOA's risk of special assessments & deferred maintenance is currently Low.

Although the Reserve Fund is currently considered to be strong, the current Reserve contribution rate is not adequate to properly prepare for the scheduled long-term Reserve expenses. Therefore, we recommend budgeting **Monthly Reserve Transfers of \$625** for the 2025 Fiscal Year. Significant annual increases are scheduled for several years thereafter as well, to help offset inflation and strengthen the contribution rate. 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
RANCHO REINA HOA				
130	Entry System - Replace	15	7	\$5,500
140	Gate Operators - Replace	15	7	\$13,000
150	Vehicle + Ped Gates - Replace	40	32	\$12,000
175	Gabion Walls + Fence - Replace	40	32	\$5,000
201	Asphalt - Repave	35	26	\$150,000
205	Asphalt - Seal/Repair	4	2	\$11,000
208	Asphalt - Crack Fill	2	2	\$2,500
215	Stamped Asphalt - Repave	35	26	\$8,000
218	Stamped Asphalt - Recoat	8	2	\$4,500
230	Concrete/Pavers - Repair	8	4	\$3,000
380	Mailboxes - Replace	20	12	\$6,000
501	Block Walls - Repair	25	17	\$10,000
525	View Fence - Replace (50%)	45	36	\$26,000
535	View Fence - Repaint (50%)	6	0	\$4,000
820	Landscape Granite - Replenish	8	4	\$6,000
850	Drainage + Erosion - Maintain/Repair	10	5	\$3,000
16 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

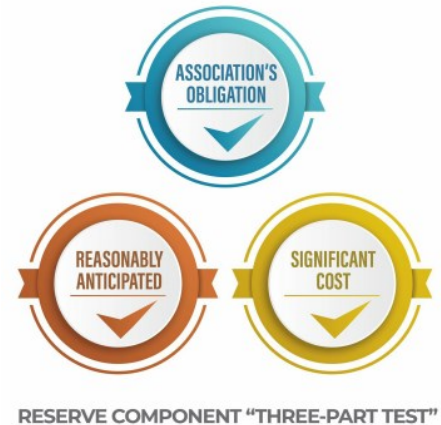


For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

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 7/30/2024, we started by inspecting the vehicle gate systems. Next, we inspected the private asphalt streets and concrete sidewalks/curbing. Finally, we inspected the common block walls and metal view fence, plus any remaining common areas.

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.

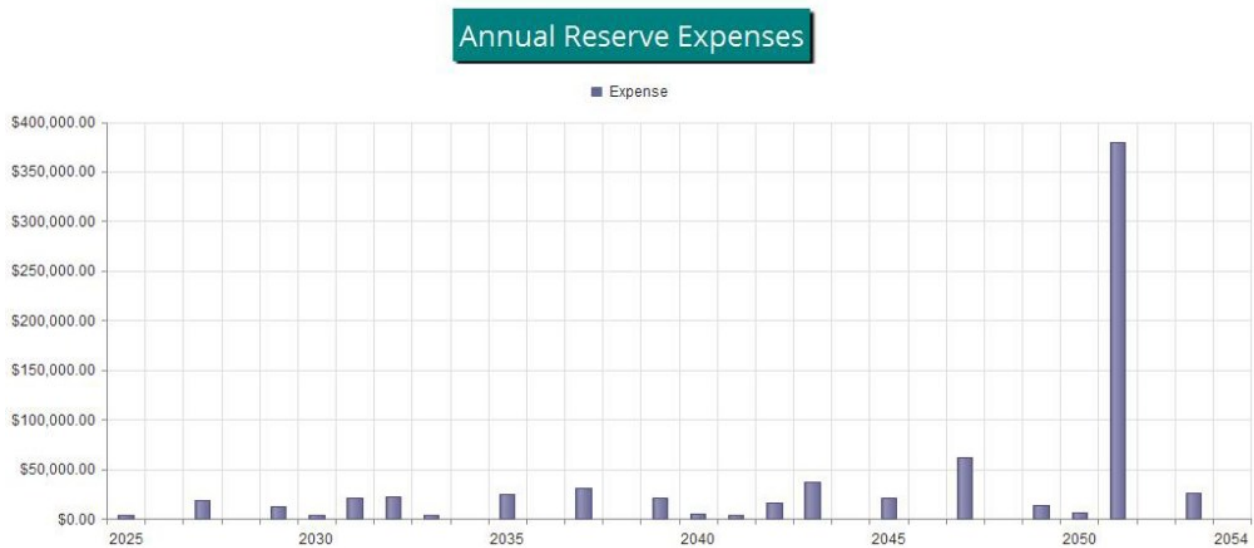


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$58,597 as-of the start of your fiscal year on 1/1/2025. This is based on your actual balance of \$58,317 on 4/30/2024 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 \$83,570. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 70.1 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve transfers of \$625 this Fiscal Year. 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.

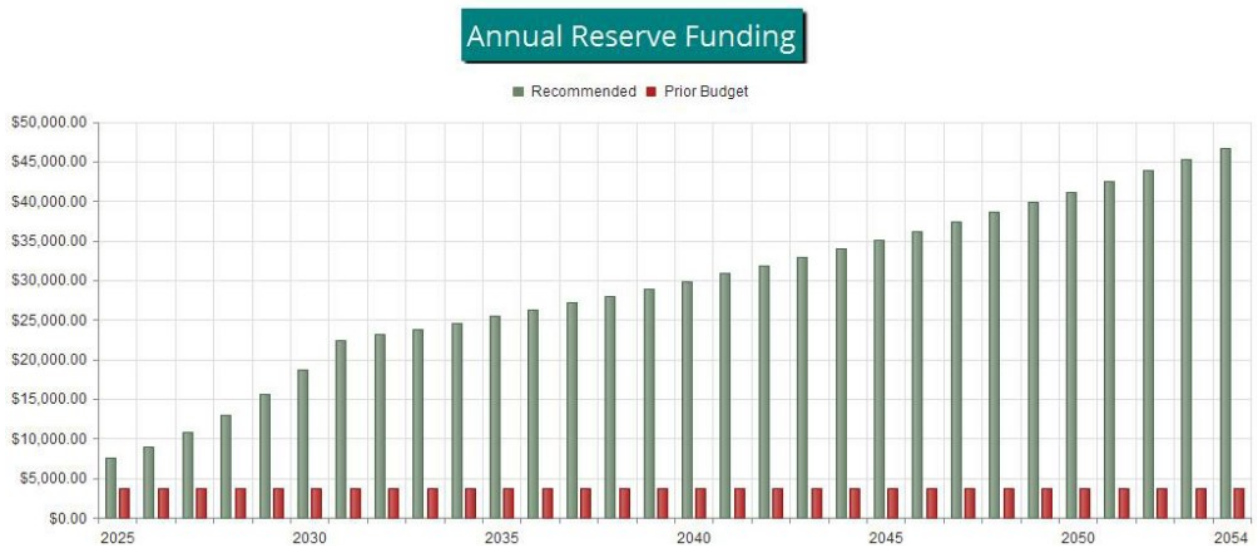


Figure 2

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.

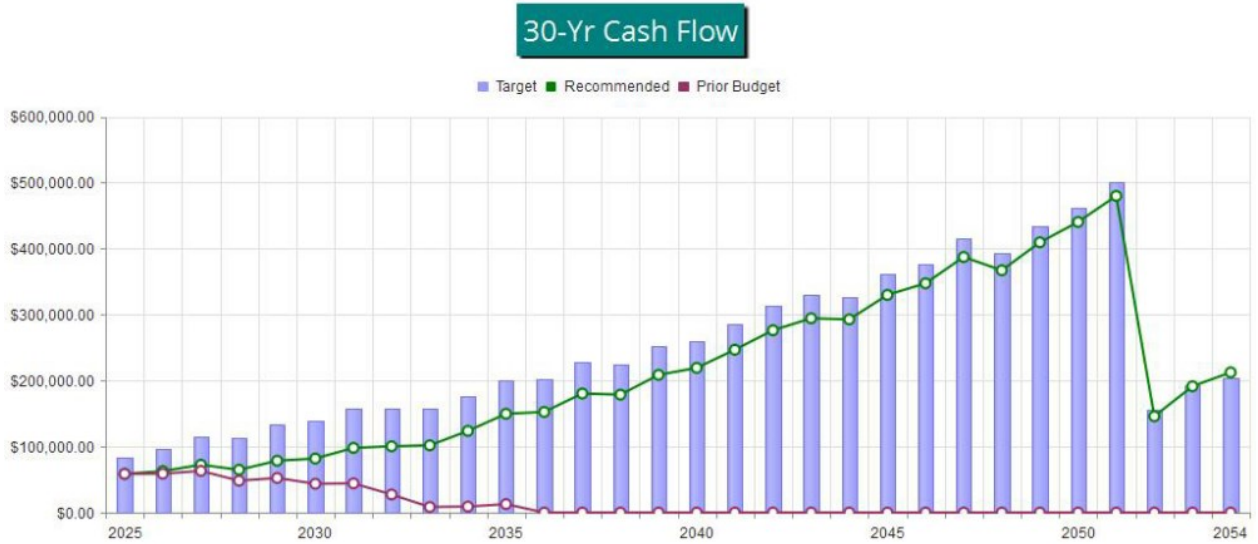


Figure 3

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.

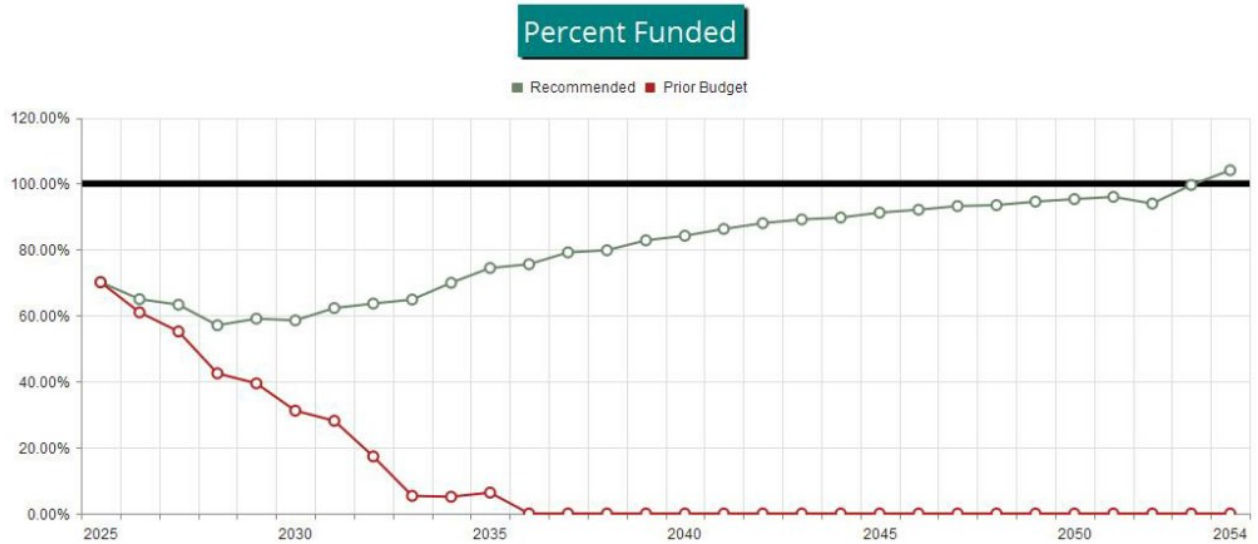


Figure 4



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 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.

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
RANCHO REINA HOA					
130	Entry System - Replace	(1) DoorKing	15	7	\$5,500
140	Gate Operators - Replace	(2) Nice Apollo	15	7	\$13,000
150	Vehicle + Ped Gates - Replace	(2) Vehicle, (1) Ped.	40	32	\$12,000
175	Gabion Walls + Fence - Replace	Approx 23 LF	40	32	\$5,000
201	Asphalt - Repave	Approx 37,000 Sq Ft	35	26	\$150,000
205	Asphalt - Seal/Repair	Approx 37,000 Sq Ft	4	2	\$11,000
208	Asphalt - Crack Fill	Approx 37,000 Sq Ft	2	2	\$2,500
215	Stamped Asphalt - Repave	Approx 1,100 Sq Ft	35	26	\$8,000
218	Stamped Asphalt - Recoat	Approx 1,100 Sq Ft	8	2	\$4,500
230	Concrete/Pavers - Repair	Numerous Sq Ft	8	4	\$3,000
380	Mailboxes - Replace	(2) Clusters	20	12	\$6,000
501	Block Walls - Repair	Approx 10,000 Sq Ft	25	17	\$10,000
525	View Fence - Replace (50%)	Approx 980 LF	45	36	\$26,000
535	View Fence - Repaint (50%)	Approx 980 LF	6	0	\$4,000
820	Landscape Granite - Replenish	Approx 50 Tons	8	4	\$6,000
850	Drainage + Erosion - Maintain/Repair	Rip-Rap, Basin, Etc.	10	5	\$3,000
16	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
RANCHO REINA HOA								
130	Entry System - Replace	\$5,500	X	8	/	15	=	\$2,933
140	Gate Operators - Replace	\$13,000	X	8	/	15	=	\$6,933
150	Vehicle + Ped Gates - Replace	\$12,000	X	8	/	40	=	\$2,400
175	Gabion Walls + Fence - Replace	\$5,000	X	8	/	40	=	\$1,000
201	Asphalt - Repave	\$150,000	X	9	/	35	=	\$38,571
205	Asphalt - Seal/Repair	\$11,000	X	2	/	4	=	\$5,500
208	Asphalt - Crack Fill	\$2,500	X	0	/	2	=	\$0
215	Stamped Asphalt - Repave	\$8,000	X	9	/	35	=	\$2,057
218	Stamped Asphalt - Recoat	\$4,500	X	6	/	8	=	\$3,375
230	Concrete/Pavers - Repair	\$3,000	X	4	/	8	=	\$1,500
380	Mailboxes - Replace	\$6,000	X	8	/	20	=	\$2,400
501	Block Walls - Repair	\$10,000	X	8	/	25	=	\$3,200
525	View Fence - Replace (50%)	\$26,000	X	9	/	45	=	\$5,200
535	View Fence - Repaint (50%)	\$4,000	X	6	/	6	=	\$4,000
820	Landscape Granite - Replenish	\$6,000	X	4	/	8	=	\$3,000
850	Drainage + Erosion - Maintain/Repair	\$3,000	X	5	/	10	=	\$1,500
								\$83,570

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
RANCHO REINA HOA				
130 Entry System - Replace	15	\$5,500	\$367	2.60 %
140 Gate Operators - Replace	15	\$13,000	\$867	6.14 %
150 Vehicle + Ped Gates - Replace	40	\$12,000	\$300	2.13 %
175 Gabion Walls + Fence - Replace	40	\$5,000	\$125	0.89 %
201 Asphalt - Repave	35	\$150,000	\$4,286	30.39 %
205 Asphalt - Seal/Repair	4	\$11,000	\$2,750	19.50 %
208 Asphalt - Crack Fill	2	\$2,500	\$1,250	8.86 %
215 Stamped Asphalt - Repave	35	\$8,000	\$229	1.62 %
218 Stamped Asphalt - Recoat	8	\$4,500	\$563	3.99 %
230 Concrete/Pavers - Repair	8	\$3,000	\$375	2.66 %
380 Mailboxes - Replace	20	\$6,000	\$300	2.13 %
501 Block Walls - Repair	25	\$10,000	\$400	2.84 %
525 View Fence - Replace (50%)	45	\$26,000	\$578	4.10 %
535 View Fence - Repaint (50%)	6	\$4,000	\$667	4.73 %
820 Landscape Granite - Replenish	8	\$6,000	\$750	5.32 %
850 Drainage + Erosion - Maintain/Repair	10	\$3,000	\$300	2.13 %
16 Total Funded Components			\$14,105	100.00 %

Fiscal Year Start: 2025

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2025	\$58,597	\$83,570	70.1 %	Low	105.09 %	\$7,500	\$0	\$606	\$4,000
2026	\$62,703	\$96,485	65.0 %	Medium	20.00 %	\$9,000	\$0	\$675	\$0
2027	\$72,378	\$114,343	63.3 %	Medium	20.00 %	\$10,800	\$0	\$685	\$19,096
2028	\$64,768	\$113,517	57.1 %	Medium	20.00 %	\$12,960	\$0	\$716	\$0
2029	\$78,443	\$132,797	59.1 %	Medium	20.00 %	\$15,552	\$0	\$801	\$12,943
2030	\$81,853	\$139,800	58.6 %	Medium	20.00 %	\$18,662	\$0	\$899	\$3,478
2031	\$97,936	\$157,254	62.3 %	Medium	20.00 %	\$22,395	\$0	\$991	\$20,896
2032	\$100,427	\$157,796	63.6 %	Medium	3.25 %	\$23,123	\$0	\$1,011	\$22,753
2033	\$101,807	\$156,961	64.9 %	Medium	3.25 %	\$23,874	\$0	\$1,127	\$3,167
2034	\$123,641	\$176,812	69.9 %	Medium	3.25 %	\$24,650	\$0	\$1,366	\$0
2035	\$149,658	\$201,071	74.4 %	Low	3.25 %	\$25,451	\$0	\$1,510	\$24,190
2036	\$152,428	\$201,711	75.6 %	Low	3.25 %	\$26,278	\$0	\$1,663	\$0
2037	\$180,370	\$227,872	79.2 %	Low	3.25 %	\$27,132	\$0	\$1,794	\$30,654
2038	\$178,643	\$223,848	79.8 %	Low	3.25 %	\$28,014	\$0	\$1,935	\$0
2039	\$208,592	\$251,898	82.8 %	Low	3.25 %	\$28,925	\$0	\$2,138	\$20,420
2040	\$219,235	\$260,397	84.2 %	Low	3.25 %	\$29,865	\$0	\$2,329	\$4,674
2041	\$246,755	\$286,028	86.3 %	Low	3.25 %	\$30,835	\$0	\$2,614	\$4,012
2042	\$276,192	\$313,790	88.0 %	Low	3.25 %	\$31,838	\$0	\$2,852	\$16,528
2043	\$294,353	\$330,191	89.1 %	Low	3.25 %	\$32,872	\$0	\$2,934	\$37,454
2044	\$292,706	\$326,252	89.7 %	Low	3.25 %	\$33,941	\$0	\$3,111	\$0
2045	\$329,757	\$361,514	91.2 %	Low	3.25 %	\$35,044	\$0	\$3,384	\$20,770
2046	\$347,415	\$377,205	92.1 %	Low	3.25 %	\$36,183	\$0	\$3,672	\$0
2047	\$387,270	\$415,547	93.2 %	Low	3.25 %	\$37,359	\$0	\$3,770	\$61,315
2048	\$367,083	\$392,695	93.5 %	Low	3.25 %	\$38,573	\$0	\$3,881	\$0
2049	\$409,537	\$433,147	94.5 %	Low	3.25 %	\$39,826	\$0	\$4,248	\$13,213
2050	\$440,398	\$462,064	95.3 %	Low	3.25 %	\$41,121	\$0	\$4,599	\$6,281
2051	\$479,837	\$499,874	96.0 %	Low	3.25 %	\$42,457	\$0	\$3,127	\$379,560
2052	\$145,861	\$155,254	93.9 %	Low	3.25 %	\$43,837	\$0	\$1,686	\$0
2053	\$191,383	\$192,181	99.6 %	Low	3.25 %	\$45,262	\$0	\$2,018	\$26,311
2054	\$212,351	\$204,085	104.1 %	Low	3.25 %	\$46,733	\$0	\$2,368	\$0

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$58,597	\$62,703	\$72,378	\$64,768	\$78,443
Annual Reserve Funding	\$7,500	\$9,000	\$10,800	\$12,960	\$15,552
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$606	\$675	\$685	\$716	\$801
Total Income	\$66,703	\$72,378	\$83,864	\$78,443	\$94,796
# Component					
RANCHO REINA HOA					
130 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
140 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
150 Vehicle + Ped Gates - Replace	\$0	\$0	\$0	\$0	\$0
175 Gabion Walls + Fence - Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
205 Asphalt - Seal/Repair	\$0	\$0	\$11,670	\$0	\$0
208 Asphalt - Crack Fill	\$0	\$0	\$2,652	\$0	\$2,814
215 Stamped Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
218 Stamped Asphalt - Recoat	\$0	\$0	\$4,774	\$0	\$0
230 Concrete/Pavers - Repair	\$0	\$0	\$0	\$0	\$3,377
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
525 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
535 View Fence - Repaint (50%)	\$4,000	\$0	\$0	\$0	\$0
820 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$6,753
850 Drainage + Erosion - Maintain/Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$4,000	\$0	\$19,096	\$0	\$12,943
Ending Reserve Balance	\$62,703	\$72,378	\$64,768	\$78,443	\$81,853

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$81,853	\$97,936	\$100,427	\$101,807	\$123,641
Annual Reserve Funding	\$18,662	\$22,395	\$23,123	\$23,874	\$24,650
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$899	\$991	\$1,011	\$1,127	\$1,366
Total Income	\$101,414	\$121,323	\$124,560	\$126,808	\$149,658
# Component					
RANCHO REINA HOA					
130 Entry System - Replace	\$0	\$0	\$6,764	\$0	\$0
140 Gate Operators - Replace	\$0	\$0	\$15,988	\$0	\$0
150 Vehicle + Ped Gates - Replace	\$0	\$0	\$0	\$0	\$0
175 Gabion Walls + Fence - Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
205 Asphalt - Seal/Repair	\$0	\$13,135	\$0	\$0	\$0
208 Asphalt - Crack Fill	\$0	\$2,985	\$0	\$3,167	\$0
215 Stamped Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
218 Stamped Asphalt - Recoat	\$0	\$0	\$0	\$0	\$0
230 Concrete/Pavers - Repair	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
525 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
535 View Fence - Repaint (50%)	\$0	\$4,776	\$0	\$0	\$0
820 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
850 Drainage + Erosion - Maintain/Repair	\$3,478	\$0	\$0	\$0	\$0
Total Expenses	\$3,478	\$20,896	\$22,753	\$3,167	\$0
Ending Reserve Balance	\$97,936	\$100,427	\$101,807	\$123,641	\$149,658

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$149,658	\$152,428	\$180,370	\$178,643	\$208,592
Annual Reserve Funding	\$25,451	\$26,278	\$27,132	\$28,014	\$28,925
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,510	\$1,663	\$1,794	\$1,935	\$2,138
Total Income	\$176,619	\$180,370	\$209,296	\$208,592	\$239,655
# Component					
RANCHO REINA HOA					
130 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
140 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
150 Vehicle + Ped Gates - Replace	\$0	\$0	\$0	\$0	\$0
175 Gabion Walls + Fence - Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
205 Asphalt - Seal/Repair	\$14,783	\$0	\$0	\$0	\$16,638
208 Asphalt - Crack Fill	\$3,360	\$0	\$3,564	\$0	\$3,781
215 Stamped Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
218 Stamped Asphalt - Recoat	\$6,048	\$0	\$0	\$0	\$0
230 Concrete/Pavers - Repair	\$0	\$0	\$4,277	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$8,555	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
525 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
535 View Fence - Repaint (50%)	\$0	\$0	\$5,703	\$0	\$0
820 Landscape Granite - Replenish	\$0	\$0	\$8,555	\$0	\$0
850 Drainage + Erosion - Maintain/Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$24,190	\$0	\$30,654	\$0	\$20,420
Ending Reserve Balance	\$152,428	\$180,370	\$178,643	\$208,592	\$219,235

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$219,235	\$246,755	\$276,192	\$294,353	\$292,706
Annual Reserve Funding	\$29,865	\$30,835	\$31,838	\$32,872	\$33,941
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,329	\$2,614	\$2,852	\$2,934	\$3,111
Total Income	\$251,429	\$280,204	\$310,881	\$330,159	\$329,757
# Component					
RANCHO REINA HOA					
130 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
140 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
150 Vehicle + Ped Gates - Replace	\$0	\$0	\$0	\$0	\$0
175 Gabion Walls + Fence - Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
205 Asphalt - Seal/Repair	\$0	\$0	\$0	\$18,727	\$0
208 Asphalt - Crack Fill	\$0	\$4,012	\$0	\$4,256	\$0
215 Stamped Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
218 Stamped Asphalt - Recoat	\$0	\$0	\$0	\$7,661	\$0
230 Concrete/Pavers - Repair	\$0	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$16,528	\$0	\$0
525 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
535 View Fence - Repaint (50%)	\$0	\$0	\$0	\$6,810	\$0
820 Landscape Granite - Replenish	\$0	\$0	\$0	\$0	\$0
850 Drainage + Erosion - Maintain/Repair	\$4,674	\$0	\$0	\$0	\$0
Total Expenses	\$4,674	\$4,012	\$16,528	\$37,454	\$0
Ending Reserve Balance	\$246,755	\$276,192	\$294,353	\$292,706	\$329,757

Fiscal Year	2045	2046	2047	2048	2049
Starting Reserve Balance	\$329,757	\$347,415	\$387,270	\$367,083	\$409,537
Annual Reserve Funding	\$35,044	\$36,183	\$37,359	\$38,573	\$39,826
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,384	\$3,672	\$3,770	\$3,881	\$4,248
Total Income	\$368,185	\$387,270	\$428,398	\$409,537	\$453,611
# Component					
RANCHO REINA HOA					
130 Entry System - Replace	\$0	\$0	\$10,539	\$0	\$0
140 Gate Operators - Replace	\$0	\$0	\$24,909	\$0	\$0
150 Vehicle + Ped Gates - Replace	\$0	\$0	\$0	\$0	\$0
175 Gabion Walls + Fence - Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
205 Asphalt - Seal/Repair	\$0	\$0	\$21,077	\$0	\$0
208 Asphalt - Crack Fill	\$4,515	\$0	\$4,790	\$0	\$5,082
215 Stamped Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
218 Stamped Asphalt - Recoat	\$0	\$0	\$0	\$0	\$0
230 Concrete/Pavers - Repair	\$5,418	\$0	\$0	\$0	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
525 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
535 View Fence - Repaint (50%)	\$0	\$0	\$0	\$0	\$8,131
820 Landscape Granite - Replenish	\$10,837	\$0	\$0	\$0	\$0
850 Drainage + Erosion - Maintain/Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$20,770	\$0	\$61,315	\$0	\$13,213
Ending Reserve Balance	\$347,415	\$387,270	\$367,083	\$409,537	\$440,398

Fiscal Year	2050	2051	2052	2053	2054
Starting Reserve Balance	\$440,398	\$479,837	\$145,861	\$191,383	\$212,351
Annual Reserve Funding	\$41,121	\$42,457	\$43,837	\$45,262	\$46,733
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,599	\$3,127	\$1,686	\$2,018	\$2,368
Total Income	\$486,118	\$525,421	\$191,383	\$238,663	\$261,452
# Component					
RANCHO REINA HOA					
130 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
140 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
150 Vehicle + Ped Gates - Replace	\$0	\$0	\$0	\$0	\$0
175 Gabion Walls + Fence - Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Repave	\$0	\$323,489	\$0	\$0	\$0
205 Asphalt - Seal/Repair	\$0	\$23,723	\$0	\$0	\$0
208 Asphalt - Crack Fill	\$0	\$5,391	\$0	\$5,720	\$0
215 Stamped Asphalt - Repave	\$0	\$17,253	\$0	\$0	\$0
218 Stamped Asphalt - Recoat	\$0	\$9,705	\$0	\$0	\$0
230 Concrete/Pavers - Repair	\$0	\$0	\$0	\$6,864	\$0
380 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
525 View Fence - Replace (50%)	\$0	\$0	\$0	\$0	\$0
535 View Fence - Repaint (50%)	\$0	\$0	\$0	\$0	\$0
820 Landscape Granite - Replenish	\$0	\$0	\$0	\$13,728	\$0
850 Drainage + Erosion - Maintain/Repair	\$6,281	\$0	\$0	\$0	\$0
Total Expenses	\$6,281	\$379,560	\$0	\$26,311	\$0
Ending Reserve Balance	\$479,837	\$145,861	\$191,383	\$212,351	\$261,452



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.

RANCHO REINA HOA

Comp #: 105 Monument Signs - Replace

Quantity: (2) "RR" Signs

Location: Community entrance off Avenida Los Reyes

Funded?: No. Replacement cost is under the Reserve threshold.

History: Installed in 2017.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 130 Entry System - Replace

Quantity: (1) DoorKing

Location: Community entrance off Avenida Los Reyes

Funded?: Yes.

History: Installed in 2017.

Comments: Appears functional and in good shape. Future replacement should be anticipated.

Useful Life:
15 years

Remaining Life:
7 years



Best Case: \$ 5,500

Worst Case: \$ 5,500

Cost Source: AR Cost Database

Comp #: 140 Gate Operators - Replace

Quantity: (2) Nice Apollo

Location: Community entrance off Avenida Los Reyes

Funded?: Yes.

History: Installed in 2017.

Comments: No issues observed or reported. Future replacement should be anticipated.

Useful Life:
15 years

Remaining Life:
7 years



Best Case: \$ 13,000

Worst Case: \$ 13,000

Cost Source: AR Cost Database

Comp #: 150 Vehicle + Ped Gates - Replace

Quantity: (2) Vehicle, (1) Ped.

Location: Community entrance off Avenida Los Reyes - (2) ~12 LF vehicle gates & (1) ~4.5 LF pedestrian gate

Funded?: Yes.

History: Installed in 2017.

Comments: Long life component under normal circumstances, however the HOA should still be prepared for complete replacement eventually.

Useful Life:
40 years

Remaining Life:
32 years



Best Case: \$ 12,000

Worst Case: \$ 12,000

Cost Source: AR Cost Database

Comp #: 155 Vehicle + Ped Gates - Repaint

Quantity: (2) Vehicle, (1) Ped.

Location: Community entrance off Avenida Los Reyes - (2) ~12 LF vehicle gates & (1) ~4.5 LF pedestrian gate

Funded?: No. Repaint cost is under the Reserve threshold. Repaint as-needed using Operating funds.

History: Surfaces appear to be in good shape, and are not original from 2017.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 175 Gabion Walls + Fence - Replace

Quantity: Approx 23 LF

Location: Community entrance off Avenida Los Reyes - ~15 LF of gabion walls & ~8 LF of 4' tall metal fence

Funded?: Yes.

History: Installed in 2017.

Comments: Long life component under normal circumstances, however the HOA should still be prepared for complete replacement eventually.

Useful Life:
40 years

Remaining Life:
32 years



Best Case: \$ 5,000

Worst Case: \$ 5,000

Cost Source: AR Cost Database

Comp #: 180 Gabion Walls + Fence - Repaint

Quantity: Approx 23 LF

Location: Community entrance off Avenida Los Reyes - ~15 LF of gabion walls & ~8 LF of 4' tall metal fence

Funded?: No. The gabion walls have a rust finish that does not need to be painted. The small amount of metal fence is painted, and should be painted simultaneously with the vehicle/ped gates as an Operating expense.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 185 Metal Rails - Replace/Repaint

Quantity: Approx 13 LF

Location: Community entrance off Avenida Los Reyes

Funded?: No. There is no expectancy for replacement in the foreseeable future. Repaint periodically as an Operating expense, and/or include with other painting projects.

History: Installed in 2017.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 201 Asphalt - Repave

Quantity: Approx 37,000 Sq Ft

Location: Community street

Funded?: Yes.

History: Installed in 2017.

Comments: A few cracks noted, but still smooth and in good shape overall. Life span is based on periodically seal coating and maintaining the surface.

Useful Life:
35 years

Remaining Life:
26 years



Best Case: \$ 150,000

Worst Case: \$ 150,000

Cost Source: AR Cost Database

Comp #: 205 Asphalt - Seal/Repair

Quantity: Approx 37,000 Sq Ft

Location: Community street

Funded?: Yes.

History: Seal coat and crack fill completed in 2023 for ~\$11,900 (cost included an additional fee of \$2,500 to perform 2 mobilizations instead of 1). Per satellite imagery, asphalt was previously sealed for the first time around 2019.

Comments: Surfaces appear dark and uniform in coverage. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life:
4 years

Remaining Life:
2 years



Best Case: \$ 11,000

Worst Case: \$ 11,000

Add crack fill for total cost

Cost Source: Client Cost History

Comp #: 208 Asphalt - Crack Fill

Quantity: Approx 37,000 Sq Ft

Location: Community street

Funded?: Yes.

History: Crack fill completed in 2024 for ~\$2,150. Previously completed in 2023 and 2019 as part of the seal coat projects.

Comments: This component funds to crack fill the asphalt every couple years, which includes in-between and during seal coat projects.

Useful Life:
2 years

Remaining Life:
2 years



Best Case: \$ 2,500

Worst Case: \$ 2,500

Cost Source: Client Cost History

Comp #: 215 Stamped Asphalt - Repave

Quantity: Approx 1,100 Sq Ft

Location: Community entrance off Avenida Los Reyes

Funded?: Yes.

History: Installed in 2017.

Comments: Some discoloration noted, but still intact and in good shape. Long life component under normal circumstances, however future replacement should still be anticipated. Recommend coordinating with repaving the community street. Life span assumes periodic recoating as scheduled.

Useful Life:
35 years

Remaining Life:
26 years



Best Case: \$ 8,000

Worst Case: \$ 8,000

Add recoat for total cost

Cost Source: AR Cost Database

Comp #: 218 Stamped Asphalt - Recoat

Quantity: Approx 1,100 Sq Ft

Location: Community entrance off Avenida Los Reyes

Funded?: Yes.

History: The stamped asphalt has likely never been recoated since installation in 2017.

Comments: Some discoloration noted. Expect to periodically recoat the stamped asphalt to maintain the appearance and prolong the life expectancy. Recommend planning to recoat during every other seal coat cycle of the community street.

Useful Life:
8 years

Remaining Life:
2 years



Best Case: \$ 4,500

Worst Case: \$ 4,500

Cost Source: AR Cost Database

Comp #: 230 Concrete/Pavers - Repair

Quantity: Numerous Sq Ft

Location: Common walkways & curbing; Pavers at community entrance

Funded?: Yes.

History: Installed in 2017.

Comments: There is no expectancy to completely replace the concrete. This component provides an allowance for periodic repairs and/or partial replacements. Still intact and in good shape overall.

Useful Life:
8 years

Remaining Life:
4 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: AR Cost Allowance

Comp #: 380 Mailboxes - Replace

Quantity: (2) Clusters

Location: Adjacent to community street

Funded?: Yes.

History: Installed in 2017.

Comments: Manufactured by Florence Corporation. These are both 13-box clusters. Still appear to be in good shape. Model: 4C13D-13-P, Mfg. Date: 08/2017.

Useful Life:
20 years

Remaining Life:
12 years



Best Case: \$ 6,000

Worst Case: \$ 6,000

Cost Source: AR Cost Database

Comp #: 385 Bulletin Board - Replace

Quantity: (1) Bulletin Board

Location: Adjacent to community street (near the mailboxes)

Funded?: No. Replacement cost is under the Reserve threshold.

History: Installed in 2017.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 501 Block Walls - Repair

Quantity: Approx 10,000 Sq Ft

Location: Homeowner side/backyard walls bordering common areas throughout community

Funded?: Yes.

History: Installed in 2017.

Comments: Walls are expected to last the life of the community under normal circumstances. This component funds an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life:
25 years

Remaining Life:
17 years



Best Case: \$ 10,000

Worst Case: \$ 10,000

Cost Source: AR Cost Database

Comp #: 505 Block Walls - Repaint

Quantity: Approx 10,000 Sq Ft

Location: Homeowner side/backyard walls bordering common areas throughout community

Funded?: No. The block walls are constructed of integral color block, so no Reserve funding has been allocated to paint them.

History:

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 525 View Fence - Replace (50%)

Quantity: Approx 980 LF

Location: Homeowner backyards bordering common areas at the south & east perimeter of the community

Funded?: Yes.

History: Installed in 2017.

Comments: Quantity includes approximately 650 LF of 4' tall view fence, and 330 LF of 2' tall view fence. Long life expectancy anticipated under normal circumstances, however the HOA still needs to be prepared for complete replacement eventually. Per Article 5.21 (e) of the CC&R's, replacement cost is shared 50/50 between the HOA and individual homeowner. Budgeted amount reflects 50% of the total replacement cost, to reflect the HOA's portion of responsibility.

Useful Life:
45 years

Remaining Life:
36 years



Best Case: \$ 26,000

Worst Case: \$ 26,000

Reflects 50% of the total cost, add repaint for total cost

Cost Source: AR Cost Database

Comp #: 535 View Fence - Repaint (50%)

Quantity: Approx 980 LF

Location: Homeowner backyards bordering common areas at the south & east perimeter of the community

Funded?: Yes.

History: Surfaces appear original from 2017.

Comments: Surfaces exhibit heavy oxidation and rust issues. Recommend planning to repaint in the near future to restore the appearance and to inhibit rust. Per Article 5.21 (e) of the CC&R's, repaint cost is shared 50/50 between the HOA and individual homeowner. Budgeted amount reflects 50% of the total repaint cost, to reflect the HOA's portion of responsibility.

Useful Life:
6 years

Remaining Life:
0 years



Best Case: \$ 4,000

Worst Case: \$ 4,000

Reflects 50% of the total cost

Cost Source: AR Cost Database

Comp #: 801 Irrigation System - Replace

Quantity: Lines, Valves, Emitters

Location: Common areas throughout community

Funded?: No. We assume system will be repaired as-needed using Operating funds.

History: Installed in 2017.

Comments: It is beyond the scope of this Reserve Study to quantify and assess conditions of the irrigation system components. Funding for replacement of the system can be added to this study at the HOA's request, but we would need to be provided with cost and timing estimates.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 820 Landscape Granite - Replenish

Quantity: Approx 50 Tons

Location: Common areas throughout community - Community entrance, streetscapes, & common tracts at north/east end of community

Funded?: Yes.

History: Installed in 2017.

Comments: There is no expectancy for complete replacement. Funding is provided to periodically top-dress with a new 1" layer.

Useful Life:
8 years

Remaining Life:
4 years



Best Case: \$ 6,000

Worst Case: \$ 6,000

Cost Source: AR Cost Database

Comp #: 830 Trees - Trim/Replace

Quantity: Numerous Trees

Location: Common areas throughout community

Funded?: No. Trees should be trimmed and maintained as part of the annual landscape Operating budget.

History: Installed in 2017.

Comments:

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 850 Drainage + Erosion - Maintain/Repair

Quantity: Rip-Rap, Basin, Etc.

Location: Common areas throughout community

Funded?: Yes.

History: Installed in 2017.

Comments: It is beyond the scope of this Reserve Study to assess the drainage areas of the community. There is a retention basin at the community entrance (north of the vehicle gates) that may require repairs or clean out at some point in the future. There is also rip-rap at drainage areas around the community, plus along the rear/side perimeter walls for many of the homes. The rip-rap is expected to last indefinitely, however the HOA may need to install additional rip-rap at certain areas in the future. This component funds a general allowance for drainage and erosion maintenance and repairs. Expenses should be monitored over time, and this component should be adjusted in future updates to this report as experience dictates.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: \$ 3,000

Worst Case: \$ 3,000

Cost Source: AR Cost Allowance