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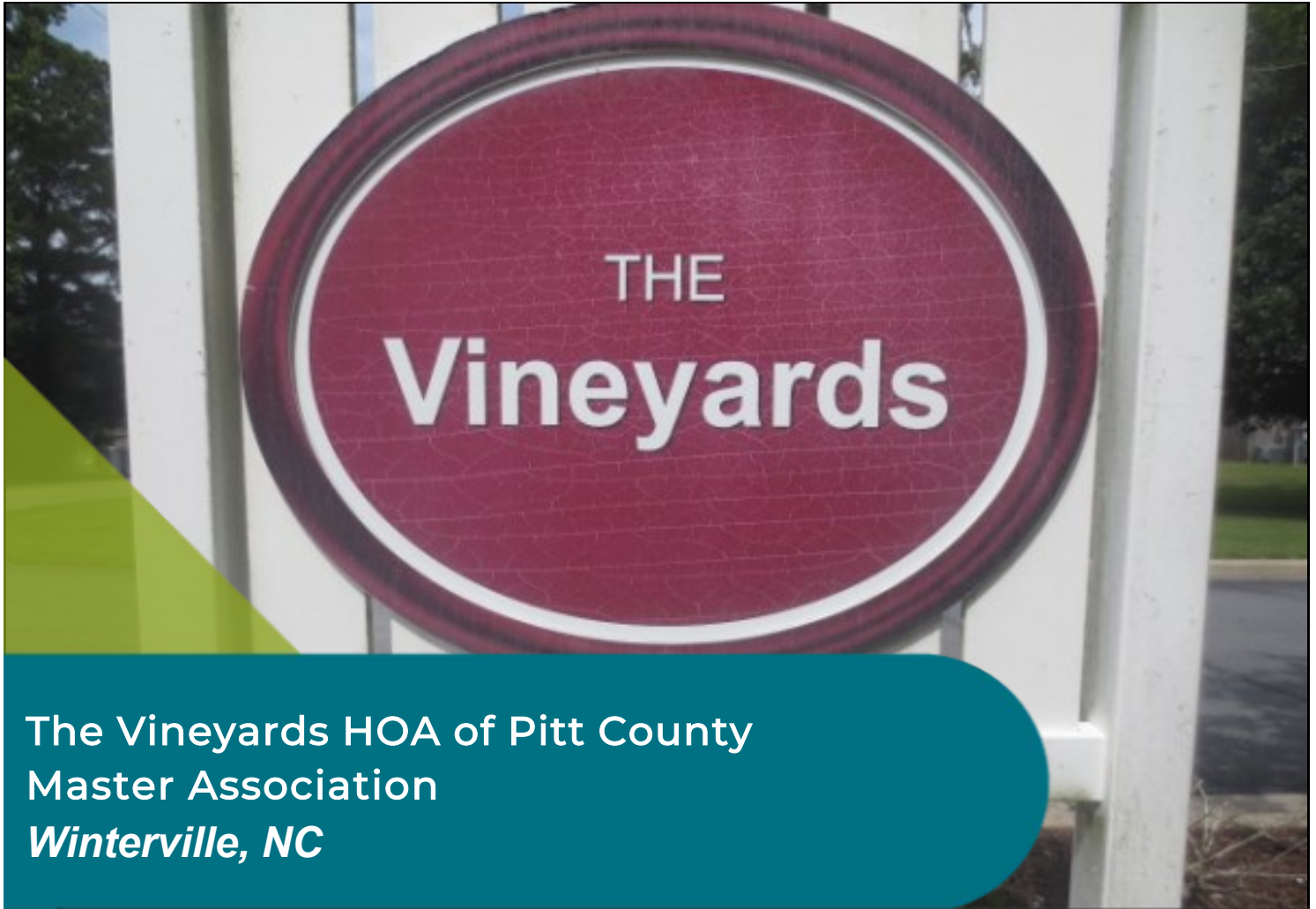
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The Vineyards HOA of Pitt County
Master Association
Winterville, NC



Report #: 37758-0
Beginning: January 1, 2023
Expires: December 31, 2023

RESERVE STUDY
"Full"

September 21, 2022

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 Vineyards HOA of Pitt County - Master Association
Winterville, NC
Level of Service: "Full"

Report #: 37758-0
of Units: 155

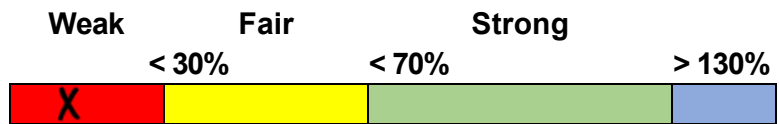
January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

Project Starting Reserve Balance	\$194,809
Currently Fully Funding Reserve Balance	\$1,691,800
Average Reserve Deficit (Surplus) Per Unit	\$9,658
Percent Funded	11.5 %
Recommended 2023 Fully Funding Contributions	\$46,500
Recommended 2023 Special Assessments for Reserves	\$155,000
Most Recent Reserve Contribution Rate	\$29,670

Reserve Fund Strength: 11.5%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	1.00 %
Annual Inflation Rate	3.50 %

This document is a "Full" Reserve Study which means created from scratch. Based on our site inspection we performed on 8/24/2022

This Reserve Study was prepared or overseen by a credentialed Reserve Specialist (RS). As of the start of the initial fiscal year shown in this study, your Reserve fund is determined to be 11.5 % Funded. Based on this figure, the Client's risk of special assessments & deferred maintenance is currently High. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where clients enjoy a low risk of such Reserve cash flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$46,500 in the upcoming fiscal year. Going forward, the contribution rate recommended here should be increased as illustrated on the 30-yr Summary Table. We are also recommending a special assessment of \$155,000 to build the reserve account to prepare the reserve account for the upcoming reserve projects.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Site and Grounds			
2107 Concrete Sidewalks - Repair	6	5	\$17,000
2123 Asphalt - Crack Seal/Repair	7	0	\$29,423
2125 Asphalt - Resurface	25	8	\$295,000
2151 Trash Enclosures - Replace	25	6	\$22,500
2169 Entry Sign - Refurbish/Replace	25	7	\$4,500
2185 Landscaping - Refurbish	30	13	\$95,000
2721 Mailboxes - Replace	25	7	\$21,000
3003 Bus Stop - Refurbish	30	31	\$17,000
Building Exteriors			
2139 Wood Fence - Replace	25	6	\$202,500
2356 Vinyl Siding (Phase 1) - Replace	40	21	\$496,500
2356 Vinyl Siding (Phase 2) - Replace	40	22	\$496,500
2356 Vinyl Siding (Phase 3) - Replace	40	23	\$496,500
2369 Window Shutters - Repaint	8	6	\$5,450
2369 Window Shutters - Replace	30	11	\$35,000
2381 Roof Phase 1 (Comp Shingle)-Replace	25	4	\$282,500
2381 Roof Phase 2 (Comp Shingle)-Replace	25	5	\$282,500
2387 Gutters/Downspouts- Replace	30	11	\$92,600

17 Total Funded Components

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

Introduction



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

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



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

Methodology



For this [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 four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total 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 fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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.*



FUNDING OBJECTIVES

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

Site Inspection Notes

During our site visit on 8/24/2022, we met with the property manager to tour the property and to discuss the upcoming reserve projects. We visually inspected all the buildings and were able to see most areas. There were no current issues reported to our team with any water intrusion from the roofs and building exteriors. The most important upcoming project are the roofs and it is recommended that annual roofing inspections occur to help locate any early signs of deterioration that could turn into a larger leak.



Projected Expenses

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

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

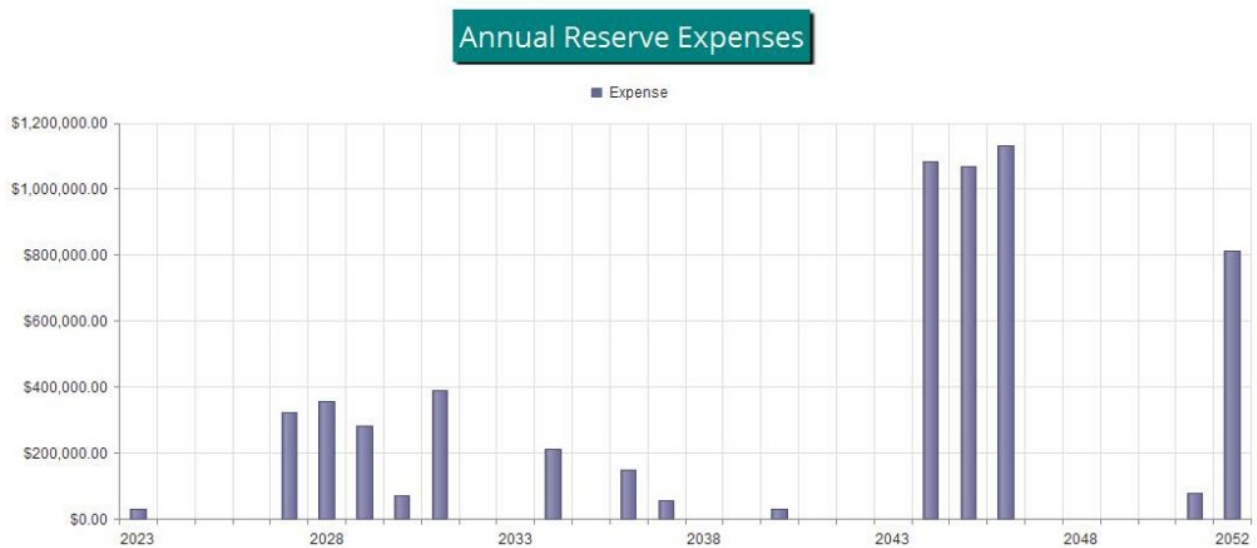


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$194,809 as-of the start of your Fiscal Year on 1/1/2023. As of your Fiscal Year Start, your Fully Funded Balance is computed to be \$1,691,800. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 11.5 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$46,500 this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

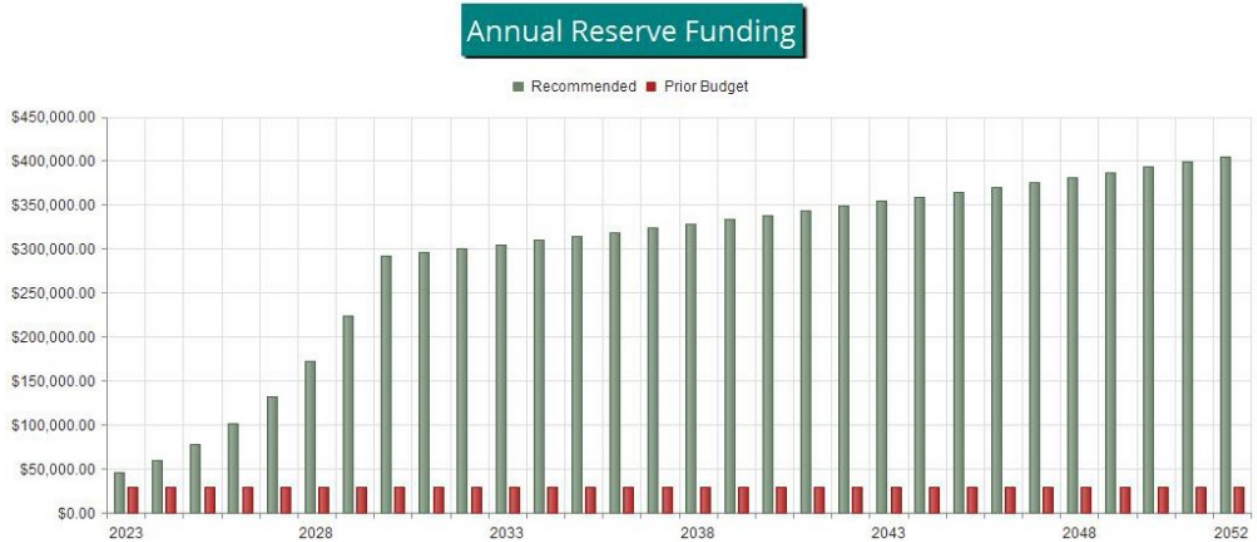


Figure 2

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

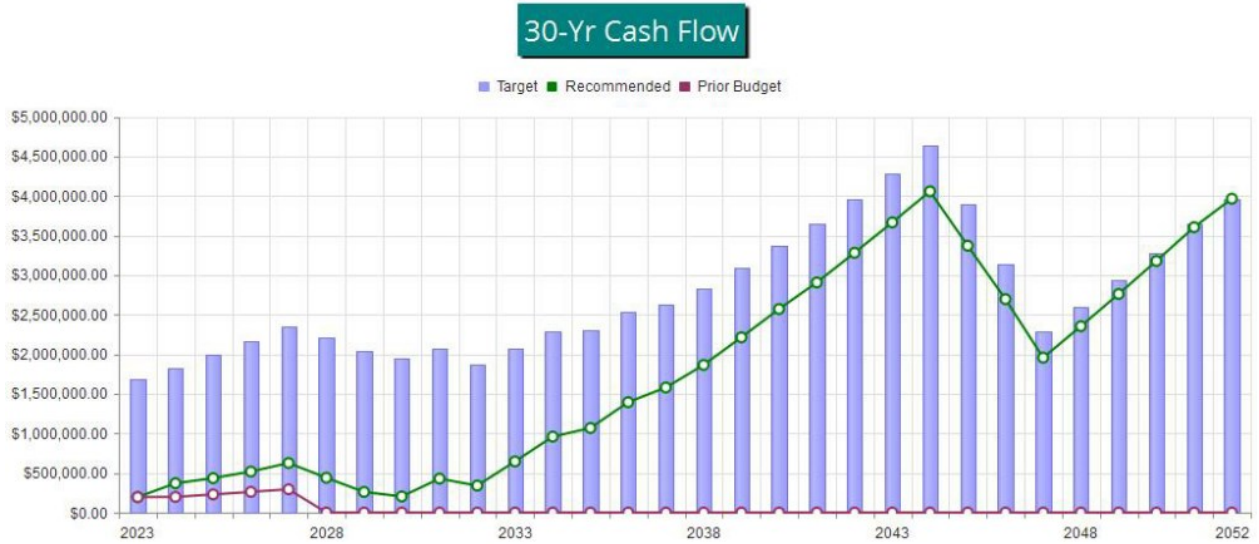


Figure 3

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

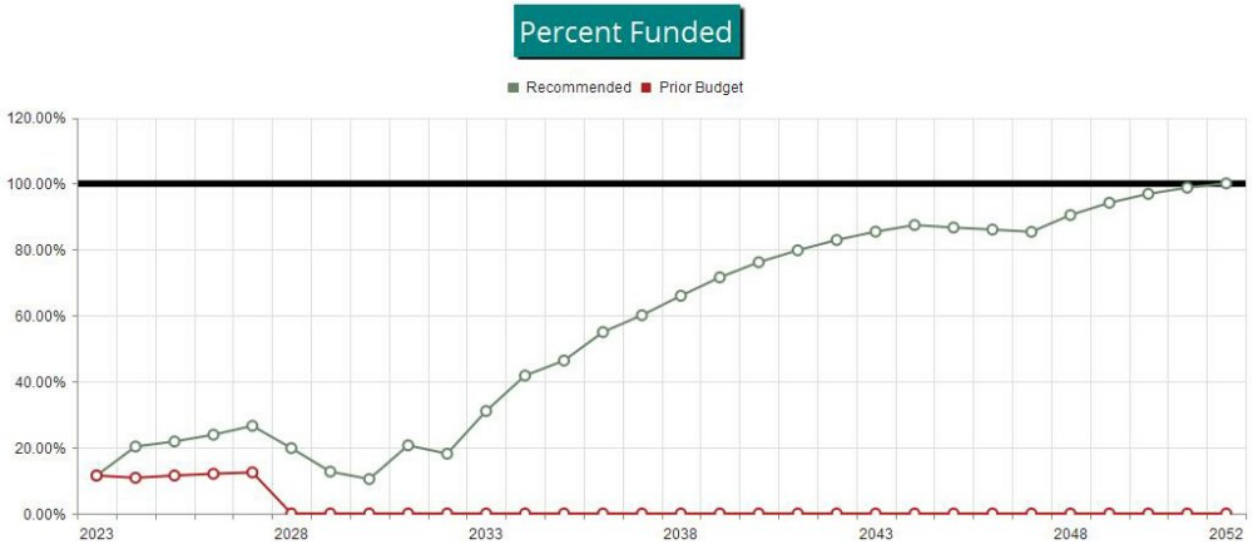


Figure 4



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.

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

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

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



	Useful Life		2023 Rem. Useful Life		Estimated Replacement Cost in 2023	2023 Expenditures	01/01/2023 Fully Funded Balance	Remaining Bal. to be Funded	2023 Contributions
	Min	Max	Min	Max					
Site and Grounds	6	30	0	31	\$501,423	\$29,423	\$322,149	\$472,000	\$11,696
Building Exteriors	8	40	4	23	\$2,390,050	\$0	\$1,369,651	\$2,224,664	\$34,804
					\$2,891,473	\$29,423	\$1,691,800	\$2,696,664	\$46,500
Percent Funded:								11.5%	

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
Site and Grounds					
2107	Concrete Sidewalks - Repair	Approx 31,570 GSF	6	5	\$17,000
2123	Asphalt - Crack Seal/Repair	Approx 15,340 GSY	7	0	\$29,423
2125	Asphalt - Resurface	Approx 15,340 GSY	25	8	\$295,000
2151	Trash Enclosures - Replace	(9) Enclosures	25	6	\$22,500
2169	Entry Sign - Refurbish/Replace	(1) Sign	25	7	\$4,500
2185	Landscaping - Refurbish	Numerous Areas	30	13	\$95,000
2721	Mailboxes - Replace	(10) Kiosks	25	7	\$21,000
3003	Bus Stop - Refurbish	(1) Allowance	30	31	\$17,000
Building Exteriors					
2139	Wood Fence - Replace	Approx 4,380 LF	25	6	\$202,500
2356	Vinyl Siding (Phase 1) - Replace	Approx 33% of 149,000 GSF	40	21	\$496,500
2356	Vinyl Siding (Phase 2) - Replace	Approx 33% of 149,000 GSF	40	22	\$496,500
2356	Vinyl Siding (Phase 3) - Replace	Approx 33% of 149,000 GSF	40	23	\$496,500
2369	Window Shutters - Repaint	(310) Shutters	8	6	\$5,450
2369	Window Shutters - Replace	(310) Shutters	30	11	\$35,000
2381	Roof Phase 1 (Comp Shingle)-Replace	Approx 50% of 122,000 GSF	25	4	\$282,500
2381	Roof Phase 2 (Comp Shingle)-Replace	Approx 50% of 122,000 GSF	25	5	\$282,500
2387	Gutters/Downspouts- Replace	Approx 10,540 LF	30	11	\$92,600
<hr/>					
17	Total Funded Components				

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Site and Grounds					
2107	Concrete Sidewalks - Repair	6	\$17,000	\$2,833	2.91 %
2123	Asphalt - Crack Seal/Repair	7	\$29,423	\$4,203	4.32 %
2125	Asphalt - Resurface	25	\$295,000	\$11,800	12.12 %
2151	Trash Enclosures - Replace	25	\$22,500	\$900	0.92 %
2169	Entry Sign - Refurbish/Replace	25	\$4,500	\$180	0.18 %
2185	Landscaping - Refurbish	30	\$95,000	\$3,167	3.25 %
2721	Mailboxes - Replace	25	\$21,000	\$840	0.86 %
3003	Bus Stop - Refurbish	30	\$17,000	\$567	0.58 %
Building Exteriors					
2139	Wood Fence - Replace	25	\$202,500	\$8,100	8.32 %
2356	Vinyl Siding (Phase 1) - Replace	40	\$496,500	\$12,413	12.75 %
2356	Vinyl Siding (Phase 2) - Replace	40	\$496,500	\$12,413	12.75 %
2356	Vinyl Siding (Phase 3) - Replace	40	\$496,500	\$12,413	12.75 %
2369	Window Shutters - Repaint	8	\$5,450	\$681	0.70 %
2369	Window Shutters - Replace	30	\$35,000	\$1,167	1.20 %
2381	Roof Phase 1 (Comp Shingle)-Replace	25	\$282,500	\$11,300	11.61 %
2381	Roof Phase 2 (Comp Shingle)-Replace	25	\$282,500	\$11,300	11.61 %
2387	Gutters/Downspouts- Replace	30	\$92,600	\$3,087	3.17 %
17	Total Funded Components			\$97,362	100.00 %

30-Year Reserve Plan Summary

Report # 37758-0
Full

Fiscal Year Start: 2023

Interest:

1.00 %

Inflation:

3.50 %

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		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2023	\$194,809	\$1,691,800	11.5 %	High	56.72 %	\$46,500	\$155,000	\$2,821	\$29,423
2024	\$369,708	\$1,820,744	20.3 %	High	30.00 %	\$60,450	\$0	\$4,018	\$0
2025	\$434,176	\$1,988,766	21.8 %	High	30.00 %	\$78,585	\$0	\$4,756	\$0
2026	\$517,517	\$2,166,320	23.9 %	High	30.00 %	\$102,161	\$0	\$5,712	\$0
2027	\$625,390	\$2,353,867	26.6 %	High	30.00 %	\$132,809	\$0	\$5,321	\$324,175
2028	\$439,344	\$2,216,366	19.8 %	High	30.00 %	\$172,651	\$0	\$3,494	\$355,712
2029	\$259,778	\$2,045,460	12.7 %	High	30.00 %	\$224,447	\$0	\$2,314	\$283,282
2030	\$203,257	\$1,947,725	10.4 %	High	30.00 %	\$291,781	\$0	\$3,157	\$69,877
2031	\$428,317	\$2,071,780	20.7 %	High	1.50 %	\$296,157	\$0	\$3,839	\$388,459
2032	\$339,855	\$1,874,932	18.1 %	High	1.50 %	\$300,600	\$0	\$4,924	\$0
2033	\$645,379	\$2,077,894	31.1 %	Medium	1.50 %	\$305,109	\$0	\$8,016	\$0
2034	\$958,503	\$2,292,766	41.8 %	Medium	1.50 %	\$309,685	\$0	\$10,124	\$211,112
2035	\$1,067,201	\$2,301,632	46.4 %	Medium	1.50 %	\$314,331	\$0	\$12,300	\$0
2036	\$1,393,832	\$2,534,459	55.0 %	Medium	1.50 %	\$319,046	\$0	\$14,859	\$148,576
2037	\$1,579,160	\$2,626,989	60.1 %	Medium	1.50 %	\$323,831	\$0	\$17,207	\$56,448
2038	\$1,863,751	\$2,823,625	66.0 %	Medium	1.50 %	\$328,689	\$0	\$20,374	\$0
2039	\$2,212,814	\$3,091,276	71.6 %	Low	1.50 %	\$333,619	\$0	\$23,906	\$0
2040	\$2,570,338	\$3,374,204	76.2 %	Low	1.50 %	\$338,623	\$0	\$27,369	\$30,509
2041	\$2,905,821	\$3,641,573	79.8 %	Low	1.50 %	\$343,703	\$0	\$30,918	\$0
2042	\$3,280,442	\$3,956,206	82.9 %	Low	1.50 %	\$348,858	\$0	\$34,707	\$0
2043	\$3,664,008	\$4,288,403	85.4 %	Low	1.50 %	\$354,091	\$0	\$38,587	\$0
2044	\$4,056,686	\$4,639,008	87.4 %	Low	1.50 %	\$359,402	\$0	\$37,118	\$1,083,101
2045	\$3,370,105	\$3,887,891	86.7 %	Low	1.50 %	\$364,793	\$0	\$30,314	\$1,069,912
2046	\$2,695,300	\$3,131,400	86.1 %	Low	1.50 %	\$370,265	\$0	\$23,246	\$1,132,840
2047	\$1,955,972	\$2,290,819	85.4 %	Low	1.50 %	\$375,819	\$0	\$21,537	\$0
2048	\$2,353,329	\$2,601,088	90.5 %	Low	1.50 %	\$381,457	\$0	\$25,558	\$0
2049	\$2,760,343	\$2,930,269	94.2 %	Low	1.50 %	\$387,178	\$0	\$29,675	\$0
2050	\$3,177,197	\$3,279,307	96.9 %	Low	1.50 %	\$392,986	\$0	\$33,892	\$0
2051	\$3,604,075	\$3,649,188	98.8 %	Low	1.50 %	\$398,881	\$0	\$37,823	\$77,092
2052	\$3,963,687	\$3,961,153	100.1 %	Low	1.50 %	\$404,864	\$0	\$37,773	\$812,207

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$194,809	\$369,708	\$434,176	\$517,517	\$625,390
Annual Reserve Funding	\$46,500	\$60,450	\$78,585	\$102,161	\$132,809
Recommended Special Assessments	\$155,000	\$0	\$0	\$0	\$0
Interest Earnings	\$2,821	\$4,018	\$4,756	\$5,712	\$5,321
Total Income	\$399,130	\$434,176	\$517,517	\$625,390	\$763,520
# Component					
Site and Grounds					
2107 Concrete Sidewalks - Repair	\$0	\$0	\$0	\$0	\$0
2123 Asphalt - Crack Seal/Repair	\$29,423	\$0	\$0	\$0	\$0
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2151 Trash Enclosures - Replace	\$0	\$0	\$0	\$0	\$0
2169 Entry Sign - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2185 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
2721 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
3003 Bus Stop - Refurbish	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
2139 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 1) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 2) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 3) - Replace	\$0	\$0	\$0	\$0	\$0
2369 Window Shutters - Repaint	\$0	\$0	\$0	\$0	\$0
2369 Window Shutters - Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 1 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$324,175
2381 Roof Phase 2 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2387 Gutters/Downspouts- Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$29,423	\$0	\$0	\$0	\$324,175
Ending Reserve Balance	\$369,708	\$434,176	\$517,517	\$625,390	\$439,344

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$439,344	\$259,778	\$203,257	\$428,317	\$339,855
Annual Reserve Funding	\$172,651	\$224,447	\$291,781	\$296,157	\$300,600
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,494	\$2,314	\$3,157	\$3,839	\$4,924
Total Income	\$615,490	\$486,539	\$498,194	\$728,314	\$645,379
# Component					
Site and Grounds					
2107 Concrete Sidewalks - Repair	\$20,191	\$0	\$0	\$0	\$0
2123 Asphalt - Crack Seal/Repair	\$0	\$0	\$37,434	\$0	\$0
2125 Asphalt - Resurface	\$0	\$0	\$0	\$388,459	\$0
2151 Trash Enclosures - Replace	\$0	\$27,658	\$0	\$0	\$0
2169 Entry Sign - Refurbish/Replace	\$0	\$0	\$5,725	\$0	\$0
2185 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
2721 Mailboxes - Replace	\$0	\$0	\$26,718	\$0	\$0
3003 Bus Stop - Refurbish	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
2139 Wood Fence - Replace	\$0	\$248,924	\$0	\$0	\$0
2356 Vinyl Siding (Phase 1) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 2) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 3) - Replace	\$0	\$0	\$0	\$0	\$0
2369 Window Shutters - Repaint	\$0	\$6,699	\$0	\$0	\$0
2369 Window Shutters - Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 1 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 2 (Comp Shingle)-Replace	\$335,521	\$0	\$0	\$0	\$0
2387 Gutters/Downspouts- Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$355,712	\$283,282	\$69,877	\$388,459	\$0
Ending Reserve Balance	\$259,778	\$203,257	\$428,317	\$339,855	\$645,379

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$645,379	\$958,503	\$1,067,201	\$1,393,832	\$1,579,160
Annual Reserve Funding	\$305,109	\$309,685	\$314,331	\$319,046	\$323,831
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,016	\$10,124	\$12,300	\$14,859	\$17,207
Total Income	\$958,503	\$1,278,313	\$1,393,832	\$1,727,736	\$1,920,199
# Component					
Site and Grounds					
2107 Concrete Sidewalks - Repair	\$0	\$24,819	\$0	\$0	\$0
2123 Asphalt - Crack Seal/Repair	\$0	\$0	\$0	\$0	\$47,626
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2151 Trash Enclosures - Replace	\$0	\$0	\$0	\$0	\$0
2169 Entry Sign - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2185 Landscaping - Refurbish	\$0	\$0	\$0	\$148,576	\$0
2721 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
3003 Bus Stop - Refurbish	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
2139 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 1) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 2) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 3) - Replace	\$0	\$0	\$0	\$0	\$0
2369 Window Shutters - Repaint	\$0	\$0	\$0	\$0	\$8,822
2369 Window Shutters - Replace	\$0	\$51,099	\$0	\$0	\$0
2381 Roof Phase 1 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 2 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2387 Gutters/Downspouts- Replace	\$0	\$135,193	\$0	\$0	\$0
Total Expenses	\$0	\$211,112	\$0	\$148,576	\$56,448
Ending Reserve Balance	\$958,503	\$1,067,201	\$1,393,832	\$1,579,160	\$1,863,751

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$1,863,751	\$2,212,814	\$2,570,338	\$2,905,821	\$3,280,442
Annual Reserve Funding	\$328,689	\$333,619	\$338,623	\$343,703	\$348,858
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$20,374	\$23,906	\$27,369	\$30,918	\$34,707
Total Income	\$2,212,814	\$2,570,338	\$2,936,331	\$3,280,442	\$3,664,008
# Component					
Site and Grounds					
2107 Concrete Sidewalks - Repair	\$0	\$0	\$30,509	\$0	\$0
2123 Asphalt - Crack Seal/Repair	\$0	\$0	\$0	\$0	\$0
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2151 Trash Enclosures - Replace	\$0	\$0	\$0	\$0	\$0
2169 Entry Sign - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2185 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
2721 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
3003 Bus Stop - Refurbish	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
2139 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 1) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 2) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 3) - Replace	\$0	\$0	\$0	\$0	\$0
2369 Window Shutters - Repaint	\$0	\$0	\$0	\$0	\$0
2369 Window Shutters - Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 1 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 2 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2387 Gutters/Downspouts- Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$30,509	\$0	\$0
Ending Reserve Balance	\$2,212,814	\$2,570,338	\$2,905,821	\$3,280,442	\$3,664,008

Fiscal Year	2043	2044	2045	2046	2047
Starting Reserve Balance	\$3,664,008	\$4,056,686	\$3,370,105	\$2,695,300	\$1,955,972
Annual Reserve Funding	\$354,091	\$359,402	\$364,793	\$370,265	\$375,819
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$38,587	\$37,118	\$30,314	\$23,246	\$21,537
Total Income	\$4,056,686	\$4,453,206	\$3,765,213	\$3,088,812	\$2,353,329
# Component					
Site and Grounds					
2107 Concrete Sidewalks - Repair	\$0	\$0	\$0	\$37,504	\$0
2123 Asphalt - Crack Seal/Repair	\$0	\$60,594	\$0	\$0	\$0
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2151 Trash Enclosures - Replace	\$0	\$0	\$0	\$0	\$0
2169 Entry Sign - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2185 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
2721 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
3003 Bus Stop - Refurbish	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
2139 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 1) - Replace	\$0	\$1,022,508	\$0	\$0	\$0
2356 Vinyl Siding (Phase 2) - Replace	\$0	\$0	\$1,058,295	\$0	\$0
2356 Vinyl Siding (Phase 3) - Replace	\$0	\$0	\$0	\$1,095,336	\$0
2369 Window Shutters - Repaint	\$0	\$0	\$11,617	\$0	\$0
2369 Window Shutters - Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 1 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 2 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2387 Gutters/Downspouts- Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$1,083,101	\$1,069,912	\$1,132,840	\$0
Ending Reserve Balance	\$4,056,686	\$3,370,105	\$2,695,300	\$1,955,972	\$2,353,329

Fiscal Year	2048	2049	2050	2051	2052
Starting Reserve Balance	\$2,353,329	\$2,760,343	\$3,177,197	\$3,604,075	\$3,963,687
Annual Reserve Funding	\$381,457	\$387,178	\$392,986	\$398,881	\$404,864
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$25,558	\$29,675	\$33,892	\$37,823	\$37,773
Total Income	\$2,760,343	\$3,177,197	\$3,604,075	\$4,040,779	\$4,406,324
# Component					
Site and Grounds					
2107 Concrete Sidewalks - Repair	\$0	\$0	\$0	\$0	\$46,102
2123 Asphalt - Crack Seal/Repair	\$0	\$0	\$0	\$77,092	\$0
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2151 Trash Enclosures - Replace	\$0	\$0	\$0	\$0	\$0
2169 Entry Sign - Refurbish/Replace	\$0	\$0	\$0	\$0	\$0
2185 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
2721 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
3003 Bus Stop - Refurbish	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
2139 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 1) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 2) - Replace	\$0	\$0	\$0	\$0	\$0
2356 Vinyl Siding (Phase 3) - Replace	\$0	\$0	\$0	\$0	\$0
2369 Window Shutters - Repaint	\$0	\$0	\$0	\$0	\$0
2369 Window Shutters - Replace	\$0	\$0	\$0	\$0	\$0
2381 Roof Phase 1 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$766,106
2381 Roof Phase 2 (Comp Shingle)-Replace	\$0	\$0	\$0	\$0	\$0
2387 Gutters/Downspouts- Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$77,092	\$812,207
Ending Reserve Balance	\$2,760,343	\$3,177,197	\$3,604,075	\$3,963,687	\$3,594,116



Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representatives 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.