



# Welcome to Your Reserve Study The Gardens at Heritage Green

Chattanooga, TN



Report Period: 1-1-25 thru 12-31-25

Date of Inspection: 2-26-24

Level of Study: 1 (Full Reserve Study)

# We want Thank You for partnering with ROYAL Reserves for your Reserve Planning needs.

Inside this report you will find all the insight and guidance your association needs to make informed decisions about the future budget obligations your community presents. You'll clearly see the most significant projects and expenditures as well as all the minor obligations that may cost less than larger projects but will cause significantly larger expenses if ignored or passed forward in the project pipeline without completion.

This professional Reserve Study consists of four key parts.

1. Complete List of Reserve Components
2. Calculation of Current Reserve Fund Strength
3. Recommendations for Future Reserve Funding
4. Condition Assessments for All Components

The following report was prepared by: Chad McCloskey, RS

Default Funding Objective: Full Funding

Other Funding Objective(s) Modeled: 60% - 80%



## Property Details

Property Type: Townhome Style COA

Number of Units: 129

FYE: December

Date Reserve Study Delivered: 5/10/2024

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## Executive Summary

Association: The Gardens at Heritage Green Client #421  
Location: Chattanooga, TN  
# of Units: 129  
Report Period: January 1, 2025 through December 31, 2025

### Values Projected for January 1<sup>st</sup>, 2025

Projected Starting Reserve Balance	\$106,165
Fully Funded Reserve Balance	\$927,654
Average Reserve Deficit Per Unit	\$6,368
Percent Funded	11.4%
Recommended 2023 Monthly Reserve Contribution	\$24,350
Prior Year (2024) Monthly Reserve Contribution	\$5,000

### Calculation Assumptions:

Interest Rate Earned on Reserve Accounts Annually	1.00%
Annual Inflation Rate	3.00%

## Summary Notes

- This report was conducted as a “Full Reserve Study”. The data in this Reserve Study includes information and conditions evaluated during our site inspection on 2/26/2024.
- This Reserve Study was prepared by a credentialed Reserve Specialist (RS) – Chad McCloskey RS #361.
- Based on a current percent funded ratio of 11.4% the Gardens at Heritage Green is understood to be in a “Poor” Reserve Fund position. Associations found to be below 30% Funded typically experience a HIGH risk of special assessments and greater cash flow volatility than those above 30%.
- Based on the current funding position and the anticipated future expenses, including your current funding rate, we recommend *increasing* your monthly Reserve contribution level. Thankfully, with years of time on the association’s side before significant projects arise, there is no current need for a special assessment.
- The included future Funding Plan is designed to gradually bring you to a “Fully Funded” or 100% Funded level.

## Executive Summary – Component Table

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
102	Concrete Walkways - Partial Repair	2	1	\$5,000
201	Asphalt - Remove and Replace	25	20	\$183,500
202	Asphalt - Seal and Repair	5	1	\$10,750
206	Concrete Drives and Aprons - Partial Repair	2	0	\$5,500
321	Street Pole Lights - Replace	30	25	\$13,000
321	Greenbelt Pole Lights - Replace	30	25	\$52,750
324	Unit Outdoor Lighting - Partial Replace	5	3	\$1,750
403	Mailboxes - Replace	20	15	\$10,000
416	Pet Waste Stations - Replace	10	5	\$1,150
501	Masonry Stone Walls - Repair	5	3	\$1,750
502	Masonry Stone Light Bases - Repair	5	0	\$1,500
503	Iron Fence - Replace	30	20	\$3,100
506	Vinyl Split Rail Fence - Replace	25	15	\$13,000
701	Unit Front Doors - Partial Replace	3	2	\$6,500
702	Unit Garage Doors - Partial Replace	3	2	\$5,500
822	Unit Windows - Partial Replace	2	1	\$2,500
1001	Backflow Devices - Replace	15	4	\$7,000
1003	Irrigation Controllers - Replace	12	7	\$14,000
1009	Landscape - Refurbish	3	0	\$15,000
1107	Iron Fence - Repaint	5	0	\$1,150
1111	Pole Lights (ALL) - Repaint	5	0	\$3,750
1125	Fiber Cement Siding - Replace	35	30	\$2,250,000
1129	Fiber Cement Siding - Repaint	7	5	\$420,000
1304	Composite Shingle Roofs - Replace (2020)	22	17	\$1,275,000
1304	Composite Shingle Roofs - Replace (2025)	22	22	\$105,250
1304	Composit Shingle Roofs - Replace 2025	N/A	0	\$49,300
1304	Composit Shingle Roofs - Replace 2026	N/A	1	\$55,350
1312	Gutters and Downspouts - Partial Repair	7	4	\$4,750
1401	Community Signage - Replace	15	10	\$4,000
1402	Entry Monument & Signage - Refurbish	20	5	\$4,700
30	Total Funded Components			

# Understanding the Reserve Study

Reserve Studies are official documents used to plan and determine both future contribution amounts for Reserve Assessments and to help determine which projects are due for completion in the near term (the next 1-3 years). The contents of a Reserve Study and how recommendations are designed within it, should conform to the National Reserve Study Standards (NRSS). All Reserve Studies must include three core parts...

## NRSS Core Ingredients

1. List of all Components or Component Inventory
2. Life and Valuation Estimates
3. Current Reserve Fund Status
4. Recommendation for Reserve Funding Plan  
And, if applicable, for a study including a Site Inspection...
5. A Photographic Inventory and condition assessment of all Reserve components.

Why wouldn't every Reserve Study require a photographic inventory and condition assessment? Due to the longer periods of time between projects repeating for Reserve Components compared to annual changes and projects occurring within the Operations Budget, it is both more efficient and still effective to allow for 2-4 years between conducting a study that includes a Site Inspection. While we recommend always updating a Reserve Study with an inspection every 3 years, some jurisdictions do allow 5 years. We will note however, that most lenders who scrutinize Reserve Studies before making a lending decision to a potential buyer into a community, expect a Reserve Study with an inspection to have occurred within the last 3 years. Think of this like a bank making a lending decision without seeing a recent tax return. It's just not in a lender's best interest to rely on significantly aged documents. During the years between With Site Inspection Updates, it is best practice, and a legal requirement in most states, to update your Reserve Study with a No Site Inspection Update, even if prepared by a non-specialist. This keeps the information current every single budget year.

Additionally, included in the NRSS updates in 2023, Reserve Studies shall also include findings on the existence and potential quality of any Preventive Maintenance Manuals that an Association may have in place. This manual should include both Reserve and Non-Reserve components where appropriate. The manual should outline best practices and property specific, historic information relative to the most efficient means of maintaining all significant common area components.

Finally, the updated National Reserve Study Standards (NRSS) recommend the inclusion of Periodic Structural Inspections, both initial and going for all communities that have shared structural elements across multiple units. Further, where legislation requires such structural inspections, the Reserve Study should include both the inspections and any recommended maintenance to be performed per the results of the Structural Inspections.

Reserve Studies are designed to help Associations prepare for reasonably expected expenses relative to the proper upkeep of the Common Area and all the components, both physical and non-physical, within that Common Area Interest. As such it can be reasonably expected that the NRSS will continue to be refined in a manner consistent with protecting, maintaining, and enhancing your property's condition, safety, enjoyment, and value.

<b>4 Levels of Professional Reserve Studies</b>
1) FULL Reserve Study
2) With Site-Visit Update
3) No Site-Visit Update
4) Preliminary or Developers Study

As shown in the box above, there are four types of Reserve Studies that can be used to fulfill a Reserve Study creation or update requirement. Typically, FULL Reserve Studies are only used when no prior Reserve Study exists or when any previous attempt to create a Reserve Study fell short of meeting NRSS. Once an appropriate FULL study has been done, there should be no need to repeat it and updating with Level 2 or 3 Studies should be more than adequate moving forward.

# The NEW Component Selection Guidelines

Knowing what components belong in a Reserve Fund and which do not belong is key in understanding the report as well. The 2023 NRSS Changes significantly expanded, for the better, the scope of component types welcome within all Reserve Studies.

To highlight some of the key considerations:

- Component must be the responsibility of the Association
- Component projects must be “reasonably anticipated”
- Component cost should be significant relative to overall Association budget (minor expenses should remain in Operating Budget)
- Component definitions are no longer limited to “physical”, now, “non-physical” components – such as inspections or testing – may also be included in Reserve Studies and provide funding there within. This could include Termite Inspections or Structural Inspections, etc.
- Long-life components may now be included even if the known or estimated Useful Life of the component reaches beyond the 30-year scope of the Study. Associations can choose to start funding immediately or choose to wait until the component’s Remaining Useful life falls within the 30-year scope of the Reserve Study. In other words, no minimums nor maximums relative to Useful Life apply to component selection.

Now that you know how your component list is established, you may be wondering how Useful Life and Remaining Useful Life are determined as well as where cost estimates are derived.

We blend the following four categories of experience and observation to best estimate both total useful life and remaining useful life for each component.



## Useful and Remaining Useful Life

- 1) Actual client component life histories
- 2) Visual inspection of wear and condition
- 3) Proprietary databases of life histories (regional)
- 4) Vendor evaluations and recommendations

Similarly, we consider a blend of these four considerations to determine a component's average cost.

## Determining Cost Estimates

- 1) Actual client component cost histories
- 2) Vendor estimates, proposals or feedback
- 3) Proprietary databases of cost histories (regional)
- 4) National industry cost estimating guidebooks

Now that we understand why each component is on our list and where lifespans and values have come from, we need to understand some fundamental ideas behind the financial analysis which gives us your "Percent Funded" and what that means to your community members.

Simply calculated, percent funded is the percentage of the associations actual Reserve Funds compared to the association's Fully Funded Balance. We can use an imaginary example of an association with ONLY ONE component to help understand what a Fully Funded Balance is.

If the association had a single component with a replacement cost of \$100,000 and its full Useful Life is 10 years, the Fully Funded Balance would equal  $\$100,000/10$  or \$10,000 times the number of years it had aged. If the component was 4 years old, it would have a \$40,000 Fully Funded Balance that year. Finally, if the actual Reserve Fund only had \$30,000 in it, that association would be 75% funded. \$30k vs. \$40K.

As you can see, when components age, the target Fully Funded Balance grows. Yet, when a project is completed and Useful Life is reset to a full Useful Life again, the target Fully Funded Balance shrinks by the value of the completed project, creating the undulating target Fully Funded Balance chart you'll see in your report.

## Understanding Special Assessments

One of the key benefits of proper Reserve Fund Planning is being able to avoid unwanted and unnecessary special assessments. With regular Reserve Study oversight, a board of directors has clear visibility into the predictable schedule of costs approaching their association and should be able to budget accordingly to be prepared with adequate funding for all projects, when due, and avoid putting members through the special assessment process.

Sadly, failure to make appropriate Reserve Fund contributions ahead of the project may often result in a board of directors having to issue a special assessment to handle a necessary project. Thankfully, the association's "Percent Funded" which we just explained is a wonderful gauge to determine how large or small the risk of special assessments is for your association. Being funded below 30% equals a high risk typically, whereas being funded above 70% equals a low risk typically and being funded between 30% and 70% represents a moderate level or risk of special assessments. Ideally, every association should aim to be above 70% funded to prevent unwanted Special Assessments.



Naturally, now that we clearly understand the best way to be prepared for our projects and avoid special assessments, we must discuss the science of creating an appropriate funding strategy for both the next fiscal year as well as plans for future years, especially the immediate five years to come as many associations, including those who are in a high risk position, can usually correct that problem with careful planning in what can often be 5 years or less and re-establish a healthy Reserve Fund for their members.

### Reserve Funding Principles

- Funding should provide adequate cash for all projects
- Contribution rates should be steady vs. volatile
- Contributions should be fairly and evenly distributed
- Funding should be fiscally responsible

At ROYAL Reserves we always officially recommend a funding plan that will bring a client over 70% and up to Fully Funded gradually over time as it is the most responsible and simple approach to fiscally responsible planning. However, there are other funding models that we can show to you as a courtesy as well. One of those models is “baseline funding”, where funding is designed to provide adequate cash for every project without going below a \$0 balance in your Reserves, but nothing more than baseline funding. And finally, “threshold funding” utilizes any Percent Funded target a client may wish to see modeled. Many clients elect to pursue a 70 or 75% threshold as their preferred goal. We are happy to model such thresholds when asked.

*President’s Note: “In light of the tragic (and thankfully rare) events in Florida and their impact on common interest development fiscal planning, engineering oversight and community management, I simply urge any board member involved in caring for their community to take a careful approach to building management, maintenance, and repair. Ignoring critical building maintenance to control association costs cannot be an option. Your life, your family’s life, your neighbors’ lives and even your visitor’s lives depend on your leadership; trusting you to be a good steward of the community.”*

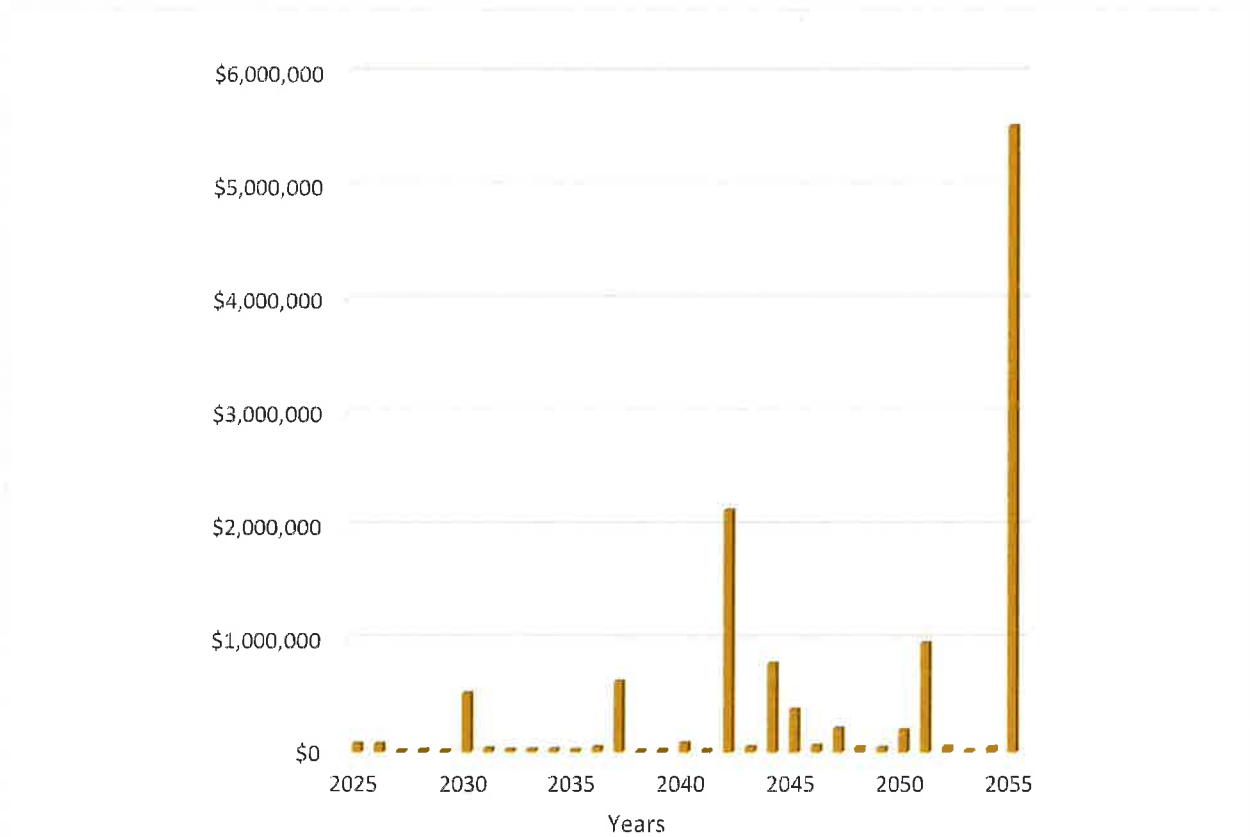
# Site Inspection Notes

During our site visit on February 26, 2024, we had access to inspect all common areas. Every component was seen and inspected as planned.

Please refer to the Photographic Inventory for additional information on each of your Reserve components.



# Future Expense Schedule



The table above shows graphically the undulating nature of annual Reserve Expenses at your association. Some years have moderate expenditures where others are extremely low and two even clear \$1 MM in extremely large cost bearing years. The first moderate spike seen in year 2030 represents primarily Fiber Cement Siding & Trim – Repaint.

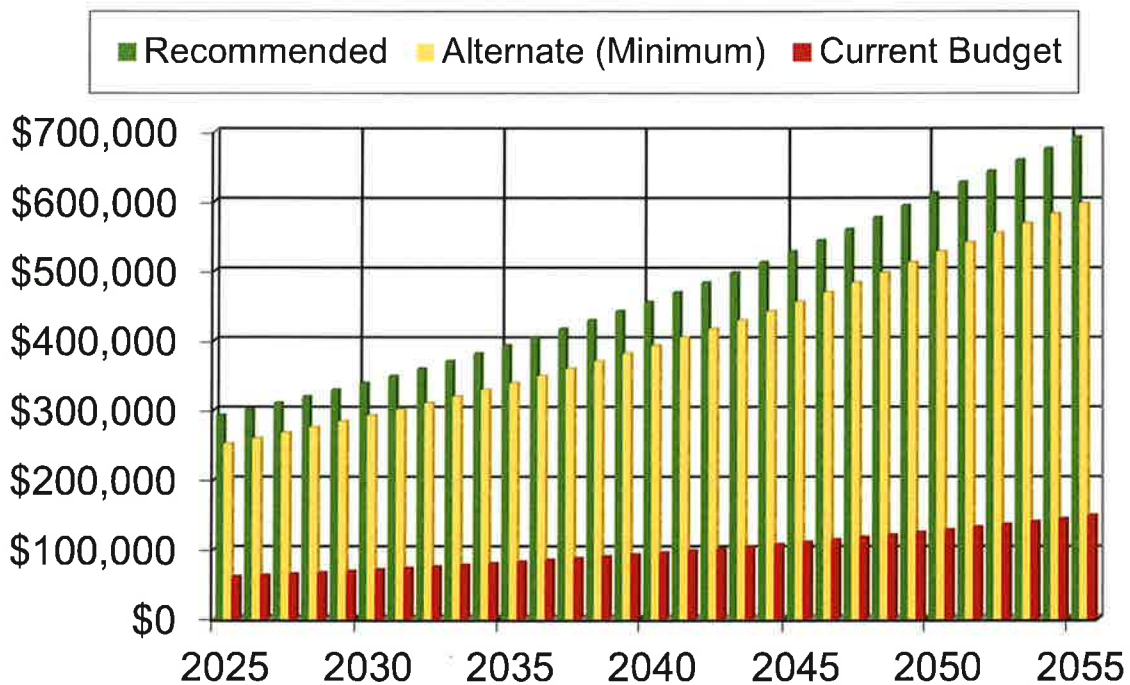
These values can be seen in a numeric table as well in both summary form and in detailed project form. Please note that as this is a projection of future events, some may or may not take place exactly as scheduled and anticipated. This in mind, also note the projects scheduled for the near future (next 5 years) are much more likely to take place as expected vs. projects 20-30 years into the future.

# Current Reserve Fund Financial Analysis

Most Recent Known Reserve Balance (12/31/2023)	Expected Reserve Deposits Until 12/31/2024	Expected Reserve Expenditures Until 12/31/2024	Projected Reserve Balance on 1/1/23	Target Fully Funded Balance as of 1/1/23	Percent Funded As of 1/1/23
\$94,965	\$61,200	\$50,000	\$106,165	\$927,654	11.4%

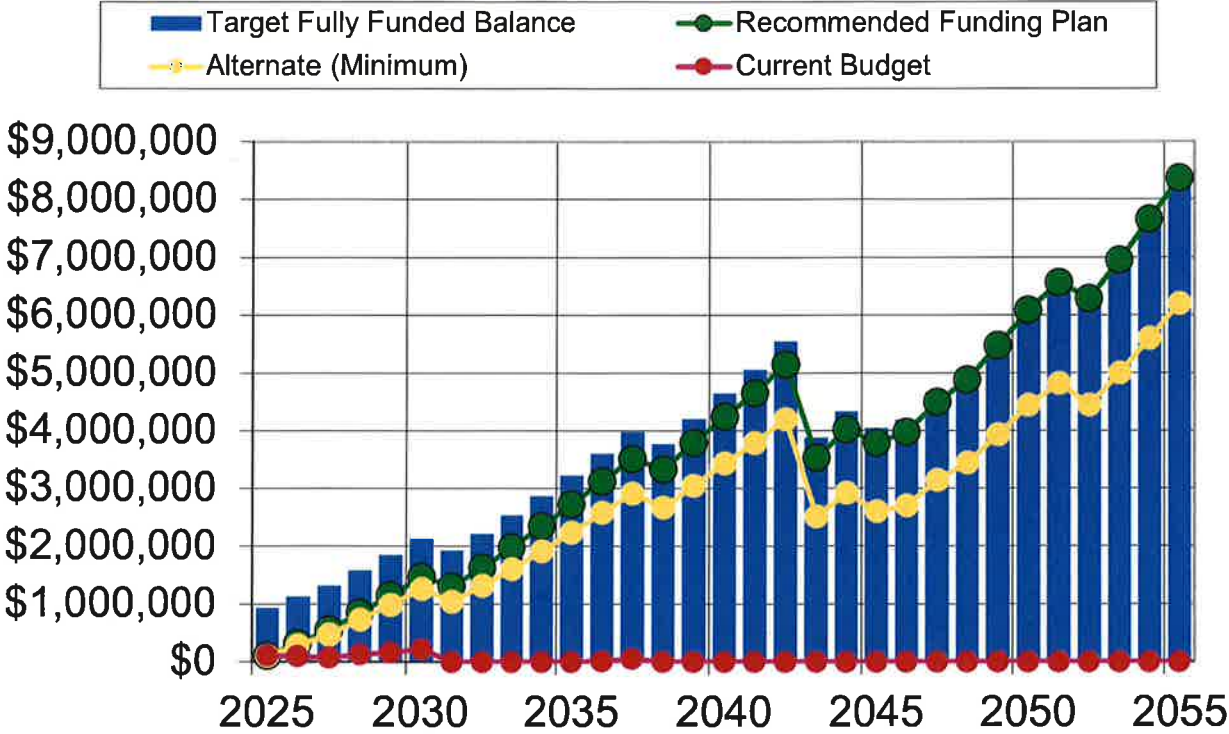
As explained previously, a percent funded below 30% represents a high level of risk exposure relative to unexpected special assessments. Our goal will be to help you improve this value gradually.

## Recommended Reserve Funding Plan

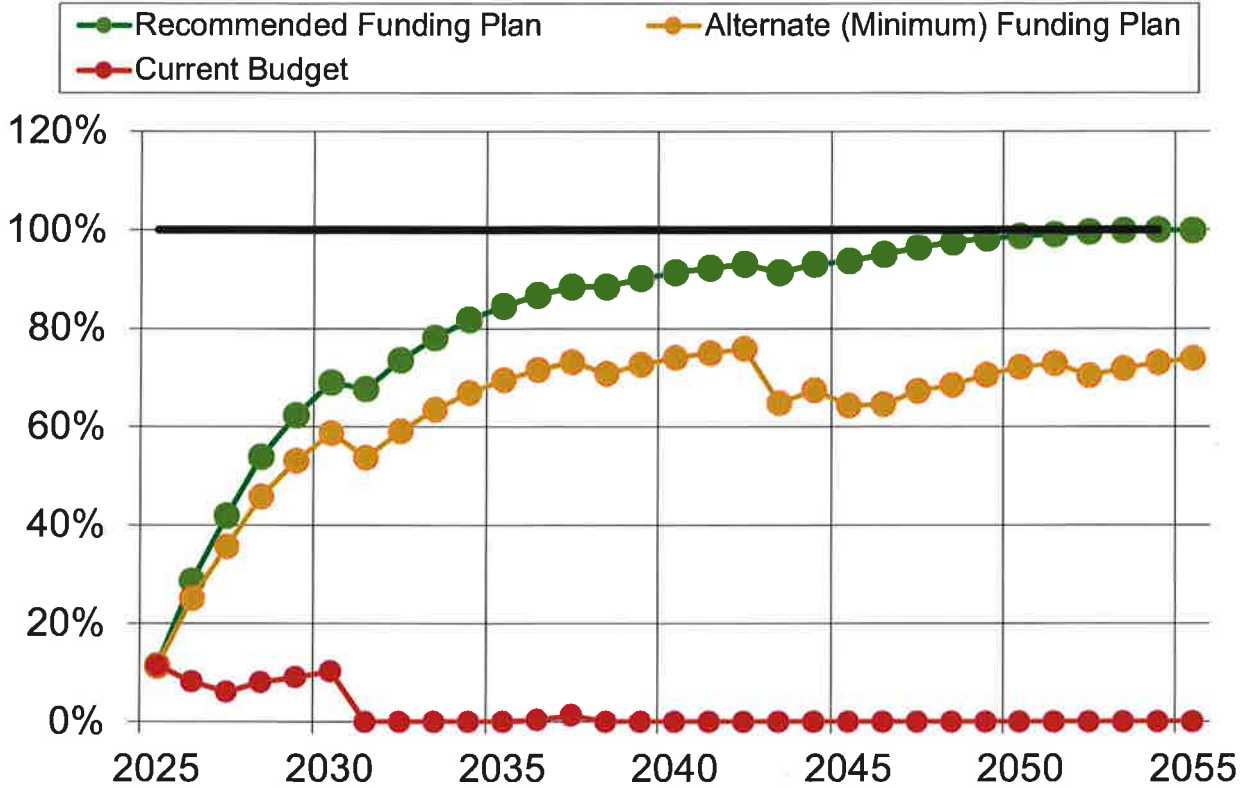


Based on your current percent funded, cash flow projections and major projects to be completed, we recommend increasing your current level of Reserve Funding to \$24,350 per month and continuing to make small inflationary increases to keep pace with increasing costs.

The next graph displays how your current funding plan and our recommended funding plan impact your actual Reserve Balance vs. the Targeted Full Funded Balance over the next 30 years.



The next graph charts these green, gold, and dark red points along a stabilized FULLY FUNDED level of the 100% target making it easier to see how each funding plans' annual balances measure up to the target (or over-shoot the target).





## Possible Current Reserve Allocations

The following table represents a hypothetical allocation of current Reserve Fund balances to specific components (which may help completing IRS allocation requests) though Reserve Funds are truly a “pool of funds” without allocations.

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Current Fund Balance	Proportional Reserve Contribs
102	Concrete Walkways - Partial Repair	2	1	\$5,000	\$2,500	\$2,500	\$276.41
201	Asphalt - Remove and Replace	25	20	\$183,500	\$36,700	\$36,700	\$811.53
202	Asphalt - Seal and Repair	5	1	\$10,750	\$8,600	\$8,600	\$237.71
206	Concrete Drives and Aprons - Partial Repair	2	0	\$5,500	\$5,500	\$5,500	\$304.05
321	Street Pole Lights - Replace	30	25	\$13,000	\$2,167	\$2,167	\$47.91
321	Greenbelt Pole Lights - Replace	30	25	\$52,750	\$8,792	\$8,792	\$194.41
324	Unit Outdoor Lighting - Partial Replace	5	3	\$1,750	\$700	\$700	\$38.70
403	Mailboxes - Replace	20	15	\$10,000	\$2,500	\$2,500	\$55.28
416	Pet Waste Stations - Replace	10	5	\$1,150	\$575	\$575	\$12.71
501	Masonry Stone Walls - Repair	5	3	\$1,750	\$700	\$700	\$38.70
502	Masonry Stone Light Bases - Repair	5	0	\$1,500	\$1,500	\$1,500	\$33.17
503	Iron Fence - Replace	30	20	\$3,100	\$1,033	\$1,033	\$11.42
506	Vinyl Split Rail Fence - Replace	25	15	\$13,000	\$5,200	\$5,200	\$57.49
701	Unit Front Doors - Partial Replace	3	2	\$6,500	\$2,167	\$2,167	\$239.55
702	Unit Garage Doors - Partial Replace	3	2	\$5,500	\$1,833	\$1,833	\$202.70
822	Unit Windows - Partial Replace	2	1	\$2,500	\$1,250	\$1,250	\$138.20
1001	Backflow Devices - Replace	15	4	\$7,000	\$5,133	\$5,133	\$51.60
1003	Irrigation Controllers - Replace	12	7	\$14,000	\$5,833	\$5,833	\$128.99
1009	Landscape - Refurbish	3	0	\$15,000	\$15,000	\$13,482	\$552.81
1107	Iron Fence - Repaint	5	0	\$1,150	\$1,150	\$0	\$25.43
1111	Pole Lights (ALL) - Repaint	5	0	\$3,750	\$3,750	\$0	\$82.92
1125	Fiber Cement Siding - Replace	35	30	\$2,250,000	\$321,429	\$0	\$7,107.57
1129	Fiber Cement Siding - Repaint	7	5	\$420,000	\$120,000	\$0	\$6,633.73
1304	Composite Shingle Roofs - Replace (2020)	22	17	\$1,275,000	\$289,773	\$0	\$6,407.58
1304	Composite Shingle Roofs - Replace (2025)	22	22	\$105,250	\$0	\$0	\$528.94
1304	Composit Shingle Roofs - Replace 2025	N/A	0	\$49,300	\$49,300	\$0	\$0.00
1304	Composit Shingle Roofs - Replace 2026	N/A	1	\$55,350	\$27,675	\$0	\$0.00
1312	Gutters and Downspouts - Partial Repair	7	4	\$4,750	\$2,036	\$0	\$75.02
1401	Community Signage - Replace	15	10	\$4,000	\$1,333	\$0	\$29.48
1402	Entry Monument & Signage - Refurbish	20	5	\$4,700	\$3,525	\$0	\$25.98
30	Total Funded Components					\$106,165	\$24,350.00

# 30 Year Funding Plan Table

Fiscal Year Start: 01/01/25

<b>Interest:</b> 1.0%	<b>Inflation:</b> 3.0%
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<b>Reserve Fund Strength Calculations</b> (All values as of Fiscal Year Start Date)
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<b>Projected Reserve Balance Changes</b>
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2025	\$106,165	\$927,654	11.4%	High	\$292,200	\$0	\$2,151	\$76,200
2026	\$324,316	\$1,132,348	28.6%	High	\$300,966	\$0	\$4,389	\$75,808
2027	\$553,864	\$1,321,886	41.9%	Med	\$309,995	\$0	\$7,028	\$18,566
2028	\$852,321	\$1,583,080	53.8%	Med	\$319,295	\$0	\$10,023	\$28,411
2029	\$1,153,228	\$1,849,189	62.4%	Med	\$328,874	\$0	\$13,140	\$19,415
2030	\$1,475,826	\$2,139,983	69.0%	Med	\$338,740	\$0	\$13,897	\$523,702
2031	\$1,304,761	\$1,927,745	67.7%	Med	\$348,902	\$0	\$14,673	\$37,314
2032	\$1,631,022	\$2,218,009	73.5%	Low	\$359,369	\$0	\$18,057	\$26,442
2033	\$1,982,006	\$2,536,304	78.1%	Low	\$370,150	\$0	\$21,637	\$26,602
2034	\$2,347,191	\$2,872,354	81.7%	Low	\$381,255	\$0	\$25,347	\$29,357
2035	\$2,724,436	\$3,224,268	84.5%	Low	\$392,692	\$0	\$29,235	\$21,368
2036	\$3,124,995	\$3,603,847	86.7%	Low	\$404,473	\$0	\$33,182	\$48,448
2037	\$3,514,201	\$3,976,067	88.4%	Low	\$416,607	\$0	\$34,241	\$628,048
2038	\$3,337,003	\$3,771,887	88.5%	Low	\$429,106	\$0	\$35,598	\$16,154
2039	\$3,785,552	\$4,201,535	90.1%	Low	\$441,979	\$0	\$40,117	\$26,470
2040	\$4,241,177	\$4,643,440	91.3%	Low	\$455,238	\$0	\$44,478	\$82,650
2041	\$4,658,243	\$5,051,031	92.2%	Low	\$468,895	\$0	\$49,021	\$26,076
2042	\$5,150,083	\$5,539,723	93.0%	Low	\$482,962	\$0	\$43,416	\$2,139,611
2043	\$3,536,850	\$3,877,055	91.2%	Low	\$497,451	\$0	\$37,784	\$48,945
2044	\$4,023,139	\$4,329,142	92.9%	Low	\$512,374	\$0	\$39,040	\$786,447
2045	\$3,788,106	\$4,046,750	93.6%	Low	\$527,746	\$0	\$38,796	\$380,186
2046	\$3,974,462	\$4,186,267	94.9%	Low	\$543,578	\$0	\$42,347	\$61,855
2047	\$4,498,532	\$4,670,144	96.3%	Low	\$559,885	\$0	\$46,938	\$212,208
2048	\$4,893,147	\$5,026,332	97.4%	Low	\$576,682	\$0	\$51,825	\$45,392
2049	\$5,476,262	\$5,578,066	98.2%	Low	\$593,982	\$0	\$57,789	\$41,672
2050	\$6,086,361	\$6,163,615	98.7%	Low	\$611,802	\$0	\$63,225	\$197,339
2051	\$6,564,049	\$6,620,228	99.2%	Low	\$627,097	\$0	\$64,236	\$966,692
2052	\$6,288,690	\$6,312,354	99.6%	Low	\$642,774	\$0	\$66,154	\$49,979
2053	\$6,947,639	\$6,954,134	99.9%	Low	\$658,844	\$0	\$73,002	\$20,591
2054	\$7,658,893	\$7,660,554	100.0%	Low	\$675,315	\$0	\$80,102	\$45,953

# 30 Year Cash Flow Detail

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$106,165	\$324,316	\$553,864	\$852,321	\$1,153,228
Annual Reserve Contribution	\$292,200	\$300,966	\$309,995	\$319,295	\$328,874
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,151	\$4,389	\$7,028	\$10,023	\$13,140
<b>Total Income</b>	<b>\$400,516</b>	<b>\$629,672</b>	<b>\$870,886</b>	<b>\$1,181,639</b>	<b>\$1,495,241</b>
<b># Component</b>					
102 Concrete Walkways - Partial Repair	\$0	\$5,150	\$0	\$5,464	\$0
201 Asphalt - Remove and Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal and Repair	\$0	\$11,073	\$0	\$0	\$0
206 Concrete Drives and Aprons - Partial Repair	\$5,500	\$0	\$5,835	\$0	\$6,190
321 Street Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
321 Greenbelt Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Unit Outdoor Lighting - Partial Replace	\$0	\$0	\$0	\$1,912	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
416 Pet Waste Stations - Replace	\$0	\$0	\$0	\$0	\$0
501 Masonry Stone Walls - Repair	\$0	\$0	\$0	\$1,912	\$0
502 Masonry Stone Light Bases - Repair	\$1,500	\$0	\$0	\$0	\$0
503 Iron Fence - Replace	\$0	\$0	\$0	\$0	\$0
506 Vinyl Split Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Unit Front Doors - Partial Replace	\$0	\$0	\$6,896	\$0	\$0
702 Unit Garage Doors - Partial Replace	\$0	\$0	\$5,835	\$0	\$0
822 Unit Windows - Partial Replace	\$0	\$2,575	\$0	\$2,732	\$0
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$7,879
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1009 Landscape - Refurbish	\$15,000	\$0	\$0	\$16,391	\$0
1107 Iron Fence - Repaint	\$1,150	\$0	\$0	\$0	\$0
1111 Pole Lights (ALL) - Repaint	\$3,750	\$0	\$0	\$0	\$0
1125 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
1129 Fiber Cement Siding - Repaint	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2020)	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2025)	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace 2025	\$49,300	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace 2026	\$0	\$57,011	\$0	\$0	\$0
1312 Gutters and Downspouts - Partial Repair	\$0	\$0	\$0	\$0	\$5,346
1401 Community Signage - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Monument & Signage - Refurbish	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$76,200</b>	<b>\$75,808</b>	<b>\$18,566</b>	<b>\$28,411</b>	<b>\$19,415</b>
Ending Reserve Balance:	\$324,316	\$553,864	\$852,321	\$1,153,228	\$1,475,826

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$1,475,826	\$1,304,761	\$1,631,022	\$1,982,006	\$2,347,191
Annual Reserve Contribution	\$338,740	\$348,902	\$359,369	\$370,150	\$381,255
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$13,897	\$14,673	\$18,057	\$21,637	\$25,347
Total Income	\$1,828,463	\$1,668,336	\$2,008,449	\$2,373,793	\$2,753,793
<b># Component</b>					
102 Concrete Walkways - Partial Repair	\$5,796	\$0	\$6,149	\$0	\$6,524
201 Asphalt - Remove and Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal and Repair	\$0	\$12,836	\$0	\$0	\$0
206 Concrete Drives and Aprons - Partial Repair	\$0	\$6,567	\$0	\$6,967	\$0
321 Street Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
321 Greenbelt Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Unit Outdoor Lighting - Partial Replace	\$0	\$0	\$0	\$2,217	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
416 Pet Waste Stations - Replace	\$1,333	\$0	\$0	\$0	\$0
501 Masonry Stone Walls - Repair	\$0	\$0	\$0	\$2,217	\$0
502 Masonry Stone Light Bases - Repair	\$1,739	\$0	\$0	\$0	\$0
503 Iron Fence - Replace	\$0	\$0	\$0	\$0	\$0
506 Vinyl Split Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Unit Front Doors - Partial Replace	\$7,535	\$0	\$0	\$8,234	\$0
702 Unit Garage Doors - Partial Replace	\$6,376	\$0	\$0	\$6,967	\$0
822 Unit Windows - Partial Replace	\$2,898	\$0	\$3,075	\$0	\$3,262
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$17,218	\$0	\$0
1009 Landscape - Refurbish	\$0	\$17,911	\$0	\$0	\$19,572
1107 Iron Fence - Repaint	\$1,333	\$0	\$0	\$0	\$0
1111 Pole Lights (ALL) - Repaint	\$4,347	\$0	\$0	\$0	\$0
1125 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
1129 Fiber Cement Siding - Repaint	\$486,895	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2020)	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2025)	\$0	\$0	\$0	\$0	\$0
1304 Composit Shingle Roofs - Replace 2025	\$0	\$0	\$0	\$0	\$0
1304 Composit Shingle Roofs - Replace 2026	\$0	\$0	\$0	\$0	\$0
1312 Gutters and Downspouts - Partial Repair	\$0	\$0	\$0	\$0	\$0
1401 Community Signage - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Monument & Signage - Refurbish	\$5,449	\$0	\$0	\$0	\$0
Total Expenses	\$523,702	\$37,314	\$26,442	\$26,602	\$29,357
Ending Reserve Balance:	\$1,304,761	\$1,631,022	\$1,982,006	\$2,347,191	\$2,724,436

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$2,724,436	\$3,124,995	\$3,514,201	\$3,337,003	\$3,785,552
Annual Reserve Contribution	\$392,692	\$404,473	\$416,607	\$429,106	\$441,979
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$29,235	\$33,182	\$34,241	\$35,598	\$40,117
Total Income	\$3,146,363	\$3,562,650	\$3,965,050	\$3,801,706	\$4,267,647
# Component					
102 Concrete Walkways - Partial Repair	\$0	\$6,921	\$0	\$7,343	\$0
201 Asphalt - Remove and Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal and Repair	\$0	\$14,881	\$0	\$0	\$0
206 Concrete Drives and Aprons - Partial Repair	\$7,392	\$0	\$7,842	\$0	\$8,319
321 Street Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
321 Greenbelt Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Unit Outdoor Lighting - Partial Replace	\$0	\$0	\$0	\$2,570	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
416 Pet Waste Stations - Replace	\$0	\$0	\$0	\$0	\$0
501 Masonry Stone Walls - Repair	\$0	\$0	\$0	\$2,570	\$0
502 Masonry Stone Light Bases - Repair	\$2,016	\$0	\$0	\$0	\$0
503 Iron Fence - Replace	\$0	\$0	\$0	\$0	\$0
506 Vinyl Split Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Unit Front Doors - Partial Replace	\$0	\$8,998	\$0	\$0	\$9,832
702 Unit Garage Doors - Partial Replace	\$0	\$7,613	\$0	\$0	\$8,319
822 Unit Windows - Partial Replace	\$0	\$3,461	\$0	\$3,671	\$0
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1009 Landscape - Refurbish	\$0	\$0	\$21,386	\$0	\$0
1107 Iron Fence - Repaint	\$1,546	\$0	\$0	\$0	\$0
1111 Pole Lights (ALL) - Repaint	\$5,040	\$0	\$0	\$0	\$0
1125 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
1129 Fiber Cement Siding - Repaint	\$0	\$0	\$598,820	\$0	\$0
1304 Composite Shingle Roofs - Replace (2020)	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2025)	\$0	\$0	\$0	\$0	\$0
1304 Composit Shingle Roofs - Replace 2025	\$0	\$0	\$0	\$0	\$0
1304 Composit Shingle Roofs - Replace 2026	\$0	\$0	\$0	\$0	\$0
1312 Gutters and Downspouts - Partial Repair	\$0	\$6,575	\$0	\$0	\$0
1401 Community Signage - Replace	\$5,376	\$0	\$0	\$0	\$0
1402 Entry Monument & Signage - Refurbish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$21,368	\$48,448	\$628,048	\$16,154	\$26,470
Ending Reserve Balance:	\$3,124,995	\$3,514,201	\$3,337,003	\$3,785,552	\$4,241,177

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$4,241,177	\$4,658,243	\$5,150,083	\$3,536,850	\$4,023,139
Annual Reserve Contribution	\$455,238	\$468,895	\$482,962	\$497,451	\$512,374
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$44,478	\$49,021	\$43,416	\$37,784	\$39,040
Total Income	\$4,740,893	\$5,176,159	\$5,676,461	\$4,072,084	\$4,574,554
# Component					
102 Concrete Walkways - Partial Repair	\$7,790	\$0	\$8,264	\$0	\$8,768
201 Asphalt - Remove and Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal and Repair	\$0	\$17,251	\$0	\$0	\$0
206 Concrete Drives and Aprons - Partial Repair	\$0	\$8,826	\$0	\$9,363	\$0
321 Street Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
321 Greenbelt Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Unit Outdoor Lighting - Partial Replace	\$0	\$0	\$0	\$2,979	\$0
403 Mailboxes - Replace	\$15,580	\$0	\$0	\$0	\$0
416 Pet Waste Stations - Replace	\$1,792	\$0	\$0	\$0	\$0
501 Masonry Stone Walls - Repair	\$0	\$0	\$0	\$2,979	\$0
502 Masonry Stone Light Bases - Repair	\$2,337	\$0	\$0	\$0	\$0
503 Iron Fence - Replace	\$0	\$0	\$0	\$0	\$0
506 Vinyl Split Rail Fence - Replace	\$20,254	\$0	\$0	\$0	\$0
701 Unit Front Doors - Partial Replace	\$0	\$0	\$10,744	\$0	\$0
702 Unit Garage Doors - Partial Replace	\$0	\$0	\$9,091	\$0	\$0
822 Unit Windows - Partial Replace	\$3,895	\$0	\$4,132	\$0	\$4,384
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$12,275
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$24,549
1009 Landscape - Refurbish	\$23,370	\$0	\$0	\$25,536	\$0
1107 Iron Fence - Repaint	\$1,792	\$0	\$0	\$0	\$0
1111 Pole Lights (ALL) - Repaint	\$5,842	\$0	\$0	\$0	\$0
1125 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
1129 Fiber Cement Siding - Repaint	\$0	\$0	\$0	\$0	\$736,473
1304 Composite Shingle Roofs - Replace (2020)	\$0	\$0	\$2,107,381	\$0	\$0
1304 Composite Shingle Roofs - Replace (2025)	\$0	\$0	\$0	\$0	\$0
1304 Composit Shingle Roofs - Replace 2025	\$0	\$0	\$0	\$0	\$0
1304 Composit Shingle Roofs - Replace 2026	\$0	\$0	\$0	\$0	\$0
1312 Gutters and Downspouts - Partial Repair	\$0	\$0	\$0	\$8,087	\$0
1401 Community Signage - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Monument & Signage - Refurbish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$82,650	\$26,076	\$2,139,611	\$48,945	\$786,447
Ending Reserve Balance:	\$4,658,243	\$5,150,083	\$3,536,850	\$4,023,139	\$3,788,106

Fiscal Year	2045	2046	2047	2048	2049
Starting Reserve Balance	\$3,788,106	\$3,974,462	\$4,498,532	\$4,893,147	\$5,476,262
Annual Reserve Contribution	\$527,746	\$543,578	\$559,885	\$576,682	\$593,982
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$38,796	\$42,347	\$46,938	\$51,825	\$57,789
Total Income	\$4,354,648	\$4,560,387	\$5,105,356	\$5,521,654	\$6,128,033
<b># Component</b>					
102 Concrete Walkways - Partial Repair	\$0	\$9,301	\$0	\$9,868	\$0
201 Asphalt - Remove and Replace	\$331,421	\$0	\$0	\$0	\$0
202 Asphalt - Seal and Repair	\$0	\$19,998	\$0	\$0	\$0
206 Concrete Drives and Aprons - Partial Repair	\$9,934	\$0	\$10,539	\$0	\$11,180
321 Street Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
321 Greenbelt Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Unit Outdoor Lighting - Partial Replace	\$0	\$0	\$0	\$3,454	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
416 Pet Waste Stations - Replace	\$0	\$0	\$0	\$0	\$0
501 Masonry Stone Walls - Repair	\$0	\$0	\$0	\$3,454	\$0
502 Masonry Stone Light Bases - Repair	\$2,709	\$0	\$0	\$0	\$0
503 Iron Fence - Replace	\$5,599	\$0	\$0	\$0	\$0
506 Vinyl Split Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Unit Front Doors - Partial Replace	\$11,740	\$0	\$0	\$12,828	\$0
702 Unit Garage Doors - Partial Replace	\$9,934	\$0	\$0	\$10,855	\$0
822 Unit Windows - Partial Replace	\$0	\$4,651	\$0	\$4,934	\$0
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1009 Landscape - Refurbish	\$0	\$27,904	\$0	\$0	\$30,492
1107 Iron Fence - Repaint	\$2,077	\$0	\$0	\$0	\$0
1111 Pole Lights (ALL) - Repaint	\$6,773	\$0	\$0	\$0	\$0
1125 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
1129 Fiber Cement Siding - Repaint	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2020)	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2025)	\$0	\$0	\$201,670	\$0	\$0
1304 Composite Shingle Roofs - Replace 2025	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace 2026	\$0	\$0	\$0	\$0	\$0
1312 Gutters and Downspouts - Partial Repair	\$0	\$0	\$0	\$0	\$0
1401 Community Signage - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Monument & Signage - Refurbish	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$380,186	\$61,855	\$212,208	\$45,392	\$41,672
Ending Reserve Balance:	\$3,974,462	\$4,498,532	\$4,893,147	\$5,476,262	\$6,086,361

Fiscal Year	2050	2051	2052	2053	2054
Starting Reserve Balance	\$6,086,361	\$6,564,049	\$6,288,690	\$6,947,639	\$7,658,893
Annual Reserve Contribution	\$611,802	\$627,097	\$642,774	\$658,844	\$675,315
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$63,225	\$64,236	\$66,154	\$73,002	\$80,102
Total Income	\$6,761,388	\$7,255,382	\$6,997,618	\$7,679,485	\$8,414,310
<b># Component</b>					
102 Concrete Walkways - Partial Repair	\$10,469	\$0	\$11,106	\$0	\$11,783
201 Asphalt - Remove and Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal and Repair	\$0	\$23,183	\$0	\$0	\$0
206 Concrete Drives and Aprons - Partial Repair	\$0	\$11,861	\$0	\$12,584	\$0
321 Street Pole Lights - Replace	\$27,219	\$0	\$0	\$0	\$0
321 Greenbelt Pole Lights - Replace	\$110,447	\$0	\$0	\$0	\$0
324 Unit Outdoor Lighting - Partial Replace	\$0	\$0	\$0	\$4,004	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
416 Pet Waste Stations - Replace	\$2,408	\$0	\$0	\$0	\$0
501 Masonry Stone Walls - Repair	\$0	\$0	\$0	\$4,004	\$0
502 Masonry Stone Light Bases - Repair	\$3,141	\$0	\$0	\$0	\$0
503 Iron Fence - Replace	\$0	\$0	\$0	\$0	\$0
506 Vinyl Split Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Unit Front Doors - Partial Replace	\$0	\$14,018	\$0	\$0	\$15,318
702 Unit Garage Doors - Partial Replace	\$0	\$11,861	\$0	\$0	\$12,961
822 Unit Windows - Partial Replace	\$5,234	\$0	\$5,553	\$0	\$5,891
1001 Backflow Devices - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1009 Landscape - Refurbish	\$0	\$0	\$33,319	\$0	\$0
1107 Iron Fence - Repaint	\$2,408	\$0	\$0	\$0	\$0
1111 Pole Lights (ALL) - Repaint	\$7,852	\$0	\$0	\$0	\$0
1125 Fiber Cement Siding - Replace	\$0	\$0	\$0	\$0	\$0
1129 Fiber Cement Siding - Repaint	\$0	\$905,768	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2020)	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace (2025)	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace 2025	\$0	\$0	\$0	\$0	\$0
1304 Composite Shingle Roofs - Replace 2026	\$0	\$0	\$0	\$0	\$0
1312 Gutters and Downspouts - Partial Repair	\$9,945	\$0	\$0	\$0	\$0
1401 Community Signage - Replace	\$8,375	\$0	\$0	\$0	\$0
1402 Entry Monument & Signage - Refurbish	\$9,841	\$0	\$0	\$0	\$0
Total Expenses	\$197,339	\$966,692	\$49,979	\$20,591	\$45,953
Ending Reserve Balance:	\$6,564,049	\$6,288,690	\$6,947,639	\$7,658,893	\$8,368,357



# Limitations and Disclosures

Component quantities noted in this report were developed by ROYAL unless noted otherwise in the Site Inspection Notes. No destructive, intrusive, or otherwise invasive testing was performed. This report should not be assumed to be anything other than a budget planning tool and reminder of when future projects are likely to occur.

There is no potential, actual, nor perceived conflict of interest between ROYAL and the client. Our sole relationship is that of Reserve Study preparation and nothing further.

Reserve Studies that include a Site Inspection during the preparation of the report may make use of representative sampling and is not intended to be exhaustive. For example, not every inch of roof is typically inspected, but rather a representative sampling of the roof areas.

Due to the unpredictable potential involved in forecasting needed to complete this Reserve Study, we expect a number of adjustments will be necessary through the interim years this study covers, including both costs and timing. It is for this reason that we and the American Institute of Certified Public Accountants recommend that the Reserve Study be updated annually.

Similarly, inflation assumptions and interest earning potential assumptions are also not guaranteed to be entirely predictable, yet we are confident that both will continue to impact your Reserve Balances and project cost variations over time. We do our best to maintain an accuracy window of 5% relative to actual costs of projects based on annual reviews of the factors involved.

All Reserve Studies prepared by ROYAL Real Estate Services are prepared under the responsible charge of Chad McCloskey, a certified Reserve Specialist (#361). To our knowledge, there are no material issues that have not been disclosed to the client that would cause a distortion of the association's situation or the results of this study.

During the preparation of this report, we have relied on the client and/or their vendors to provide both financial information about Reserve Funds and component related information including price history, project history and additional condition assessments. These facts are not audited nor warranted to be true and accurate. We rely on the good faith efforts of all parties to provide accurate information to the best of their capacities.

# Glossary

## **Abbreviations:**

**BTU** – British Thermal Units (measurement of energy output)

**DIA** – Diameter

**GSF** – Gross Square Feet

**GSY** – Gross Square Yards

**HP** – Horsepower

**LF** – Linear Feet

**Component** – May also be called an “asset”. Items identified in the Reserve Study which require regular review with each Reserve Study update.

**Deficit** – Actual or projected Reserve balances that fall below the Fully Funded Balance.

**Effective Age** – Difference between Useful Life and Remaining Useful Life. (This may not be equal to the chronological age of a component.)

**Financial Analysis** – The portion of the Reserve Study where current status of the reserves and a recommended reserve contribution rate are derived, and the projected reserve income and expenses over time is presented.

**Funding Plan** – The plan to provide income to a Reserve Fund to offset anticipated expenditures from that fund.

**Percent Funded** – The ratio, at a given point in time (usually at the start of a fiscal year), between the actual Reserve Balance and the target Fully Funded Balance. This is typically expressed in a percentage.

**Physical Analysis** – The portion of the Reserve Study where the components evaluation, condition assessment, and the life and valuation estimate tasks are performed.

**Remaining Useful Life (RUL)** – The estimated time, in years, that a component can be expected to continue to serve its intended function. Projects anticipated to occur in the same fiscal year as the Reserve Study was prepared for will have a “0” Remaining Useful Life.

**Replacement Cost** – The cost of replacing, repairing, or restoring a component to its original functional condition.

**Special Assessments** – An assessment levied on the members of an association in addition to regular assessments. Often an association’s governing documents and local legislation regulate the use of special assessments.

**Surplus** – Actual or projected Reserve balances that exceed the Fully Funded Balance.

**Useful Life (UL)** – The estimated time, in years, that a component can be expected to serve its intended function if properly constructed and maintained in its present application of installation.

# Photo Inventory and Physical Analysis

**Component #:** 103 Concrete Sidewalks – Partial Repair

Quantity: Approx. 19,000 GSF

Location: Throughout common area pathways to each unit.

Analysis: Conditions vary by location. There is no expectation to replace all concrete at once. Funding for periodic repairs as the concrete ages. Adjust as future conditions dictate. Association has a history of partial repairs where most urgently needed. Expectation is for this continue. Cracks and lifting observed in numerous areas and are addressed for repairs regularly.

Useful Life/Remaining Useful Life:

2/1

Best Case/Worst Case Cost:

\$3,000 - \$7,000



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**Component #:** 201 Asphalt - Remove & Replace

Quantity: Approx. 41,800 GSF

Location: Main Private Road “Calaway Court”

Analysis: If sealed regularly (every 5 years), and partial resurfacing is done as needed when small areas of deterioration occur, this surface should easily reach the expected Useful Life of 25 years. Failure to do the regular sealing is likely to shorten the life-span of the roadway. Currently, the road is in fair condition but will benefit from another seal project in 2026. It is currently unclear whether this private road will be regularly maintained by the city or if the association will need to be prepared to handle the projects in order to maintain the high aesthetic value the community enjoys.

Useful Life/Remaining Useful Life:

25/20

Best Case/Worst Case Cost:

\$157,000 - \$210,000



**Component #: 202 Asphalt – Seal & Repair**

Quantity: Approx. 41,800 GSF

Location: Main Private Road “Calaway Court”

Analysis: These asphalt surfaces are nearing the end of their surface seal life as evidenced by the faded surface color as well as visible deterioration in the parking areas. When streets receive new seal coatings it is most efficient to also seal and re-stripe the parking areas to prevent the parking areas to deteriorate faster than the roadway. Seal and Repair work should be completed as scheduled to maximize the useful life of the asphalt and prevent premature replacement projects.

Useful Life/Remaining Useful Life:

5/1

Best Case/Worst Case Cost:

\$9,000 - \$12,500



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**Component #: 205 Concrete Drives and Aprons – Partial Repair**

Quantity: Approx. 122,000 GSF

Location: Driveways and parking aprons throughout association

Analysis: Concrete maintenance should be minimal and typically consists of pressure washing, crack repairs, and replacement of small sections as needed. Exposure to sunlight, weather, and frequent vehicle traffic can lead to larger, more frequent repairs, especially for older properties. Inspect all areas periodically to identify trip hazards or other safety issues. As these slabs generally have a long Useful Life there is no expectation for full replacement. Expect to continue partial repairs and adjust budgeted values as needed.

Useful Life/Remaining Useful Life:

2/0

Best Case/Worst Case Cost:

\$4,000 - \$7,000



**Component #: 320 Street Pole Lights - Replace**

Quantity: (6) Fixtures

Location: Along the Calaway Court drive.

Analysis: Observed during daylight hours and reported to be in working order but not observed. As routine maintenance, inspect, repair/change bulbs as needed. Best to plan for large scale replacement at roughly the time frame below for cost efficiency and consistent quality/appearance throughout association.

Useful Life/Remaining Useful Life:

30/25

Best Case/Worst Case Cost:

\$11,000 - \$15,000



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**Component #: 320 Greenbelt Pole Lights - Replace**

Quantity: (34) Fixtures

Location: Between homes along the greenbelt paths.

Analysis: Observed during daylight hours and reported to be in working order but not observed. As routine maintenance, inspect, repair/change bulbs as needed. Best to plan for large scale replacement at roughly the time frame below for cost efficiency and consistent quality/appearance throughout association. These fixtures show more fading in the paint than the street poles do but no significant damage was observed.

Useful Life/Remaining Useful Life:

30/25

Best Case/Worst Case Cost:

\$44,000 - \$61,500



**Component #: 324 Unit Outdoor Lighting – Partial Replace**

Quantity: Approx. 775 Fixtures

Location: Front Porch, Back Porch, Eaves of buildings, etc.

Analysis: Observed during daylight hours and reported to be in working order but not observed. As routine maintenance, inspect, repair/change bulbs as needed. Fixtures appear to be in good condition with no serious, widespread aging or damage seen. Based on large volume of fixtures, best to budget for regular partial replacements, trying to maintain a consistent design style across the community.

Useful Life/Remaining Useful Life:

5/3

Best Case/Worst Case Cost:

\$1,000 - \$2,500



**Component #: 403 Mailboxes - Replace**

Quantity: (134) Boxes

Location: Located at 800 Calaway Court under the Roof Structure

Analysis: Located under a large roof structure, protected from the elements, these mailboxes should experience a longer than average Useful Life. Boxes show minimal pitting, scratches and surface wear which is typical with common use. No abnormal deterioration observed. Plan to replace all boxes at the same time when replacement is necessary.

Useful Life/Remaining Useful Life:

20/15

Best Case/Worst Case Cost:

\$9,000 - \$11,000



**Component #: 416 Pet Waste Stations – Replace**

Quantity: (6) Stations

Location: Adjacent to Green Belt Areas

Analysis: Pet waste stations remain in fair condition and are typically best replaced as a whole set to maintain consistent appearance. These stations are relatively inexpensive but if upgraded stations are ever desired, Reserve Funding becomes appropriate.

Useful Life/Remaining Useful Life:

10/5

Best Case/Worst Case Cost:

\$800 - \$1,500



**Component #: 501 Masonry Stone Walls - Repair**

Quantity: Moderate LF

Location: Periodically throughout community including Mailbox surround.

Analysis: These short walls are primarily used as retaining walls and as such are assumed to have some moderate structural support within them. Where there is a stone façade added (as seen on the left below) periodic tuck-point repairs may be needed but should be infrequent. Likewise, periodically the masonry wall seen on the left will need periodic re-sealing/re-painting to maximize the life and minimize repairs to the integrity of the wall itself. Funding provided for periodic small scale repairs.

Useful Life/Remaining Useful Life:

5/3

Best Case/Worst Case Cost:

\$1,000 - \$2,500





**Component #:** 502 Masonry Stone Light Bases - Repair

**Quantity:** (34) Bases

**Location:** Between homes along the greenbelt paths.

**Analysis:** Overall, the pole light pedestals are in good condition with only a couple of them showing obvious damage. Like the walls, these pedestals should require very rare and small-scale repairs over time. Repairs can include tuck-point touch ups or broken stone replacement. Funding provided for periodic small scale repairs.

Useful Life/Remaining Useful Life:

5/0

Best Case/Worst Case Cost:

\$1,000 - \$2,000



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**Component #:** 503 Iron Fence - Replace

**Quantity:** Approx. 50 LF

**Location:** South-East pathway Stairs and Middle of Community Sidewalk Ramp

**Analysis:** While in need of a fresh painting (including proper pre-paint prep, there is not any significant sign of rusting or serious metal failure at the time of inspection. Recommend keeping these metal surfaces painted regularly to extend Useful Life to its maximum as well as maximizing the visual appearance and texture of the fencing and hand-rail areas. Currently in fair, structural condition.

Useful Life/Remaining Useful Life:

30/20

Best Case/Worst Case Cost:

\$2,700 - \$3,500



**Component #: 506 Vinyl Split Rail Fence - Replace**

Quantity: Approx. 630 LF

Location: North perimeter of community near roadway.

Analysis: Fencing is in fair condition at this time. Numerous post caps observed to be broken and a fair number of rails have slidden out of their post-hole connections but overall, these are very simple and inexpensive corrections. Vinyl has the benefit of potentially lasting a long time but does suffer from fragility in high heat or cold temperatures. Best to repair periodically with operating funds and plan eventual full replacement when its Remaining Useful Life ends.

Useful Life/Remaining Useful Life:

25/15

Best Case/Worst Case Cost:

\$11,000 - \$15,000



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**Component #: 701 Unit Front Doors - Partial Replace**

Quantity: (129) Doors

Location: Front Entry to Each Unit.

Analysis: Front doors are maintained by the association for both repair, repainting, and replacement. As long-life components there is very low risk of all doors needing to be replaced at one time, therefore, funding is designed to allow for periodic partial replacements. Funding for periodic repainting and repairs should be capable of being funded with operating funds, especially if every door is repainted during unit repainting projects as part of the scope of the building's paint projects.

Useful Life/Remaining Useful Life:

3/2

Best Case/Worst Case Cost:

\$3,000 - \$10,000



**Component #: 702 Unit Garage Doors – Partial Replace**

Quantity: (43) Single & (86) Double Doors

Location: Garage of Each Unit

Analysis: Garage doors appear to be in largely good condition. Historically, they are repaired and replaced as needed and funded by the association when there is no incident of accidental damage which would transfer the cost responsibility to the party who did the damage. Funding provided for periodic partial replacements as needed and can be adjusted if current budget model is either too low or too high.

Useful Life/Remaining Useful Life:

3/2

Best Case/Worst Case Cost:

\$3,000 - \$8,000



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**Component #: 702 Unit Windows – Partial Replace**

Quantity: Numerous Unit Windows

Location: Exterior Walls of Each Unit

Analysis: Typically long-life components there is no expectation for a need to replace all windows at one time, but rather similar to the history of partial replacements, Reserve Funding is provided to continue this periodic partial replacement pattern. Windows generally appear to be in good condition with fair seal conditions. No consistent, significant issues were observed.

Useful Life/Remaining Useful Life:

2/1

Best Case/Worst Case Cost:

\$1,500 - \$3,500



**Component #: 1001 Backflow Devices – Replace**

Quantity: (5) Backflows

Location: Along Calaway Court

Analysis: Backflows reported to be in working order with the backflow at the entry to the property having a slow drip. Most backflows are underground for the sake of winter weather protection. They are maintained and inspected frequently by the landscape service provider. Reserve Funding provided for full replacement as it is believed that all backflows are roughly the same age.

Useful Life/Remaining Useful Life:

15/4

Best Case/Worst Case Cost:

\$5,000 - \$9,000



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**Component #: 1003 Irrigation Controllers – Replace**

Quantity: (6) Controllers

Location: Along Calaway Court

Analysis: The irrigation controllers were observed to be in working order and have been paired with rain meter's which help avoid watering on days it is raining or shortly after significant rain had occurred. While it is unlikely that the controllers will all fail at the same time, it is recommended to replace any remaining controllers that reach Full Useful Life as technologies continue to improve to be more water usage efficient. Improvements in water use efficiency can easily offset the costs of controller upgrades in a very short period.

Useful Life/Remaining Useful Life:

12/7

Best Case/Worst Case Cost:

\$10,000 - \$16,000



**Component #: 1009 Landscape - Refurbish**

Quantity: Extensive GSY

Location: Throughout the community

Analysis: Inspected during pre-spring re-growth, the majority of the association appears to have healthy landscaping and it is reported that there is always ongoing small scale replacement projects taking place to handle aged out or damaged plants. Reserve Funding is provided to allow for this periodic partial replacement or refurbishment to occur to keep the association aesthetic as wonderful as it is.

Useful Life/Remaining Useful Life:

3/0

Best Case/Worst Case Cost:

\$10,000 - \$18,000



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**Component #: 1107 Iron Fence - Repaint**

Quantity: Approx. 50 LF

Location: South-East pathway Stairs and Middle of Community Sidewalk Ramp

Analysis: The paint on the metal fence needs replacement. Keeping the paint in good condition has many benefits in addition to appearance and texture, it also prevents premature replacement needs of the fencing due to rust or other metal failures. As there is minimal metal railing overall, this project is easy to overlook but critical to avoid the need for significant replacement or repair costs. The benefit of the small amount of fencing/railing, however, is that the cost to keep this component properly painted will be quite small.

Useful Life/Remaining Useful Life:

5/0

Best Case/Worst Case Cost:

\$800 - \$1,500



**Component #: 1111 Pole Lights (ALL) - Repaint**

Quantity: (40) Fixtures

Location: Along Calaway Court and Across Greenbelts

Analysis: We recommend repainting of the metal surfaces every 4-6 years to maintain overall appearance and keep well protected from costly repairs and/or replacement. Be particularly vigilant in monitoring the lowest areas of these poles and other fixtures where water can easily reach from irrigation, or pets, etc. and cause advanced rusting.

Useful Life/Remaining Useful Life:

5/0

Best Case/Worst Case Cost:

\$3,000 - \$4,500



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**Component #: 1125 Fiber Cement Siding - Replace**

Quantity: Approx. 160,000 GSF

Location: Siding and Trim of All Buildings

Analysis: Siding and trim across the entire community appears to be in very good condition. Regular paint maintenance and water control (gutters and downspouts) should help maximize the Remaining Useful Life of these surfaces. Periodically, there may be some random areas of siding or trim that appear warped, and this is periodically possible. These occurrences call for spot repairs to replace the faulty boards, but otherwise it should be expected that re-siding should be a long time out in the future. This helps make building Reserve Funds for this project easier for everyone as well.

Useful Life/Remaining Useful Life:

35/30

Best Case/Worst Case Cost:

\$2,000,000 - \$2,500,000



**Component #: 1125 Fiber Cement Siding - Repaint**

Quantity: Approx. 160,000 GSF

Location: Siding and Trim of All Buildings

Analysis: Unit paint quality remains good overall. No observed chipping or staining or deep fading. Based on the siding being primarily fiber board, we recommend painting per the schedule below to keep the materials clean, bright and to help prevent surface or sub-surface water damage. Keep in mind that southern exposure walls will take the most UV wear compared to other walls facing other directions, so best to judge project timing on the needs that southern exposure walls present.

Useful Life/Remaining Useful Life:

7/5

Best Case/Worst Case Cost:

\$320,000 - \$520,000



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**Component #: 1303 Comp Shingle Roof – Replace (New 2020)**

Quantity: Approx. 323,000 GSF

Location: Roofs of All Buildings Re-Roofed in 2020

Analysis: The vast majority of the units' roofs across the community are new as of 2020 and are in good condition. Roofing is typically a long-lived component assuming it was properly installed and is properly maintained. Promptly replace any damaged/missing sections or conduct any other repair needed to ensure waterproof integrity of roof. Moss growth can decrease the life of the roofing shingles and should be removed promptly. We recommend having roof inspected in greater detail (including conditions of sub-surface materials) by an independent roofing consultant periodically to ensure penetrations are still watertight and no missing shingles or soft spots on the sub structure are developing.

Useful Life/Remaining Useful Life:

22/17

Best Case/Worst Case Cost:

\$1,150,000 - \$1,400,000



**Component #: 1303 Comp Shingle Roofs – Replace (New Ave. 2025)**

Quantity: Approx. 27,000 GSF

Location: Roofs of 15 Buildings Re-Roofed between 2024-2026

Analysis: This component represents the median age of the final 15 roofs that the association is replacing between 2024 and 2026 (5 per year) which should last later than the other bulk of the roofs based on being installed an average of 5 years after the others. These roofs will also be assumed to be in good condition when new and all maintenance notes mentioned on the previous component apply to these as well.

Useful Life/Remaining Useful Life:

22/22

Best Case/Worst Case Cost:

\$94,500 - \$116,000



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**Component #: 1303 Comp Shingle Roofs – Replace (2025)**

Quantity: Approx. 12,600 GSF

Location: Roofs of 5 of the 10 Remaining Unit Buildings

Analysis: These roofs were noted to be faded and worn and are in fact due to be replaced in the 2025 fiscal year. Once complete this component item will disappear as their replacement will be accounted for in the previous component.

Useful Life/Remaining Useful Life:

0/0

Best Case/Worst Case Cost:

\$44,000 - \$54,500





**Component #: 1303 Comp Shingle Roofs – Replace (2026)**

Quantity: Approx. 14,200 GSF

Location: Roofs of 5 Remaining Unit Buildings

Analysis: These roofs were noted to be faded and worn and are in fact due to be replaced in the 2026 fiscal year. Once complete this component item will disappear as their replacement will be accounted for in the previous component.

Useful Life/Remaining Useful Life:

0/1

Best Case/Worst Case Cost:

\$48,700 - \$61,000



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**Component #: 1310 Gutters & Downspouts – Partial Replace**

Quantity: Approx. 31,000 LF

Location: Roofs of All Unit Buildings

Analysis: New in 2020, the gutters and downspouts appear in broadly good condition. With proper attention to clogged gutters and damaged downspouts, and a schedule like the one shown here, there should be no expectation of a need for a full replacement project and partial replacements, periodically should be all that is needed to preserve these components.

Useful Life/Remaining Useful Life:

5/2

Best Case/Worst Case Cost:

\$1,900 - \$2,200



**Component #:** 1403 Community Signage - Replace

Quantity: Various Signs & Sizes

Location: Adjacent to drives throughout community

Analysis: Association signage was recently replaced and is in good condition overall which is consistent with what you'd expect based on its age. This component provides funding for periodic replacement of the signage to ensure legibility and aesthetic of the signs.

Useful Life/Remaining Useful Life:

15/10

Best Case/Worst Case Cost:

\$2,600 - \$5,400



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**Component #:** 1402 Entry Monument and Signage - Refurbish

Quantity: (1) Entry Monument

Location: West side of entry on Calaway Court

Analysis: Monument is built on a stone fascia masonry base, consisting of wood rails mounted on metal posts. Overall, in fair condition, the poles need paint, but no significant damage observed. Reserve funding provided for periodic refurbishment and modernization including the landscape lighting associated with the monument. Check for masonry cracking, paint quality, letter contrast and potential development of rust and/or corrosion.

Useful Life/Remaining Useful Life:

20/5

Best Case/Worst Case Cost:

\$3,400 - \$6,000

