



February 01, 2010

COMMUNITY ASSET EVALUATION

FOR

**Millstone**

Tempe, Arizona





Thank you for choosing **Arizona Reserve Services, LLC** for your community needs. We strive to be the very best in the industry and want to keep your business by providing something that no one else does, a higher level of service. The contents of this document are based on all visual assets of Millstone Association and any special inclusions your appointed representative(s) have requested. The use of Geotechnical, Engineering, Licensed/ Bonded Contractors, and Surveying services were not used for the development of this report or to determine any liability or responsibility of defect/ damage, thus Arizona reserve Services, LLC will not be responsible for any findings as a result of these services being applied.

The process used for the development of this document are based on actual current costs of materials and labor provided by local contractors, vendors, and professional services that are licensed to conduct operations in the State of Arizona. That combined with reviewing the past trends of material cost fluctuations, inflation, and consumer price index allow us to provide future costs to allow your community to prepare for its long term needs. The current site conditions are based on our own experiences of community development, homebuilding and landscaping of over 19 years, working for small private and large publically traded companies with great success. We currently recommend you update your reserve study on an annual basis as the present market is being impacted by rising petroleum costs combined with unstable business conditions.

This report was developed for the Millstone Homeowner's Association and shall not be distributed to any outside party, other than its intended user, without the explicit written consent of Arizona Reserve Services, LLC.

Thank you again for choosing Arizona Reserve Services, LLC and we would greatly appreciate any input or recommendations you may have in our effort to provide better Service.

Respectfully,

Bryan Whittaker

President

Arizona Reserve Services, LLC

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**MILLSTONE**

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# MILLSTONE SITE MAP





## **INTRODUCTION AND OVERVIEW**

This Reserve Study Update was prepared by Arizona Reserve Services, LLC at the direction of the Board of directors of The Millstone Condo Association. This Reserve Study is based on documentation provided by the Millstone Condo Association and its authorized agent and the assumption that the build out date for this community is 2006. There were no technical services such as Survey, Geotechnical Engineering, Civil Engineering or Architectural services used in building this report. The benefit of a Reserve Study is the association's ability to plan long term for financial needs and set appropriate assessments early on in an effort to maintain the value of the community and avoid special assessments. It is recommended that the reserve study be updated on an annual basis as a result of the fluctuating market and to keep the association in a state of financial readiness.

This Reserve Study provides financial guidance and recommendations on condition, repair, and replacement of assets owned by the community association. All recommendations, assumptions and values are based on local municipal standard, manufacturer's recommendations, local material providers, local/ reputable contractors and vendors and other subject matter experts. Additionally provided in this Reserve Study may be recommendations for maintenance practice based on use and elemental conditions specific to your community. Maintenance of assets should be performed per industry standards and manufacturer's recommendations and should also be in the current maintenance plan and budget. These facets of maintenance will not be included in the Reserve and may consist of, but not limited to, monthly contracted maintenance, minor repairs of less than \$500.00, significant weather events and or acts of criminal or reckless behaviors. There will be a contingency included in the report that will provide a non allocated fund reserve for each year that should assist in some of these instances. As you read this Reserve Analysis, you will notice the term "useful life" which refers to the anticipated life expectancy of each component. The value or time frame given to the "useful life" is not a guarantee that the component will last that long as there are many contributing factors that may lengthen or shorten the components "useful life". This term is a guideline only and should be considered as such.

## **ABOUT THE COMMUNITY**

The Millstone is a 48 unit Condo Association with private maintained streets and sidewalk, beautifully constructed with split face masonry blocks and steel accents. The community has well lit pedestrian pathways and parking lots and is amenitized with a beautiful grassy courtyard and pool area.



**EXECUTIVE SUMMARY**

**Report Date:** February 01, 2010

**Prepared By:** Bryan Whittaker

**Date projected:** February 2010 -2039

**Prepared For:** Millstone

**Management Company and Point of Contact:** Laura Whitson @ Brown Community Management

<b>Estimated Inflation Rate:</b>	<u>3%</u>	<b>Number of Units</b>	<u>48</u>
<b>Interest Tax Rate:</b>	<u>30%</u>	<b>Recommended Contribution per unit / per month</b>	<u>****</u>
<b>Net MMA Interest Rate:</b>	<u>1.0%</u>	<b>Recommended Annual Contribution Increases</b>	<u>%****</u>
<b>Contingency Rate:</b>	<u>.25%</u>	<b>Community Contribution/ Month Starting 2010</b>	<u>\$****</u>
<b>Fully Funded Annual%:</b>	<u>100%+</u>	<b>Community /Year Starting 2010</b>	<u>\$****</u>
<b>Fully Funded 30 year%</b>	<u>1.21%</u>	<b>Date Components put in Service</b>	<u>2006</u>
		<b>Current Assessment/ Monthly</b>	<u>\$135.00</u>
		<b>Current Reserve Balance</b>	<u>\$11,955.70</u>
		<b>Recommended Assessment with Reserve Contribution/ Month Starting 2010</b>	<u>\$****</u>

**Estimated Inflation Rate:** We typically recommend and use an estimated inflation rate of 4.2% which is based on real unit pricing used in actual contracts over a 10 year period of 1998 to 2008. We have used 3% in this report as a result of the current market condition.

**Recommended Minimum Contribution and increase per unit / per year:** This is based on the cost of repairs and inflation combined with the community needs over the next 30 years. All funding plans are based on 100% funded.

\*\*\*\* Please see funding plan 3 in the back of this report as the report information is conflicting with the actual budget.

**Immediate needed repairs or Safety Concerns**

- The only real safety concern we found was an APS Electrical Power Transformer leaking oil. Oil is a cooling component for the transformer and repair is needed. We called and left a message for APS, giving the location, the problem and the address on the box, TX569056. If there is no change, someone should follow up with APS to ensure repair was made. The local APS office number is 480-350-3137. Please see the photo on the next page for reference.**





## FUNDING FOR CAPITAL ASSETS

Your community receives assessments from all of its members to fund the operations of your Homeowner's Association and to provide adequate reserve savings to repair and replace your assets as necessary. It is critical to maintain the community's assets, and repair and replace as necessary to protect the interest of the community and maintain property values and marketability of the homes in the community.

**NOTE: Any increase to assessments or implementation of Special Assessments must be conducted as described in your community's governing documents.**

It may be necessary to increase the assessments collected, per your governing documents, to keep up with the rising costs of professional services such as Landscape Maintenance, Pool Maintenance, etc. This also applies to repair and/ or replacement of your assets during, or at the end of, their useful lives. Material costs continue to rise along with increases in the cost of doing business and the current rates of inflation. We recommend that this option be discussed and assessed on an annual basis in an effort to make sure the need does not exceed the Association's ability to raise assessments.

The Board of Directors for your community may want to propose another option of funding to the members of the association, a Special Assessment. A Special Assessment is an assessment that is not typically collected unless there are circumstances that demand attention in which the association cannot fund based on the current reserve funds available. This is typically a onetime contribution and is for a specific purpose. Most governing documents require a voting process to take place of all members.

It is recommended that the community budget for investments such as CD's or government Bonds for long term financial planning and use interest earning accounts for reserves and other accounts that hold association monies.



## OPERATING EXPENSES FOR THE COMMUNITY ASSOCIATION

Your community has an operating account, which is funded from assessments, for the operation of its ongoing expected costs. These costs are typically budgeted for, on an annual basis creating the Annual Budget, and are a tool used and approved by the Board of Directors and maintained by your community management company. This budget covers expected expenses that are supposed to meet your community's needs and some examples are listed below and are not accounted for in the reserve study;

1. **Utilities – Water, Electricity, Phone, Cable TV, Natural Gas** for the use of landscape, pools or water features, clubhouse kitchen and bath facilities, entry gates, lighting, irrigation controllers, or any other common use for utilities that is the responsibility of the HOA. This may include water or sewer for individual units as well.
2. **Contracted Services**- Landscape Maintenance, Pool Maintenance, Play structure Maintenance and Cleaning, Pest Control, Security, street sweeping, Electrical Gate services, Fire Services, maid/ cleaning services, backflow testing, and any other service specific to your community's needs that are contracted and are an expected reasonable cost.
3. **Professional Services**- Insurance, Taxes, Legal Services, Banking services, reserve studies, Administrative services and supplies, and accounting services are all examples of expected professional service costs.
4. **Minor maintenance repairs** – Your annual budget should have some provisions for minor expected maintenance repairs to the assets your association is responsible for. A few examples are sprinkler heads and valves, tree stakes, pool chemicals, pre-emergent and post emergent, supplies for restroom facilities and clubhouses, etc.

There may be some things in your community that are not included in the annual operating budget or in the reserve study because they are not an actual asset of the association. Some examples are **publicly maintained** streets, curb and concrete sidewalks, streetlights, water meters, and fire hydrants.

## RESERVE EXPENSES FOR THE COMMUNITY ASSOCIATION

These expenses are major and must be quantified and prepared for far in advance to ensure the funds will be available when needed. These expenses are not regular in comparison to the operating budget and are based on the projected life expectancy of the asset or the condition of the asset and its need for repair or replacement.



## **HOW TO USE THE ASSET DESCRIPTION EVALUATION AND CASHFLOW**

This next portion of the report is the description and evaluation of each significant asset in your community that would require future savings for maintenance and repair. This section will detail the quantity of units, current cost of assets and the cost to maintain or replace as needed for the 30 year projection including the forecasted annual increases. This portion works together with the 30 Year Financial Projection Cash Flow portion and the Maintenance Summary Schedule.

### **MAINTENANCE SUMMARY SCHEDULE**

This portion of the document tells you what work will need to be done each year for the 30 year projection.

### **30 YEAR FINANCIAL PROJECTION CASH FLOW**

This part of the document shows you how much your community will spend on maintenance or replacement of each component listed, each time throughout the 30 year projection. At the end of each row, you will find a total for all monies to be spent on each asset. At the end of each column, you will see how much money is to be spent each year and the last column will be the 30 year total of needed dollars.

### **DESCRIPTION AND EVALUATION OF ASSETS**

The unit pricing for the components in this Reserve Study/ Update are based on actual cost provided by local Contractors and Vendors that service the Maricopa County/ Pinal County Area. In some cases, online resources are used for electrical and pool equipment. The unit costs are based on an average of high and low bids providing the ability to choose vendors and contractors that are reputable in quality and service. All quantities are based on a site inspection of visible and accessible assets unless plans are available for takeoff purposes.

As you read this portion of the analysis, you will notice the term “expected useful life”. The expected useful life of any asset may be determined by the manufacturer or an industry standard of acceptance. This may also be adjusted based on the expectations of the Members of the Homeowner’s Association, by the actual use or improper use of the asset, exposure to the elements, how it was engineered and constructed, and most importantly how it is maintained. It is more cost efficient to maintain and make small repairs than to replace.

We recommend that your community hires a third party to inspect your assets at a minimum of one time per year to ensure that maintenance is being conducted to avoid significant costs when they might have been avoided. This is a service we can provide for your community at a value.

**NOTE: THERE IS A CONTINGENCY LINE ITEM IN THE RESERVE SCHEDULE, (SEE THE CASHFLOW FOR DETAILS), THAT IS SET IN PLACE FOR UNEXPECTED REPAIRS OR COST INCREASES THAT CAN NOT BE QUANTIFIED. THIS IS BASED ON A 30 YEAR FULLY FUNDED RESERVE BUDGET AT 0.25% OF THE TOTOAL BUDGET.**

<b>Asset #100</b>	<b>Mail Boxes</b>	<b>Quantity</b>	<b>CBU's</b>
<b>Constructed</b>	2006	<b>Current Cost to replace</b>	\$4,020.00
<b>Useful Life</b>	30 years	<b>Cost to replace 2036</b>	\$8,669.00
<b>Years Remaining</b>	26 years		
<b>Replacement</b>	2036		

As we could not find any identifying markings that would identify post office maintenance requirements we have assumed the Cluster Box units are the responsibility of the association. These boxes appear to be in good condition but we are not sure they are intended for external use as we could not open the boxes to see if weather barrier's are in place. Removal and disposal have been included in the replacement cost.

1 – 26 unit, one drop door, American Standard Cluster box @ \$1,650.00 each = **\$1,650.00**

1 – 4 Parcel American Standard Cluster box @ \$1,120.00 each = **\$1,120.00**

1 – 24 unit 2 Parcel American Standard Cluster boxes @ \$1,250.00 each = **\$1,250.00**



Asset #101	Dry Wells	Quantity	2
Constructed	2006	Current Cost to Maintain	\$3,000.00
Useful Life	NA	Cost to maintain 2012	\$3,183.00
Years Remaining	NA	Cost to maintain 2016	\$3,582.00
Replacement	NA	Cost to maintain 2020	\$4,032.00
		Cost to maintain 2024	\$4,538.00
		Cost to maintain 2028	\$5,107.00
		Cost to maintain 2032	\$5,748.00
		Cost to maintain 2036	\$6,470.00

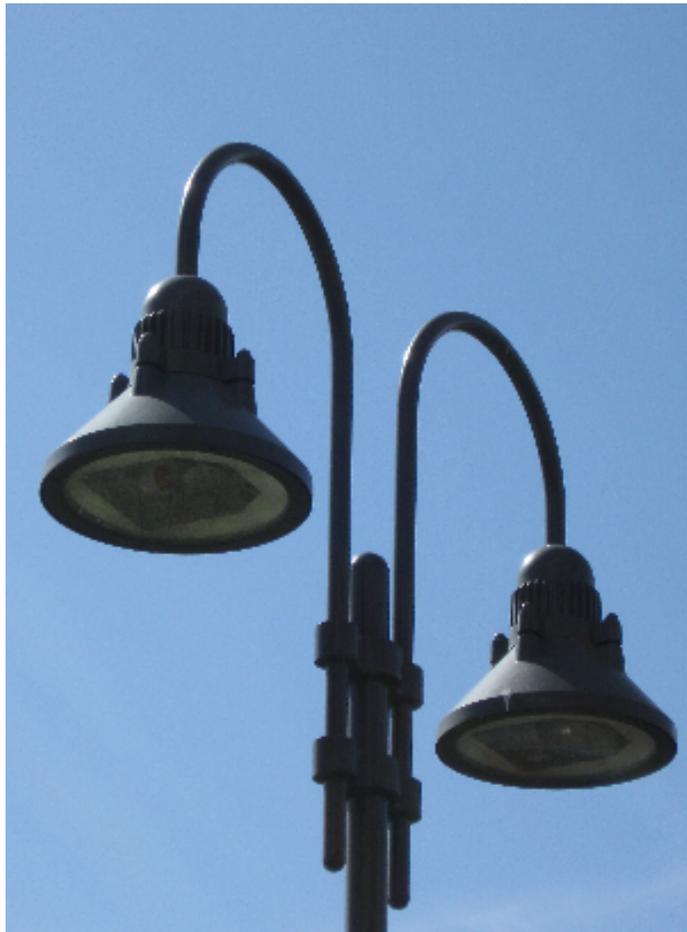
The Maxwell IV Dual Chamber systems that are in your community should last the life of your community and not need replacement. They were designed and installed by Torrent Resources, 602-268-0785. Torrent Resources is currently offering free inspections, Per Neva Andrada at Torrent Resources. The current cost to replace the drywells are 2 units at \$20,000.00 each totaling \$40,000.00. It is recommended that the drywells are inspected annually and cleaned/ repaired as needed. The maintenance funding provided is estimated at a current need of \$3,000.00 every 4 years starting in 2012 with the adjusted inflation estimate. When considering adding a drywell due to slow percolation, please make sure the dry wells you have are properly cleaned out before making the decision to spend thousands of dollars. In most cases the dry wells have a 2" ,or more, clay build up which can slow or stop the drywell from performing its intended duties and a simple cleaning can take care of the problem.



<b>Asset #114</b>	<b>Street Lighting Fixtures</b>	<b>Quantity</b>	<b>(See Below)</b>
<b>Constructed</b>	2006	<b>Current Cost to replace</b>	\$25,760.00
<b>Useful Life</b>	10 years	<b>Cost to Replace 2016</b>	\$30,759.00
<b>Years Remaining</b>	6 years	<b>Cost to Replace 2026</b>	\$41,337.00
<b>Replacement</b>	2016, 2026 and 2036	<b>Cost to Replace 2036</b>	\$55,554.00

These components light the parking area and court yard. They have a useful life of 6 to 15 years depending on elemental exposure and use. The poles have not been figured in for replacement as they should last much longer than the time frame in this report.

28 KIM Brand Era Series Model RA 25 Light fixtures @ \$917.00 each total = **\$25,760.00**



<b>Asset #114A</b>	<b>Pathway Lighting</b>	<b>Quantity</b>	<b>28</b>
<b>Constructed</b>	2006	<b>Current Cost to replace</b>	\$14,280.00
<b>Useful Life</b>	10 years	<b>Cost to Replace 2016</b>	\$17,051.00
<b>Years Remaining</b>	6 years	<b>Cost to Replace 2026</b>	\$22,915.00
<b>Replacement</b>	2016, 2026, 2036	<b>Cost to Replace 2036</b>	\$30,796.00

28 – 42 Watt Fluorescent KIM product Model SL 1 Dark Bronze low area lights removed and replaced at \$510.00 each totaling \$14,280.00

We have estimated these components to have a useful life of 10 years based on exposure. These components can last longer than the 10 year estimation providing they are not damaged by willful or un-willful acts.



<b>Asset #118</b>	<b>Concrete Components</b>	<b>Quantity</b>	<b>See Below</b>
<b>Constructed</b>	2006	<b>Current Cost to Maintain</b>	\$5,087.00
<b>Useful Life</b>	15 year Maintenance Schedule	<b>Cost to Maintain 2021</b>	\$7,042.00
<b>Years Remaining</b>	11 years	<b>Cost to Maintain 2036</b>	\$10,971.00
<b>Replacement</b>	20121 and 2036		

5,596 square feet of concrete sidewalk @ \$6.00 each = **\$33,576.00**

2,100 lineal feet of concrete curb, rolled and vertical, @ \$17.95 each = **\$37,695.00**

2,900 square feet of colored stamped concrete @ \$10.50 each = **\$30,450.00**

**TOTAL: \$101,721.00 at 5% = \$5,086.50**

The sidewalks have some minor cracks that are within the Maricopa Associated Government (MAG) standards of acceptance and these types of cracks are to be expected. As this product has a useful life that should last the life of the community, the dollars reflected in the reserve study are typically for maintenance and upkeep every **15 years** (at **5%** of the full replacement cost). It should be expected that any safety hazards be repaired immediately. We strongly recommend that an inspection of this asset be performed by a professional no less than one time per year. This is a service we offer and will provide for you with a detailed report, photos of the necessary repairs, and proposals for the replacement or repair. We recommend that a minimum of 410 square feet of concrete be removed and replaced at any one time as the concrete material providers charge a 5 cubic yard minimum delivery charge to the contractors. 410 square feet at 4" depth is 5 cubic yards, thus maximizing the use of your funds.



<b>Asset #119</b>	Irrigation Controllers	Quantity	<b>1</b>
<b>Constructed</b>	2006	<b>Current Cost to replace</b>	\$1,700.00
<b>Useful Life</b>	12 Years	<b>Cost to Replace 2018</b>	\$2,154.00
<b>Years Remaining</b>	6 years	<b>Cost to Replace 2030</b>	\$3,070.00
<b>Replacement</b>	2016, 2028		

This component appears to be in good condition and has a useful life ranging from 8 to 15 years depending on use and exposure. We have estimated the useful life of this component to be 12 years. This component along with all landscape components were originally installed by Desert Systems Landscape, a company that is no longer in business. A former employee was the source of the information.

1 - 40 Station Hunter ICC Series Controller, Installed **\$1,700.00**

**This Price includes removal, replacement, valve ID and reprogramming.**

This component controls the electric landscape valves.



<b>Asset #120</b>	<b>Backflow Preventer</b>	<b>Quantity</b>	<b>See Below</b>
Constructed	2006	Current Cost to replace	\$1,160.00
Useful Life	15 Years	Cost to Replace 2021	\$1,606.00
Years Remaining	11 Years	Cost to Replace 2036	\$2,502.00
Replacement	2021 and 2036		

1 - Febco 1.5" 825 YA Backflow devices @ \$980.00 each = **\$1,160.00**

These prices include removal of expired backflow preventer component, replacement, and testing. The backflow component facilitates water for the landscape irrigation but primarily functions as a safety device that does not allow water to backflow into the potable water system.

We encourage your community to install a protective cage as Backflow Preventers are frequently stolen for their brass and copper value. The average price, to include a concrete pad and locks should not exceed \$1,000.00.



<b>Asset #123</b>	<b>Granite Replenishment</b>	<b>Quantity</b>	<b>NA</b>
<b>Constructed</b>	2006	<b>Current Cost to Maintain</b>	\$1,320.00
<b>Useful Life</b>	NA	<b>Cost to Maintain 2011</b>	\$1,360.00
<b>Years Remaining</b>	NA	<b>Cost to Maintain 2016</b>	\$1,576.00
<b>Current Unit Cost</b>	\$60.00 per ton	<b>Cost to Maintain 2021</b>	\$1,827.00
		<b>Cost to Maintain 2026</b>	\$2,118.00
		<b>Cost to Maintain 2031</b>	\$2,456.00
		<b>Cost to Maintain 2036</b>	\$2,847.00

We recommend replenishing 22 tons every 5 years based on the size and use of the community. Please make sure to coordinate with your landscape maintenance company to ensure any granite replenishment/ replacement is completed prior to any scheduled pre-emergent application to avoid additional chemical charges. We do recommend the association ask the landscaper to provide samples for the board’s approval prior to the purchase of the granite material ensuring the same material is being used.

22 tons X \$60.00 = **\$1,320.00**



<b>Asset #125</b>	<b>Masonry Wall</b>	<b>Quantity</b>	<b>Sq Ft</b>
Constructed	2006	Current Cost to Repair	\$16,875.00
Useful Life	NA	Cost to Repair 2026	\$27,079.00
Years Remaining	16 Years		
Repairs	25% every 20 years		

We recommend that 25% of the replacement cost be used for maintenance purposes every 20 years based on the age of the community. The total replacement cost is based on 100% of the masonry block, paint, removals and disposal of removed material. The wall components should last the life of the community as long as they are maintained as needed. Please look at the photo below as it would suggest the Tree in the picture needs to be either trimmed or removed in the future.

Approximately 900' of 6' Theme wall 8" X 6" X 16" colored block @ \$75.00 / lf = **\$67,500.00**

TOTAL replacement = \$.00 LESS 75% = **\$16,875.00**



<b>Asset #126</b>	Wrought Iron Replacement	<b>Quantity</b>	See Below
<b>Constructed</b>	2006	<b>Current Cost to replace</b>	\$7,300.00
<b>Useful Life</b>	20 years	<b>Cost to Replace 2026</b>	\$11,714.00
<b>Years Remaining</b>	16 years		
<b>Replacement</b>	2026		

Approximately 140' of 6' fence @ \$46.00 each = **\$6,440.00**

2 - 4' X 60" Gate @ **\$430.00 = \$860.00**

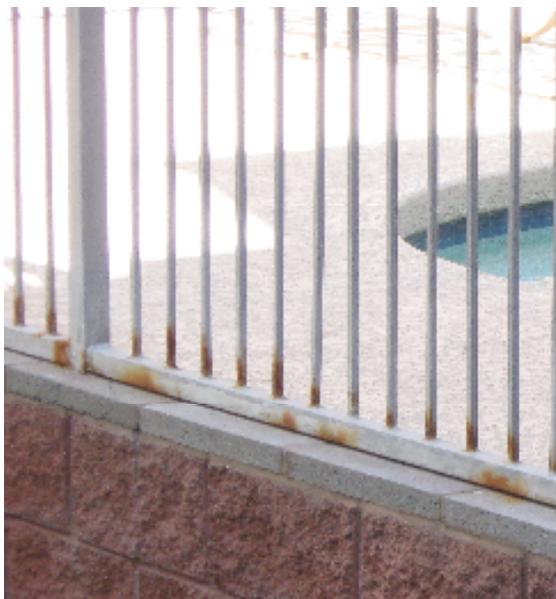
Approximately 340' of 36" 9 rung fence **UNFUNDED As it should last the life of the community providing it is properly maintained and used.**

We have only provided future replacement funds in the reserve study for the 6' wrought iron at the pool area. When reinstalled, please ensure the contractor allows enough room for moisture to freely pass under the bottom rail in an effort to preserve the iron and prohibit rust as much as possible. It may be in the associations interest to speak with the builder and correcting the immediate deficiency.

Wrought iron components appear to be in good condition and appear to have been maintained on a scheduled or as needed basis. Providing that this component is inspected, cleaned and painted on a minimum 4 year reoccurrence, (Best Practice is on an as needed basis).

**Improper use, such as climbing, vehicle damage or vandalism will contribute to the degradation of this component. We recommend that these components be inspected by a professional on an annual basis to ensure appropriate maintenance is being scheduled.**

**Pool Area Fence**



**Unfunded Fence**



<b>Asset #128</b>	<b>Paint Iron Components</b>	<b>Quantity</b>	<b>(See Below)</b>
<b>Last Painted</b>	Unknown	<b>Current cost to paint</b>	\$7,138.00
<b>Useful Life</b>	5 Years	<b>Cost to paint 2011</b>	\$7,352.00
<b>Years Remaining</b>	1 Years	<b>Cost to paint 2016</b>	\$8,523.00
<b>Current Unit Price</b>	See Below	<b>Cost to paint 2021</b>	\$9,881.00
		<b>Cost to paint 2026</b>	\$11,454.00
		<b>Cost to paint 2031</b>	\$13,279.00
		<b>Cost to paint 2036</b>	\$15,394.00

25 Light Poles @ \$150.00 each = **3,750.00**

400 LINEAL FEET @ \$6.50 each = **\$2,600.00**

150 LINEAL FEET @ \$5.25 each = **\$787.50**

The painting of this component is based on electrostatic painting (Recommended) and includes removal of rust and primer coat for the rusted areas. If the HOA decides not to electrostatic paint or remove the rust the unit cost will be **\$0.42** dollars per sq ft reducing the price measurably. We are recommending that this component be painted every 4 years in an effort to extend the life of this very expensive asset beyond the 30 year projection. The 6' Iron fence is scheduled for replacement 1 times I the next 30 years.



<b>Asset # 206</b>	<b>Asphalt Seal Coat/ Crack Seal</b>	<b>Quantity</b>	<b>3,680 sq yards</b>
Last Sealed	Assumed 2009	Current Cost to replace	\$10,439.00
Useful Life	4 years standard( As needed, Best)	Cost to replace 2013	\$11,407.00
Years Remaining	2	Cost to Replace 2017	\$12,839.00
Current Unit Cost	\$1.05 per square yard	Cost to Replace 2021	\$14,450.00
		Cost to Replace 2025	\$16,264.00
		Cost to Replace 2029	\$18,305.00
		Cost to Replace 2033	\$20,602.00
		Cost to Replace 2037	\$23,188.00

Sealants and Crack Sealants can last up to 4 years but may be adjusted based on the use and exposure of the streets, and the type of slurry used. We highly recommend the use of Master Seal Asphalt Emulsion for the seal coat as these products last longer than other types of sealants. We also recommend crack seal for all curbs, utility adjustments and valley gutters, where the asphalt meets the concrete and any alligator cracking in the asphalt that is visible. This will prevent moisture from penetrating in to the sub-grade and prevent asphalt movement and excessive cracking. These numbers include the cleaning of the roads 2 times prior to the application. Rain or excessive humidity will delay drying time. We have the seal coat budgeted in for 2032 as the new asphalt will need this to happen within the first year for best maintenance practices. We have adjusted the numbers to reflect the use of a **fog seal** and minimal crack fill, mostly for utility adjustments in the road.

Approximately 3680 SQ YDS of Master Seal MTR @ \$1.05 per LF = **\$3,864.00**

Approximately 6000 LF of crack Seal @ \$0.40 per LF = **\$2,400.00**

Estimated Asphalt repairs prior to seal coat = **\$1,000.00**

Professional Contracting and inspection Services = **\$1,450.00**

1 – ADA stalls painted at \$450 Each = **\$1,350.00**

15 Parking Stalls painted at \$25.00 each = **\$375.00**

**TOTAL = \$10,439.00**



<b>Asset # 208</b>	<b>Asphalt Mill &amp; Overlay</b>	<b>Quantity</b>	<b>3680 sq yards</b>
<b>Constructed</b>	2006	<b>Current Cost to replace</b>	\$88,016.00
<b>Useful Life</b>	30 years	<b>Cost to Resurface 2036</b>	\$189,815.00
<b>Years Remaining</b>	26 years		
<b>Resurface</b>	2036		

Asphalt typically has a 20 to 30 year useful life before an overlay will be necessary. This is determined on how the asphalt was designed and built, and how well the asphalt has been maintained and the exposure and use of this component. We have assessed the useful life of this component to be 28 years based on the current condition and minimal use. By the overlay process, the asphalt’s useful life could be extended another 30 years depending on use, exposure, and maintenance practices. It will be necessary to adjust the manholes, sewer clean out ports, and water valve adjustments as a result of the inverted crown your asphalt has for drainage purposes. **Traffic control and water use are included.** We highly recommend the use of a Survey company for locating the wet utility adjustments need to be removed and replaced and for drainage purposes on the finish elevation of the asphalt. We further recommend the use of a Geotechnical Firm to for material samples and density testing of the finished product to ensure the asphalt is being installed per municipal specifications ensuring the product and workmanship provided by the contractor. The overlay is to be a minimum of 1.5” to ensure the product reaches the required density without unraveling or falling apart during the rolling process.

3680 sq. yd. of 2” overlay of asphalt @ \$12.70/ sq yd = **\$46,736.00**

6 - 4’ Manholes with Covers (including removals)@ \$400.00 each = **\$2,400.00**

6 - Water Valve Adjustments (including removals)@ \$325.00 each = **\$1,950.00**

96 - 4” Bullhorn Sewer Clean-out Adjustments (including removals)@ \$100.00 each = **\$9,600.00**

6- Standard COS Detail Speed Bumps @\$1,100.00 Each =**\$6,600.00**

2 - Fire Hydrant Markers @ \$25.00 each = **\$50.00**

24 – Electrical box adjustments @ \$270.00 each = **\$6,480.00**

Survey Services Estimated at **\$5,200.00**

Geotechnical Services Estimated at **\$6,700.00**

Contract and Construction Management Estimated at **\$2,300.00**

**TOTAL = \$110,300.00**

**We highly recommend that the HOA hire a third party to manage and inspect the mill and overlay process. This is a service we can provide but there are many qualified agencies to choose from.**

**ALL ASPHALT PRODUCTS, WITH THE EXCEPTION OF POLYMER BASED MATERIALS, ARE PETROLEUM BASED PRODUCTS AND PRICING IS SUBJECT TO CHANGE DAILY AS A RESULT OF THE CURRENT MARKET AND AVAILABILITY OF OIL.**

**THE ROADS ARE THE MOST EXPENSIVE ASSET THE ASSOCIATION OWNS AND IT IS ABSOLUTELY CRITICAL THAT THIS ASSET BE MAINTAINED AS NEEDED TO ENSURE THE COMMUNITY VALUE, SAFETY, ACCESS, AND PROPER WORKINGS OF THE WET UTILITIES THAT THE ROADS COVER.**

**Asphalt Milling**



**Asphalt Placement**



**Sewer Manhole**



**Water Valve Adjustment**



**Sewer Bullhorn**



**Fire Hydrant Marker**



<b>Asset #301</b>	<b>Pool / Spa Resurfacing</b>	<b>Quantity</b>	<b>1890 Sq Ft</b>
<b>Constructed</b>	Assumed 2006	<b>Current Cost to Resurface</b>	\$3,730.00
<b>Useful Life</b>	(6) 40 years	<b>Cost to Resurface 2012</b>	\$3,957.00
<b>Years Remaining</b>	Assumed (3) and (9) years	<b>Cost to Resurface 2018</b>	\$4,725.00
		<b>Cost to Resurface 2024</b>	\$5,642.00
		<b>Cost to Resurface 2030</b>	\$6,737.00
		<b>Cost to Resurface 2036</b>	\$8,044.00

The pool surface appears to be in good condition. Typically resurfacing is done every 5 to 6 years and plaster replacement every 40 years. Depending on many different factors such as element exposure, use, chemical applications, etc the useful life of this component increase or decrease. As we do not know the when the last time the pool was resurfaced we are giving this component a useful life of 3 years until the next application in 2013 and a replacement in 2044.

Approximately 1300 sq ft of plaster replacement @ \$5.91 per sq ft = **\$7,683.00 NOT FUNDED**

Approximately 150' tile @ \$2.90 per ft = **\$435.00 NOT FUNDED**

Approximately 1300 sq ft of resurface @ \$2.10 per sq ft = **\$3,730.00**

**Prep for Replacement**

**Resurfacing**



<b>Asset #303</b>	<b>Pool Heater Replace</b>	<b>Quantity</b>	<b>2</b>
<b>Constructed</b>	2006 (2009)	<b>Current Cost to Replace</b>	\$5,190.00
<b>Useful Life</b>	7 years	<b>Cost to Replace 2015</b>	\$6,017.00
<b>Years Remaining</b>	5 years	<b>Cost to Replace 2022</b>	\$7,400.00
		<b>Cost to Replace 2029</b>	\$9,101.00
		<b>Cost to Replace 2036</b>	\$11,193.00

The pool heaters appear to be in GOOD condition but were not running at the time of inspection. We contacted Water's Edge Pools to get specific information regarding replacement. This component has a useful life that averages from 7 to 12 years depending on frequency of use, exposure and maintenance practices.

1 Pentair Mini Max NT Standard, 200,000 BTU Pool Heater @ \$1,990.00 each =**\$2,410.00**

1 Pentair Mini Max NT Standard, 400,000 BTU Pool Heater @ \$2,510.00 each =**\$2,780.00**

**It has been brought to our attention that the spa heater was recently replaced and the cause was considered to be vandalism. We were also informed that the pool heater is being shut off during the winter. We would normally not fund the pool heater in this case, but due to the immeasurable life expectancy due to alleged vandalism we will fund all components. We have also adjusted the next replacement, 2015, based on the info provided by Water's Edge.**



<b>Asset #306</b>	Pool / Spa Filter Replace	<b>Quantity</b>	<b>1</b>
<b>Constructed</b>	Assumed 2006	<b>Current Cost to replace</b>	\$2,450.00
<b>Useful Life</b>	13 years	<b>Cost to Replace 2017</b>	\$3,013.00
<b>Years Remaining</b>	9 years	<b>Cost to Replace 2030</b>	\$4,425.00
<b>Replacement</b>	2017 and 2029		

The pool filter upon inspection appears to be in very good working order. The size is a 4.9 sq ft and recommended and alternate brand as a result. Filters can last anywhere from 8 to 20 years depending on use, exposure, proper maintenance, etc. This component was estimated with a useful life 13 years.

1 Triton TR 100 Sand Pool Filter @\$1,550.00

1 Triton TR 140 Sand Pool Filter @\$1,900.00

**The unit pricing includes removal and replacement.**



<b>Asset #314</b>	Cool Deck	<b>Quantity</b>	<b>1100 sq ft</b>
<b>Constructed</b>	2006	<b>Current Cost to Resurface</b>	\$7,370.00
<b>Useful Life</b>	15 years	<b>Cost to Resurface 2021</b>	\$.00
<b>Years Remaining</b>	11 years	<b>Cost to Resurface 2036</b>	\$.00
<b>Current Unit Cost</b>	\$6.70/ sq ft		

We conducted a site visit as part of this reserve study and found the cool deck to be in good condition with the exception of a few areas that were showing signs of wear but is in over all, good condition . As we do not know when the last resurfacing was done, we are estimating 2002 based on the current condition and using the maximum useful life of 15 years based on examples of other communities with

We estimated 1100 sq ft @\$6.70 / sq ft = **\$7,370.00**

Grinding = \$3.00/ sq ft new deck = \$3.50 / sq ft crack seal slab= \$0.20/ sq ft **TOTAL \$6.70/ sq ft**



<b>Asset #317</b>	<b>Pool Furniture Replace</b>	<b>Quantity</b>	<b>See Below</b>
<b>Constructed</b>	Assumed 2006	<b>Current Cost to replace</b>	\$1,690.00
<b>Useful Life</b>	8 years	<b>Cost to Replace 2014</b>	\$1,902.00
<b>Years Remaining</b>	4 years	<b>Cost to Replace 2022</b>	\$2,410.00
		<b>Cost to Replace 2030</b>	\$3,052.00
		<b>Cost to Replace 2038</b>	\$3,867.00

The pool furniture appears to be in good working condition at the time of the inspection. We have provided a funding plan to replace the furniture components every 8 years as these components are stored outside and exposed to the elements. Based on the current condition of these components we have estimated they were replaced in 2008 as we have no other information to go on. In reality, the metal tables may not need to be replaced if they are maintained and regularly.

1 PVC banded, metal framed Lounge chairs @ \$240.00 each = **\$240.00**

5 PVC banded, metal framed Sitting chairs @ \$140.00 each = **\$800.00**

1 18" Stone/ iron low table @ \$200.00 each = **\$200.00**

1 36" Stone/ iron table @ \$450.00 each = **\$450.00**



**PROFESSIONAL SERVICES/ CONTRACTOR/ VENDOR LIST**

The professionals, contractors and vendors listed below are reputable professionals and contributed to the development of this report by providing current material and labor costs for their specific fields of expertise( with the exception of professional services.) These professionals are being listed for your convenience and in an effort to provide you actual costs of the repair and replacement of your assets. This is a free service to your community as part of the reserve study and there are no compensations provided to Arizona reserve Services, LLC by any of the services listed in this directory.

**PROFESSIONAL SERVICES**

**Civil Engineering;**

M2 Group Inc.....Jose Montoya.....480-539-7497

**Financial/ Investments;**

Wachovia Securities.....Thomas Griffin.....1-800-833-3405

**Geotechnical Services;**

Construction Inspection Testing (CIT).....480-446-9876

Geotechnologies Inc (GTI).....Dr. Peter Fleming.....480-922-2899

**Legal;**

Mulcahy Law Firm .....Beth Mulcahy Esq./ Kristen Rosenbeck Esq. ....602-241-1093

The Law Firm of John Chaix.....John Chaix.....602-235-9399

Shaw & Lines.....Augustus Shaw.....480-456-1500

**Survey;**

EPS Group Inc.....Brandyn Jones.....480-503-2250

Jack Johnson and Associates.....Dave Ferguson.....480-214-0370

M2 Group Inc.....Jose Montoya.....480-539-7497

**ASSOCIATION CONSULTANT EXPERTS AND GENERAL CONTRACTORS**

John Wayne Construction.....David Dillon.....480-346-1270

**CONTRACTORS AND SERVICE PROVIDERS**

**Arborists;**

All Year Round tree Care..... Larry Brown.....602-647-4747  
AAA Landscape.....Jackie Hales .....602-437-2690  
Caretaker Inc.....Jim Potts.....480-545-9755

**Asphalt/ Slurry Seal;**

Western Paving.....Rob West.....623-580-7109  
F n F Construction.....Jose Castillo.....602-390-3383  
JSA Construction.....Zach Wilcox.....602-375-4104

**Automated Gate Services;**

Signature Gates.....Kori Malave.....602-695-6031

**Backflow Testing and Repair;**

Backflow Prevention Device.....Scott Brueckner.....602-788-5411

**Brick Pavers;**

Paver Dean.....Derek Lester.....480-969-4995

**Concrete;**

HW Johnson, LLC.....Paul Chapman .....602-447-8055  
Temcon Concrete.....Bobby Bernal Sr.....480-893-1789

**Dry Well Maintenance, Repair, and Replacement;**

Torrent Resources.....Neva Andrade.....602-268-0785

**Handy Man Services;**

Caretaker Inc.....Jim Potts.....480-545-9755  
New Look Restoration.....Bill Sykes.....602-697-6200

**Landscape Construction;**

Gothic Landscape.....Brent Kline.....602-470-1711  
Siteworks Landscape Development.....Mike Larsen.....480-820-1600

**Landscape Maintenance;**

Gothic Grounds Management.....Michael Scheidt.....602-305-3690  
AAA Landscape.....Jackie Hales .....602-437-2690  
Grounds Control.....Rita Chmiel.....602-304-0304  
Caretaker Inc.....Jim Potts.....480-545-9755

**Lighting/ Electrical;**

Brooks Brothers Electric.....Keef Brooks.....602-266-9499  
Cissell Electric.....Mark Cissell.....602-614-9466

**Masonry;**

Dean Fence and Gate..... Derek Lester.....480-969-4995  
Trinity Masonry .....Chip Rish.....602-757-7685

**Painting;**

Kommerical Painting Services.....Richard Bircher.....602-616-0107  
Wall Masters.....Dave McCarthy.....480-577-4604  
Dean Fence and Gate.....Derek Lester.....480-969-4995

**Pest Control;**

Bircher Exterminating Services.....Richard Bircher.....602-616-0107

**Play Structure, Tot Lots, Recreational Amenities Installation and Replacement;**

Desert Jewel & Associates.....Shanna Liles.....1-800-456-7903  
Recreation Design Concepts.....Jeffery Johnson.....480-890-8393  
Landscape Structures.....Kevin.....763-370-7264

**Play Structure, Tot Lots, Recreational Amenities Maintenance, Cleaning, and Repair;**

Tot Lot Services, Inc.....Richard Bircher.....602-616-0107

**Pool, Spa, and Water Feature Maintenance;**

Doctor Pool.....Tim Kempton.....480-343-5308

**Pool installation and Design;**

California Pools.....Paul Tipton.....480-345-0005

**Recreational Amenities- Basketball/ Tennis Courts**

Arizona Master Court.....480-990-4152

**Roofing;**

Sprayfoam Southwest.....Robert Timmons.....480-752-8550

**Security;**

Tin Star Protection.....Landon Rankin.....480-234-0550

**Sewer Services;**

The Pipeline Company.....Don Young.....602-768-3027

Southwest Pipeline.....Stanton White.....602-309-3544

Pipeline Video and Hydro Vac.....602-237-0292

**Stamped Asphalt;**

Creative Paving Solutions.....Mario Flores.....480-941-2766

**Windows, New Install and Replacement;**

Panoramic Windows.....Brian Dietsch.....602-363-3419

**Wrought Iron;**

Cactus Ornamental Iron.....Andy Alvis.....480-834-0774

Dean Fence and Gate.....Derek Lester.....480-969-4995

JBN Industries.....Bill Wallis.....480-239-9745

**Granite Material Providers**

Kalamazoo Materials.....Mike Price.....520-631-8268

**Irrigation Material Suppliers**

Sprinkler World of Mesa.....Kelly Cox.....480-892-5001

**Sign Manufacturers and Installers**

Sign World.....Todd Verley.....480-982-6696