2026

Reserve Study Report

High Chalet Horizontal Property Regime Council of Co-owners
1380 Ski View Drive, Gatlinburg, TN 37738

Level I - Full
Report Financial Year 2026
January 1, 2026 - December 31, 2026

Issued June 5, 2025

RESERVE STUDY GROUP
RESERVESTUDYGROUP.COM

A Message to High Chalet Horizontal Property Regime Council of Co-owners

Dear Board Members,

Thank you for entrusting us with the responsibility of preparing the Reserve Study for High Chalet Horizontal Property Regime Council of Co-owners. We understand the important role you play in managing your community's long-term financial health, and it is our privilege to support you in this vital task.

This Reserve Study has been meticulously compiled to provide a comprehensive overview of your association's current reserve fund status and projected future needs. Our goal is to equip you with the tools and insights necessary to make informed decisions, ensuring the continued care and preservation of your shared property.

Thank you for your dedication to the High Chalet Horizontal Property Regime Council of Co-owners and for the thoughtful stewardship you bring to your community. We look forward to supporting you in maintaining the quality, value, and comfort of your shared home.

Warm regards,

Reserve Study Group
mail@reservestudygroup.com | 888.315.2843

High Chalet Horizontal Property Regime Council of Co-owners

Gatlinburg, 37738

Date built	Units	Report	City
1986	66	Level I	Gatlinburg

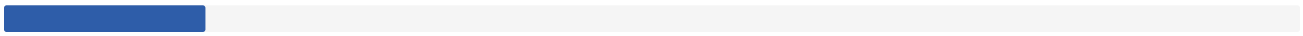
Executive Summary

The Executive Summary provides a concise snapshot of the key details and findings of this Reserve Study. It is designed to give your association's board members and stakeholders a clear understanding of the community's financial position and the steps needed to ensure long-term sustainability.

On these pages, you'll find the breakdown of the critical components that shape your reserve funding plan.

Reserve Fund Strength

Percent Funded 16%



Reserve Account Balance $108,000

Fully Funded Balance, Ideal Balance $694,995

Percent funded in reserve studies refers to the ratio of the current reserve fund balance to the Fully Funded Balance, expressed as a percentage.

Financial Assumptions

Inflation rate is based upon the average annual increase of the Consumer Price Index (CPI) over the last 30-years, as published by the US Bureau of Labor Statistics (www.labor.gov).

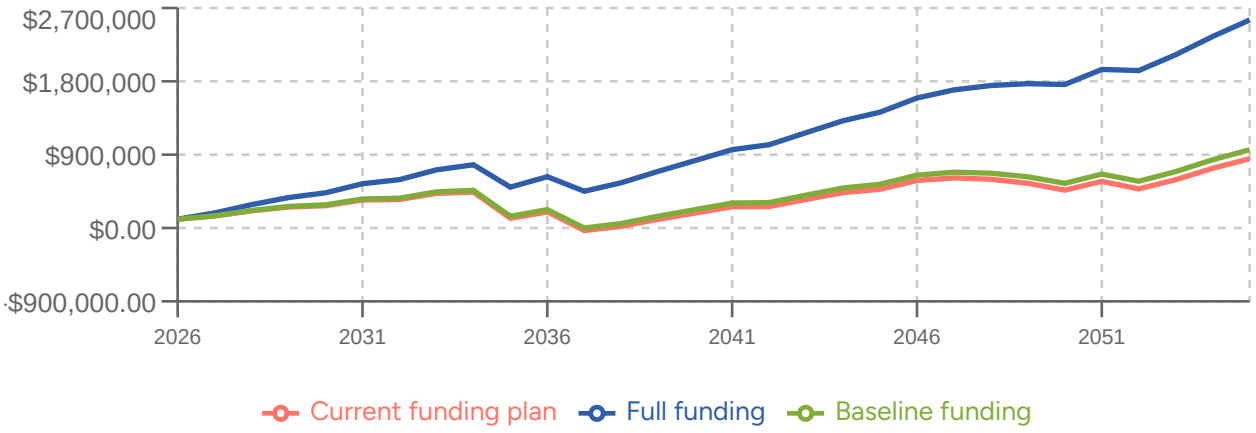
Inflation Rate	Projection Period
3%	**30 years**

Reserve Contributions

Current funding plan	$63,000
Full funding	$100,676
Baseline funding	$65,445

We recommend that reserve contributions be evenly distributed between members over the life of a community. An ideal contribution range is provided to help establish fair and equitable reserve contributions moving forward.

Reserve Account Projection



This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

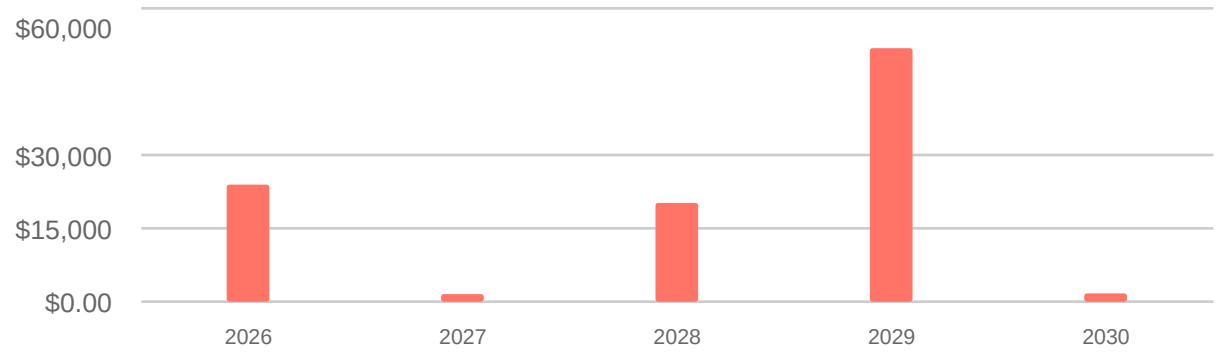
Five Year Outlook

The Five Year Outlook provides a detailed projection of your community's anticipated reserve expenditures over the next five years. This section offers a year-by-year breakdown of major component replacements and maintenance costs, enabling your association to plan ahead and allocate resources effectively.

By outlining the timing and cost of significant expenses, we help ensure your community is prepared to address it's short and long-term financial responsibilities.

Five Year Outlook

Annual reserve expenditures



This chart presents the projected annual reserve expenditures for all components over the next five years, reflecting the costs required to maintain and replace community assets.

Component Name	Category	Replacement cost
Year 2026		Total Cost $23,940
Pool Deck, Wood Railing, Replace	Pool & Pool House	**$23,940**
Year 2027		Total Cost $1,545
Pool House, Paint & Repair Allowance	Pool & Pool House	**$1,030**
Hot Tub Shelter, Paint & Repair	Pool & Pool House	**$515**
Year 2028		Total Cost $20,196
Paving, Asphalt, Repair & Seal Coat	General Site	**$9,054**
Pool, Furniture, Allowance	Pool & Pool House	**$2,122**
Curb, Concrete, 5% Repair	General Site	**$2,655**
Sauna, Repair & Maintenance Allowance	Pool & Pool House	**$6,365**
Year 2029		Total Cost $51,850
Pool Deck, Repair	Pool & Pool House	**$9,343**
Pool, Finish, Resurface	Pool & Pool House	**$29,504**
Entry Sign, Maintain & Repair	General Site	**$2,185**
Electrical, Light Fixtures, Exterior	Residential Bldgs	**$10,818**
Year 2030		Total Cost $1,688
Trash Enclosure, Replace	General Site	**$1,688**

Introduction to Reserve Studies

A reserve study is a vital planning tool that helps board members and property owners ensure the long-term financial health and maintenance of their shared assets. It serves as a comprehensive roadmap for understanding the condition, lifespan, and future repair or replacement costs of a community's physical components.

By fostering proactive planning and budgeting, reserve studies protect communities from unexpected expenses and financial instability, while promoting transparency and trust among homeowners.

Key Benefits of Reserve Studies

A reserve study is a planning tool that helps property owners, association managers, and board members ensure the long-term financial health and maintenance of their shared assets. It serves as a comprehensive roadmap for understanding the condition, lifespan, and future repair or replacement costs of a community's physical components. By fostering proactive planning and budgeting, reserve studies protect communities from unexpected expenses and financial instability, while promoting transparency and trust among homeowners.

Financial Stability

By forecasting future repair and replacement costs, reserve studies help associations avoid unexpected expenses and funding shortfalls. This proactive approach reduces the need for special assessments or loans, which can place a financial burden on homeowners.

Effective Resource Allocation

Reserve studies allow associations to prioritize repairs and replacements based on the condition and urgency of each component. This ensures funds are allocated efficiently and that critical assets are maintained without unnecessary delays.

Transparency and Trust

A detailed breakdown of the reserve fund, including projected costs and funding strategies, demonstrates that the association is responsible and proactive in managing community finances. This transparency fosters trust and a sense of community among homeowners.

Property Value Protection

Well-maintained assets contribute to higher property values, marketability, and overall homeowner satisfaction. Reserve studies play a key role in ensuring that these assets remain in good condition over time.

Compliance with Standards

Many jurisdictions and governing bodies require regular reserve studies to ensure associations are adequately funded. By adhering to these standards, associations can avoid legal and regulatory issues.

Key Benefits of Reserve Studies

When undertaking a reserve study, it is essential to define goals and outcomes in an effort to maximize the report's effectiveness and ensure it delivers meaningful value to the community. Establishing specific objectives allows association managers and board members to plan more effectively for the future, ensuring that sufficient funds are available to properly maintain shared property and assets over the long term.

A successful reserve study begins with clear goals and desired outcomes. These include:

- **Condition Assessment:** Identifying the current state and remaining useful life of each component. This enables associations to plan for necessary repairs and replacements with minimal disruption.
- **Funding Analysis:** Determining whether the reserve account has sufficient funds to cover anticipated expenses. If deficiencies are identified, associations can take steps to address them through increased assessments, revised budgets, or cost-saving measures.
- **Proactive Planning:** Ensuring that the reserve fund is adequately prepared for future needs. This reduces financial stress on homeowners and prevents crises that could arise from inadequate planning.
- **Community Trust:** Demonstrating fiscal responsibility and transparency through a detailed and accessible reserve study report. This builds confidence among homeowners and promotes collaboration within the community.

Key Components of a Reserve Study

A reserve study is built on two fundamental analyses: the **Physical Analysis**and the **Financial Analysis**.These components work together to provide a comprehensive picture of a community's shared assets, and the financial strategies required to maintain them.

Physical Analysis

The physical analysis focuses on the community's tangible assets, examining their condition, lifespan, and maintenance needs. This process includes the following:

1. Component Inventory
   - Identifying all major components maintained by the association, such as roofs, HVAC systems, parking lots, elevators, pool equipment, recreational facilities, plumbing, and electrical systems.
   - Each component is evaluated to ensure it meets the criteria for inclusion, such as being part of shared property, having a predictable lifecycle, and requiring significant funds for maintenance or replacement.
2. Condition Assessment
   - Determining the current state of each component, including visible wear and tear, structural integrity, and functional performance.
   - This step often involves on-site inspections conducted by engineers, architects, reserve specialists or other qualified professionals to provide accurate and objective assessments.
3. Useful Life Evaluation
   - Estimating the remaining useful life of each component based on its age, condition, and historical performance.
   - This evaluation considers environmental factors, usage patterns, and industry standards to forecast when maintenance, repair, or replacement will be needed.
4. Cost Estimation
   - Calculating the cost of repairing or replacing each component at the appropriate time. These estimates account for inflation, market trends, labor costs, and material prices to ensure the projections are realistic.
   - Accurate cost estimation allows associations to prepare for future expenditures and allocate funds appropriately.

Financial Analysis

The financial analysis connects the physical assessment of assets to the funding strategies required to meet future obligations. It includes:

1. Reserve Fund Status Assessment
   - Evaluating the current reserve fund balance and comparing it to the anticipated costs of future repairs and replacements.
   - This step provides a snapshot of the association's financial health, highlighting any existing funding deficiencies.
2. Funding Strategy Development
   - Recommending tailored funding plans that align with the association's financial goals and regulatory requirements. Common strategies include:
   - **Full Funding:** Ensuring that the reserve fund contains 100% of the projected costs for all components at any given time.
   - **Baseline Funding:** Maintaining a reserve balance that never falls below zero while covering future obligations.
   - **Threshold Funding:** Establishing a minimum reserve fund level above zero to provide an additional safety margin.
3. Cash Flow Analysis
   - Creating a cash flow projection that outlines how reserve funds will be collected, allocated, and spent over time. This analysis helps associations manage resources efficiently and avoid cash shortages.
4. Funding Recommendations
   - Offering actionable recommendations to ensure financial stability, such as adjusting assessment rates, implementing special assessments, or revising expenditure plans.

By combining the detailed insights from the **Physical Analysis** with the strategic planning of the **Financial Analysis**, a reserve study provides associations with a clear, actionable roadmap. This enables proactive maintenance, financial stability, and a well-managed community that benefits all residents.

Component List

The Component List provides a comprehensive inventory of all shared property assets included in this Reserve Study. Each component is detailed with its useful life, remaining useful life, quantity, unit cost, and current replacement cost.

This section enables board members to understand the condition and expected expenses for maintaining or replacing these assets, forming the foundation of the reserve fund analysis and planning.

Component List

Name	UL	RUL	Quantity	Change Percent	Unit Cost	Current Cost
RESIDENTIAL BLDGS						
Roof, Asphalt Shingle, Replace (Bldg 1)	25 years	22 years	65 SQ	100%	$750	$48,750
Roof, Asphalt Shingle, Replace (Bldg 2)	25 years	21 years	46 SQ	100%	$750	$34,500
Roof, Asphalt Shingle, Replace (Bldg 3)	25 years	21 years	50 SQ	100%	$750	$37,500
Roof, Asphalt Shingle, Replace (Bldg 4)	25 years	23 years	46 SQ	100%	$750	$34,500
Roof, Asphalt Shingle, Replace (Bldg 5)	25 years	22 years	50 SQ	100%	$750	$37,500
Bldg Exterior, Caulk & Paint	8 years	7 years	1 LS	100%	$50,000	$50,000
Stone Veneer, 5% Repair	8 years	8 years	6800 SF	5%	$25	$8,500
Siding, Hardie Fiber Cement, Replace	40 years	32 years	40100 SF	100%	$16	$641,600
Siding, Cedar, Replace	50 years	8 years	14800 SF	100%	$20	$296,000
Walkway, Outdoor Carpet, Replace	15 years	5 years	662 SY	100%	$27	$17,874
Walkway, Wood Railing, Replace	30 years	10 years	1085 LF	100%	$90	$97,650
Walkway, Wood Railing, Replace (Bldg 5)	30 years	25 years	336 LF	100%	$90	$30,240
Balcony, Wood Railing, Replace	30 years	25 years	705 LF	100%	$90	$63,450
Fire Alarm, Control Panels, Replace	20 years	10 years	5 EA	100%	$4,000	$20,000
Entry Stairwell, Repair Allowance	10 years	5 years	1 LS	100%	$10,000	$10,000
Electrical, Light Fixtures, Exterior	25 years	3 years	66 EA	100%	$150	$9,900
GENERAL SITE						
Paving, Asphalt, Repair & Seal Coat	3 years	2 years	27530 SF	100%	$0.31	$8,534.3
Paving, Asphalt, Repair & Overlay	30 years	10 years	27530 SF	100%	$3	$82,590
Curb, Concrete, 5% Repair	10 years	2 years	1430 LF	5%	$35	$2,502.5
Entry Sign, Maintain & Repair	5 years	3 years	1 LS	100%	$2,000	$2,000
Entry Sign, Replace	30 years	18 years	1 EA	100%	$10,000	$10,000
Trash Enclosure, Replace	5 years	4 years	1 LS	100%	$1,500	$1,500
POOL & POOL HOUSE						
Pool, Finish, Resurface	15 years	3 years	1 LS	100%	$27,000	$27,000
Pool Deck, Repair	10 years	3 years	2850 SF	100%	$3	$8,550
Pool Deck, Wood Railing, Replace	30 years	0 years	266 LF	100%	$90	$23,940

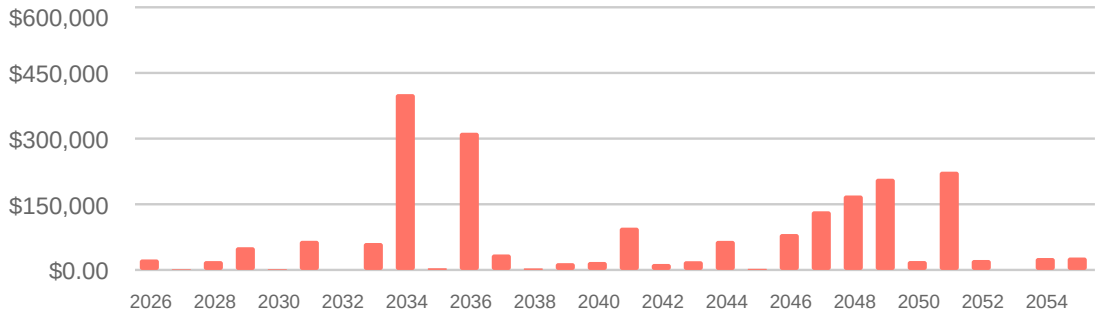
Name	UL	RUL	Quantity	Change Percent	Unit Cost	Current Cost
Pool, Furniture, Allowance	3 years	2 years	1 LS	100%	$2,000	$2,000
Pool House, Reroof	25 years	10 years	11 SQ	100%	$750	$8,250
Pool House, Paint & Repair Allowance	8 years	1 years	1 LS	100%	$1,000	$1,000
Pool House, Window & Door, Replace	50 years	10 years	184 SF	100%	$80	$14,720
Pool House, Restroom, Remodel Allowance	30 years	10 years	2 EA	100%	$5,000	$10,000
Hot Tub Shelter, Paint & Repair	8 years	1 years	1 LS	100%	$500	$500
Hot Tub Shelter, Replace	40 years	11 years	1 EA	100%	$15,000	$15,000
Hot Tubs, Replace	15 years	5 years	2 EA	100%	$8,500	$17,000
Sauna, Repair & Maintenance Allowance	40 years	2 years	1 LS	100%	$6,000	$6,000
Sauna, Heater, Replace	10 years	5 years	1 EA	100%	$2,000	$2,000

Anticipated Expenditure

The Anticipated Expenditure section provides a comprehensive projection of expected costs for maintaining and replacing shared property components over a 30-year period. This section includes annual reserve expenditures broken down by components, detailing useful life, remaining useful life, and current replacement costs.

By understanding these long-term projections, board members can effectively plan contributions and ensure the financial stability of the community for decades to come.

Annual reserve expenditures



This chart shows the projected annual reserve expenditures over a 30-year period, highlighting the anticipated costs required to maintain and replace community assets. Recommendations are provided to ensure fair and equitable reserve contributions across the community's lifespan.

Component Name	Category	Replacement cost
Year 2026		Total Cost $23,940
Pool Deck, Wood Railing, Replace	Pool & Pool House	**$23,940**
Year 2027		Total Cost $1,545
Pool House, Paint & Repair Allowance	Pool & Pool House	**$1,030**
Hot Tub Shelter, Paint & Repair	Pool & Pool House	**$515**
Year 2028		Total Cost $20,196
Paving, Asphalt, Repair & Seal Coat	General Site	**$9,054**
Pool, Furniture, Allowance	Pool & Pool House	**$2,122**
Curb, Concrete, 5% Repair	General Site	**$2,655**
Sauna, Repair & Maintenance Allowance	Pool & Pool House	**$6,365**
Year 2029		Total Cost $51,850
Pool Deck, Repair	Pool & Pool House	**$9,343**
Pool, Finish, Resurface	Pool & Pool House	**$29,504**
Entry Sign, Maintain & Repair	General Site	**$2,185**
Electrical, Light Fixtures, Exterior	Residential Bldgs	**$10,818**

Component Name	Category	Replacement cost
Year 2030		Total Cost $1,688
Trash Enclosure, Replace	General Site	**$1,688**
Year 2031		Total Cost $66,552
Paving, Asphalt, Repair & Seal Coat	General Site	**$9,894**
Pool, Furniture, Allowance	Pool & Pool House	**$2,319**
Entry Stairwell, Repair Allowance	Residential Bldgs	**$11,593**
Sauna, Heater, Replace	Pool & Pool House	**$2,319**
Hot Tubs, Replace	Pool & Pool House	**$19,708**
Walkway, Outdoor Carpet, Replace	Residential Bldgs	**$20,721**
Year 2032		No Expenses
Year 2033		Total Cost $61,494
Bldg Exterior, Caulk & Paint	Residential Bldgs	**$61,494**
Year 2034		Total Cost $401,610
Paving, Asphalt, Repair & Seal Coat	General Site	**$10,811**
Siding, Cedar, Replace	Residential Bldgs	**$374,964**
Pool, Furniture, Allowance	Pool & Pool House	**$2,534**
Entry Sign, Maintain & Repair	General Site	**$2,534**
Stone Veneer, 5% Repair	Residential Bldgs	**$10,768**
Year 2035		Total Cost $3,914
Pool House, Paint & Repair Allowance	Pool & Pool House	**$1,305**
Hot Tub Shelter, Paint & Repair	Pool & Pool House	**$652**
Trash Enclosure, Replace	General Site	**$1,957**
Year 2036		Total Cost $313,415
Paving, Asphalt, Repair & Overlay	General Site	**$110,994**
Walkway, Wood Railing, Replace	Residential Bldgs	**$131,233**
Pool House, Restroom, Remodel Allowance	Pool & Pool House	**$13,439**
Pool House, Reroof	Pool & Pool House	**$11,087**
Pool House, Window & Door, Replace	Pool & Pool House	**$19,782**
Fire Alarm, Control Panels, Replace	Residential Bldgs	**$26,878**

Component Name	Category	Replacement cost
Year 2037		Total Cost $35,345
Paving, Asphalt, Repair & Seal Coat	General Site	**$11,813**
Pool, Furniture, Allowance	Pool & Pool House	**$2,768**
Hot Tub Shelter, Replace	Pool & Pool House	**$20,764**
Year 2038		Total Cost $3,568
Curb, Concrete, 5% Repair	General Site	**$3,568**
Year 2039		Total Cost $15,493
Pool Deck, Repair	Pool & Pool House	**$12,556**
Entry Sign, Maintain & Repair	General Site	**$2,937**
Year 2040		Total Cost $18,203
Paving, Asphalt, Repair & Seal Coat	General Site	**$12,909**
Pool, Furniture, Allowance	Pool & Pool House	**$3,025**
Trash Enclosure, Replace	General Site	**$2,269**
Year 2041		Total Cost $96,594
Bldg Exterior, Caulk & Paint	Residential Bldgs	**$77,898**
Entry Stairwell, Repair Allowance	Residential Bldgs	**$15,580**
Sauna, Heater, Replace	Pool & Pool House	**$3,116**
Year 2042		Total Cost $13,640
Stone Veneer, 5% Repair	Residential Bldgs	**$13,640**
Year 2043		Total Cost $19,891
Paving, Asphalt, Repair & Seal Coat	General Site	**$14,106**
Pool, Furniture, Allowance	Pool & Pool House	**$3,306**
Pool House, Paint & Repair Allowance	Pool & Pool House	**$1,653**
Hot Tub Shelter, Paint & Repair	Pool & Pool House	**$826**

Component Name	Category	Replacement cost
Year 2044		Total Cost $66,395
Pool, Finish, Resurface	Pool & Pool House	**$45,966**
Entry Sign, Replace	General Site	**$17,024**
Entry Sign, Maintain & Repair	General Site	**$3,405**
Year 2045		Total Cost $2,630
Trash Enclosure, Replace	General Site	**$2,630**
Year 2046		Total Cost $82,012
Paving, Asphalt, Repair & Seal Coat	General Site	**$15,414**
Pool, Furniture, Allowance	Pool & Pool House	**$3,612**
Hot Tubs, Replace	Pool & Pool House	**$30,704**
Walkway, Outdoor Carpet, Replace	Residential Bldgs	**$32,282**
Year 2047		Total Cost $133,941
Roof, Asphalt Shingle, Replace (Bldg 3)	Residential Bldgs	**$69,761**
Roof, Asphalt Shingle, Replace (Bldg 2)	Residential Bldgs	**$64,180**
Year 2048		Total Cost $170,059
Roof, Asphalt Shingle, Replace (Bldg 1)	Residential Bldgs	**$93,410**
Curb, Concrete, 5% Repair	General Site	**$4,795**
Roof, Asphalt Shingle, Replace (Bldg 5)	Residential Bldgs	**$71,854**
Year 2049		Total Cost $208,380
Paving, Asphalt, Repair & Seal Coat	General Site	**$16,843**
Pool Deck, Repair	Pool & Pool House	**$16,874**
Pool, Furniture, Allowance	Pool & Pool House	**$3,947**
Entry Sign, Maintain & Repair	General Site	**$3,947**
Bldg Exterior, Caulk & Paint	Residential Bldgs	**$98,679**
Roof, Asphalt Shingle, Replace (Bldg 4)	Residential Bldgs	**$68,089**
Year 2050		Total Cost $20,328
Stone Veneer, 5% Repair	Residential Bldgs	**$17,279**
Trash Enclosure, Replace	General Site	**$3,049**

Component Name	Category	Replacement cost
Year 2051		Total Cost $224,432
Pool House, Paint & Repair Allowance	Pool & Pool House	**$2,094**
Walkway, Wood Railing, Replace (Bldg 5)	Residential Bldgs	**$63,316**
Balcony, Wood Railing, Replace	Residential Bldgs	**$132,850**
Entry Stairwell, Repair Allowance	Residential Bldgs	**$20,938**
Hot Tub Shelter, Paint & Repair	Pool & Pool House	**$1,047**
Sauna, Heater, Replace	Pool & Pool House	**$4,188**
Year 2052		Total Cost $22,718
Paving, Asphalt, Repair & Seal Coat	General Site	**$18,405**
Pool, Furniture, Allowance	Pool & Pool House	**$4,313**
Year 2053		No Expenses
Year 2054		Total Cost $27,226
Entry Sign, Maintain & Repair	General Site	**$4,576**
Electrical, Light Fixtures, Exterior	Residential Bldgs	**$22,650**
Year 2055		Total Cost $28,360
Paving, Asphalt, Repair & Seal Coat	General Site	**$20,112**
Pool, Furniture, Allowance	Pool & Pool House	**$4,713**
Trash Enclosure, Replace	General Site	**$3,535**

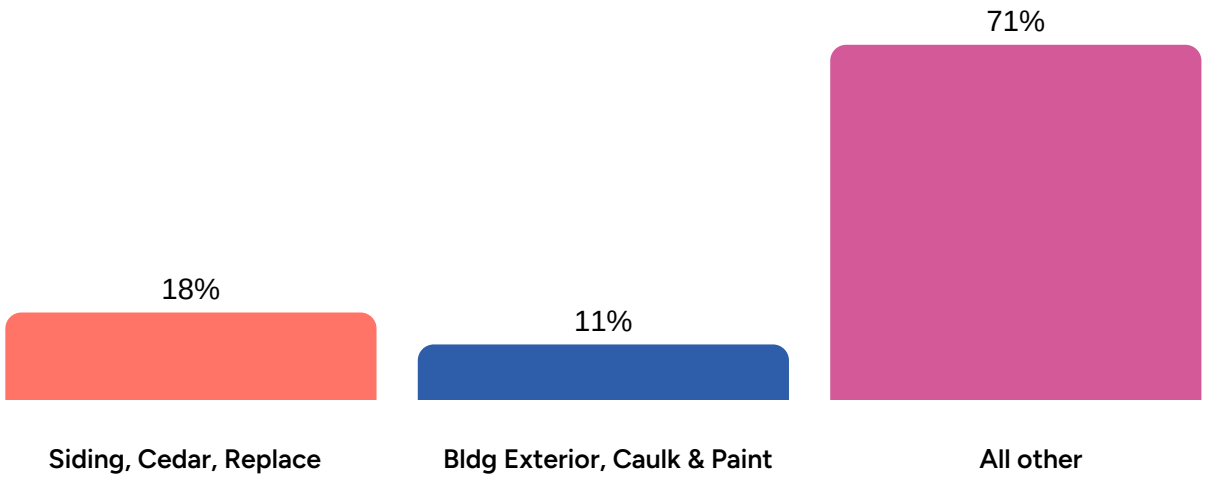
Reserve Expenses

The Anticipated Expenditure section provides a comprehensive projection of expected costs for maintaining and replacing shared property components over a 30-year period. This section includes annual reserve expenditures broken down by components, detailing useful life, remaining useful life, and current replacement costs.

By understanding these long-term projections, board members can effectively plan contributions and ensure the financial stability of the community for decades to come.

Reserve Expenses Summary

Major Expenses

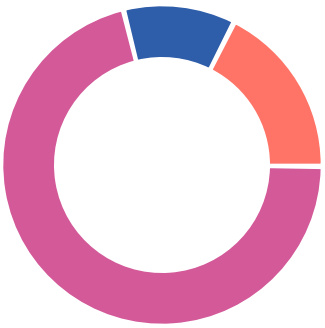


Bldg Exterior, Caulk & Paint	$238,071
Siding, Cedar, Replace	$374,964

Breakdown is based upon the average annual cost of the reserve component and serves to highlight the significance of the association's two largest expenses.

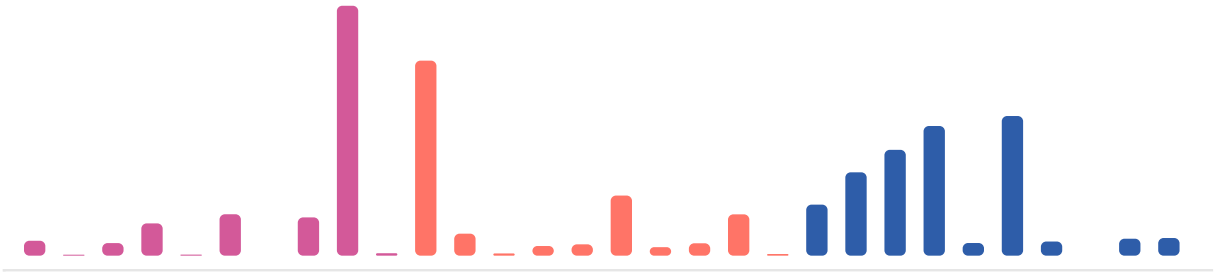
Expense Category Breakdown

Category		Amount/Share
Siding, Cedar, Replace	$374,964	18%
Bldg Exterior, Caulk & Paint	$238,071	11%
All Other	$1,522,384	71%



Reserve Account

Total Expenses over 30 years	**$2,135,419**
Average Annual Expense over 30 years	**$71,181**



Expenditures for major reserve components are outlined in greater details within the report. We recommend that the report is read in its entirety in order to understand how conclusions and results have been formulated.

Expense Outlook

Year 1-10, Short-term expenses	**$632,789**
Year 11-20, Mid-term expenses	**$667,187**
Year 21-30, Long-term expenses	**$835,444**

The timing and significance of expenses will help the association in establishing investment windows and timelines for adequately saving for anticipated expenses.

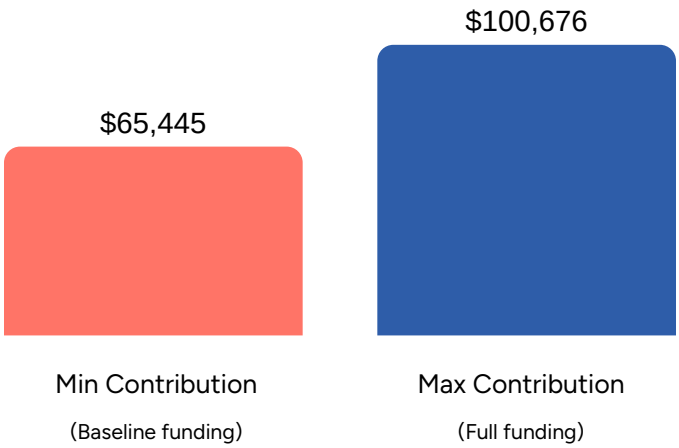
Funding Summary

The Funding Summary provides an analysis of your community's reserve fund balance, highlighting current contributions, minimum funding levels, and the target for full funding. This section includes the current balance, the fully funded balance, and the percent funded, offering a clear picture of the community's financial health.

By understanding these funding benchmarks, board members can evaluate the adequacy of reserve contributions and take proactive steps to meet the long-term needs of the association.

Funding Summary

How much should you contribute to reserves?



We recommend that reserve contributions be evenly distributed between members over the life of a community. An ideal contribution range is provided to help establish fair and equitable reserve contributions moving forward. Any special assessments planned or otherwise factored into the reserve study, are in addition to the contribution amounts above.

How well funded are you?

Percent Funded	16%

Current Balance	$108,000
Fully Funded Target Balance	$694,995

Percent funded in reserve studies refers to the ratio of the current reserve fund balance to the Fully Funded Balance, expressed as a percentage.

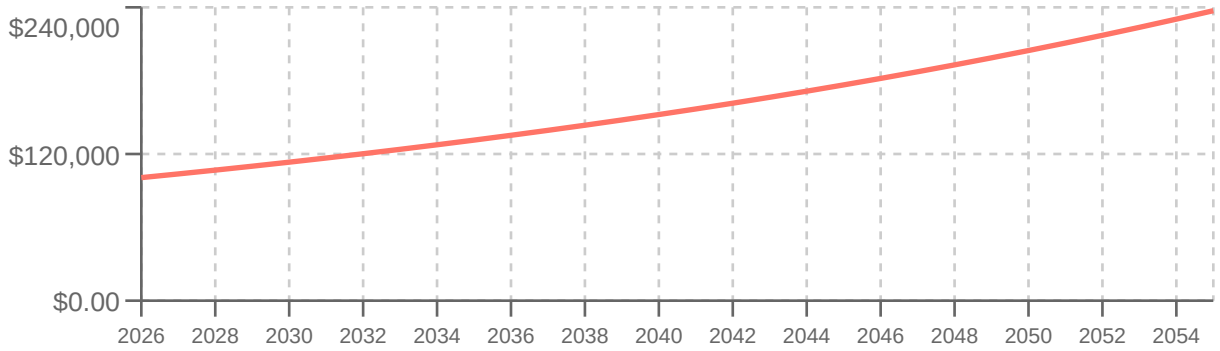
Funding Models

The Funding Models section explores multiple strategies for reserve fund contributions, including Baseline Funding, Fully Funded models, and any Custom Funding Plans created for your community. Each model outlines projected balances, contributions, expenses, and funding levels over the 30-year study period.

By comparing these scenarios, board members can assess the financial implications of each approach and select a plan that best meets the community's long-term needs while maintaining financial stability.

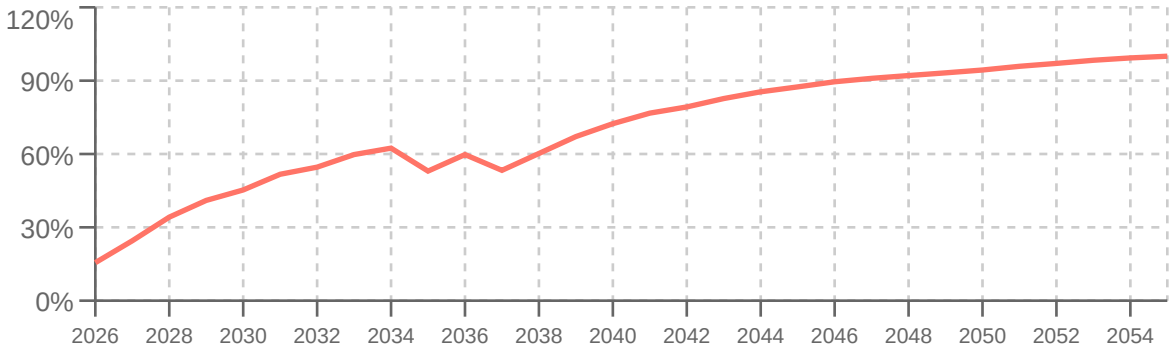
Full funding

Contribution Amount



This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

Percentage Funded



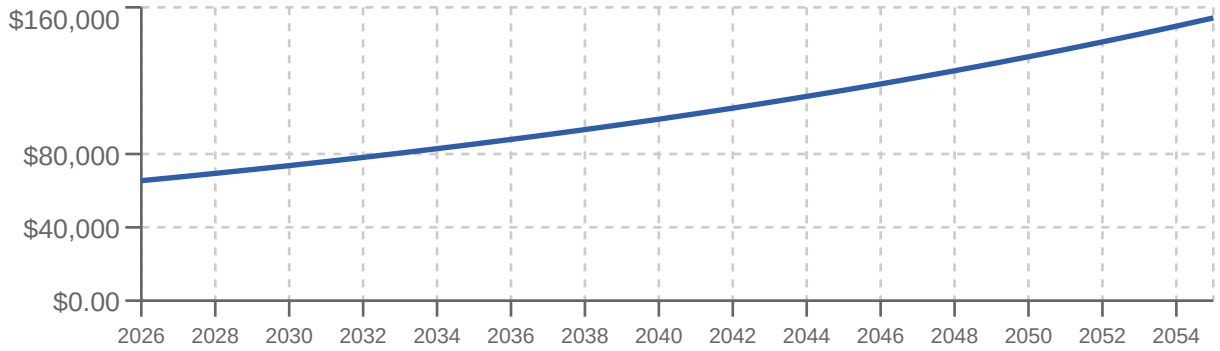
This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

Full funding

Fiscal Year	Percentage Funded	Fully Funded Balance	Starting Balance	Contribution Amount	Special Assessment	Interest Earned	Reserve Expenses
2026	16%	$694,995	$108,000	$100,676	$0.00	$0.00	$23,940
2027	25%	$753,968	$184,736	$103,696	$0.00	$0.00	$1,545
2028	34%	$839,660	$286,887	$106,807	$0.00	$0.00	$20,196
2029	41%	$910,653	$373,498	$110,011	$0.00	$0.00	$51,850
2030	45%	$953,170	$431,659	$113,311	$0.00	$0.00	$1,688
2031	52%	$1,050,687	$543,282	$116,711	$0.00	$0.00	$66,552
2032	55%	$1,086,439	$593,441	$120,212	$0.00	$0.00	$0.00
2033	60%	$1,193,997	$713,653	$123,819	$0.00	$0.00	$61,494
2034	62%	$1,243,691	$775,978	$127,533	$0.00	$0.00	$401,610
2035	53%	$946,873	$501,901	$131,359	$0.00	$0.00	$3,914
2036	60%	$1,053,163	$629,346	$135,300	$0.00	$0.00	$313,415
2037	53%	$846,314	$451,231	$139,359	$0.00	$0.00	$35,345
2038	60%	$922,201	$555,245	$143,540	$0.00	$0.00	$3,568
2039	67%	$1,035,703	$695,216	$147,846	$0.00	$0.00	$15,493
2040	72%	$1,143,013	$827,569	$152,281	$0.00	$0.00	$18,203
2041	77%	$1,253,517	$961,647	$156,850	$0.00	$0.00	$96,594
2042	79%	$1,289,442	$1,021,903	$161,555	$0.00	$0.00	$13,640
2043	83%	$1,414,821	$1,169,818	$166,402	$0.00	$0.00	$19,891
2044	85%	$1,540,546	$1,316,329	$171,394	$0.00	$0.00	$66,395
2045	87%	$1,625,257	$1,421,327	$176,536	$0.00	$0.00	$2,630
2046	90%	$1,781,392	$1,595,233	$181,832	$0.00	$0.00	$82,012
2047	91%	$1,863,751	$1,695,052	$187,287	$0.00	$0.00	$133,941
2048	92%	$1,898,496	$1,748,397	$192,905	$0.00	$0.00	$170,059
2049	93%	$1,900,586	$1,771,244	$198,692	$0.00	$0.00	$208,380
2050	94%	$1,866,876	$1,761,556	$204,653	$0.00	$0.00	$20,328
2051	96%	$2,029,566	$1,945,881	$210,793	$0.00	$0.00	$224,432
2052	97%	$1,990,738	$1,932,242	$217,116	$0.00	$0.00	$22,718
2053	98%	$2,162,454	$2,126,640	$223,630	$0.00	$0.00	$0.00
2054	99%	$2,366,783	$2,350,270	$230,339	$0.00	$0.00	$27,226
2055	100%	$2,553,382	$2,553,383	$237,249	$0.00	$0.00	$28,360

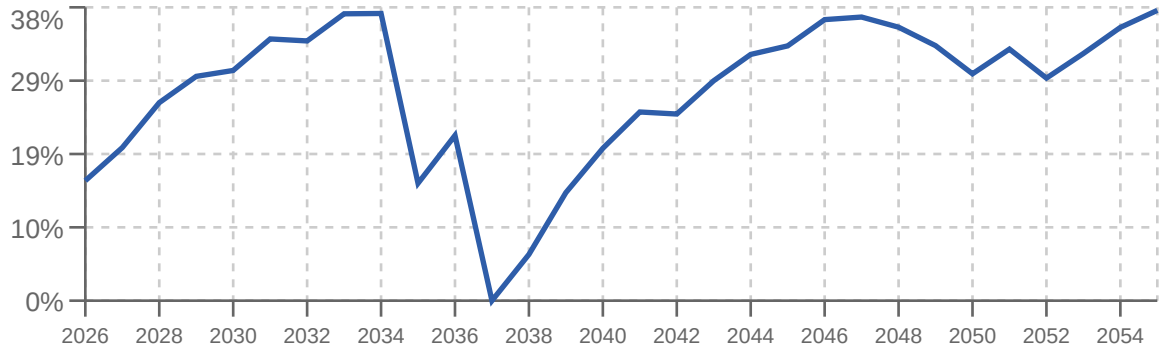
Baseline funding

Contribution Amount



This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

Percentage Funded



This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

Baseline funding

Fiscal Year	Percentage Funded	Fully Funded Balance	Starting Balance	Contribution Amount	Special Assessment	Interest Earned	Reserve Expenses
2026	16%	$694,995	$108,000	$65,445	$0.00	$0.00	$23,940
2027	20%	$753,968	$149,505	$67,408	$0.00	$0.00	$1,545
2028	26%	$839,660	$215,368	$69,430	$0.00	$0.00	$20,196
2029	29%	$910,653	$264,602	$71,513	$0.00	$0.00	$51,850
2030	30%	$953,170	$284,266	$73,659	$0.00	$0.00	$1,688
2031	34%	$1,050,687	$356,236	$75,868	$0.00	$0.00	$66,552
2032	34%	$1,086,439	$365,553	$78,145	$0.00	$0.00	$0.00
2033	37%	$1,193,997	$443,697	$80,489	$0.00	$0.00	$61,494
2034	37%	$1,243,691	$462,692	$82,904	$0.00	$0.00	$401,610
2035	15%	$946,873	$143,986	$85,391	$0.00	$0.00	$3,914
2036	21%	$1,053,163	$225,462	$87,952	$0.00	$0.00	$313,415
2037	0%	$846,314	$0.00	$90,591	$0.00	$0.00	$35,345
2038	6%	$922,201	$55,245	$93,309	$0.00	$0.00	$3,568
2039	14%	$1,035,703	$144,986	$96,108	$0.00	$0.00	$15,493
2040	20%	$1,143,013	$225,601	$98,991	$0.00	$0.00	$18,203
2041	24%	$1,253,517	$306,389	$101,961	$0.00	$0.00	$96,594
2042	24%	$1,289,442	$311,756	$105,020	$0.00	$0.00	$13,640
2043	28%	$1,414,821	$403,136	$108,170	$0.00	$0.00	$19,891
2044	32%	$1,540,546	$491,415	$111,415	$0.00	$0.00	$66,395
2045	33%	$1,625,257	$536,436	$114,758	$0.00	$0.00	$2,630
2046	36%	$1,781,392	$648,563	$118,201	$0.00	$0.00	$82,012
2047	37%	$1,863,751	$684,751	$121,747	$0.00	$0.00	$133,941
2048	35%	$1,898,496	$672,557	$125,399	$0.00	$0.00	$170,059
2049	33%	$1,900,586	$627,897	$129,161	$0.00	$0.00	$208,380
2050	29%	$1,866,876	$548,678	$133,036	$0.00	$0.00	$20,328
2051	33%	$2,029,566	$661,386	$137,027	$0.00	$0.00	$224,432
2052	29%	$1,990,738	$573,981	$141,138	$0.00	$0.00	$22,718
2053	32%	$2,162,454	$692,400	$145,372	$0.00	$0.00	$0.00
2054	35%	$2,366,783	$837,772	$149,733	$0.00	$0.00	$27,226
2055	38%	$2,553,382	$960,279	$154,225	$0.00	$0.00	$28,360

Reserve Component Analysis

The Reserve Component Inventory provides a detailed breakdown of all components assessed during the site visit. This section includes images, descriptions, and key data such as useful life, remaining useful life, quantity, and current replacement costs for each component.

By offering a visual and data-driven overview, this inventory enables board members to understand the scope of assets under management and the financial requirements for their maintenance and replacement.

Reserve Component Inventory

Date of Field Observations and Site Visit: April 20, 2025

On-Site Observation

When on-site our team conducts a representative sampling of common areas instead of inspecting every single area. This approach is designed to efficiently cover a broad range of components while ensuring that our observations are representative of the overall condition of the property. The samplings were chosen based on a stratified approach, ensuring a diverse and comprehensive representation of various property areas, including both high-traffic and less frequently used spaces.

We employed satellite and direct field measurements for a portion of the common areas. These methods provided us with precise data on the dimensions and current state of these spaces. In some instances, drawing takeoffs were utilized, particularly for areas where satellite or direct measurement was impractical or where existing architectural plans provided sufficient accuracy.

We collected photographic evidence dur on-site visits to support our findings and provide visual documentation of the property's condition. It is important to note that our observations were limited to visible and accessible areas. Components that were not accessible during our visit or required invasive methods for assessment were not included in this study. Where possible, we consulted with specialized experts, particularly for complex systems to ensure a thorough and accurate assessment.

Residential Bldgs

Roof, Asphalt Shingle, Replace (Bldg 1)

Cost: **$48,750**
Quantity: **65 SQ**
Useful Life: **25 years**
Next replacement in: **22 year**
Replacement timeline: **1. 2048**

Complete removal of the existing roofing system down to the deck, inspection and repair of any damaged sheathing, and the installation of a new asphalt shingle roofing system with underlayment, flashing, and proper ventilation.

Maintenance
•Inspect annually for cracked, curled, or missing shingles, especially after storms.
•Clear debris (leaves, branches) from roof surface and gutters to prevent moisture buildup.
•Check flashing and seals around vents, chimneys, and skylights to ensure watertight integrity.

Residential Bldgs

Roof, Asphalt Shingle, Replace (Bldg 2)

Cost: **$34,500**
Quantity: **46 SQ**
Useful Life: **25 years**
Next replacement in: **21 year**
Replacement timeline: **1. 2047**

Residential Bldgs

Roof, Asphalt Shingle, Replace (Bldg 3)

Cost: **$37,500**
Quantity: **50 SQ**
Useful Life: **25 years**
Next replacement in: **21 year**
Replacement timeline: **1. 2047**

Residential Bldgs

Roof, Asphalt Shingle, Replace (Bldg 4)

Cost: **$34,500**
Quantity: **46 SQ**
Useful Life: **25 years**
Next replacement in: **23 year**
Replacement timeline: 1. 2049

Residential Bldgs

Roof, Asphalt Shingle, Replace (Bldg 5)

Cost: **$37,500**
Quantity: **50 SQ**
Useful Life: **25 years**
Next replacement in: **22 year**
Replacement timeline: 1. 2048

Residential Bldgs

Bldg Exterior, Caulk & Paint

Cost: **$50,000**
Quantity: **1 LS**
Useful Life: **8 years**
Next replacement in: **7 year**
Replacement timeline: 1. 2033, 2. 2041, 3. 2049

The Association completed painting of the Hardie siding in 2024 for $28,000 and is self-performing caulking in 2025 using MasterSeal NP-1, with total estimated costs under $10,000 for materials and equipment rental. Additional painting of cedar trim in entry areas is planned in-house with some volunteer labor, bringing total projected costs for all painting and caulking activities to approximately $50,000.

Maintenance
•Inspect annually for peeling paint, cracked caulking, and gaps at joints, windows, and doors.
•Touch up paint and recaulk areas showing signs of wear or movement to maintain weather resistance.
•Clean surfaces periodically to remove dirt, mildew, and pollutants, especially in shaded or moisture-prone areas.

Residential Bldgs

Stone Veneer, 5% Repair

Cost: **$8,500**

Quantity: **6800 SF**

Useful Life: **8 years**

Next replacement in: **8 year**

Replacement timeline: **1. 2034** | 2. 2042 | 3. 2050

Targeted repair of a limited portion of the total stone veneer surface area, involving removal and replacement of damaged, loose, or missing stone units and reapplication of mortar or adhesive to match the existing installation. Repairs are typically made to address impact damage, mortar deterioration, or installation defects while maintaining the visual continuity of the overall system.

Maintenance
- Inspect annually for loose stones, cracked mortar joints, or signs of moisture intrusion behind the veneer.
- Repoint mortar joints and reset stones as needed to maintain structural integrity and appearance.
- Clean stone surfaces with a mild detergent and soft brush to remove dirt, efflorescence, or biological growth.

Residential Bldgs

Siding, Hardie Fiber Cement, Replace

Cost: **$641,600**

Quantity: **40100 SF**

Useful Life: **40 years**

Next replacement in: **32 year**

Replacement timeline:

Removal of existing siding and installation of new fiber cement siding, which typically includes prefinished or paintable panels or planks composed of cement, sand, and cellulose fibers. Fiber cement siding is highly durable, fire-resistant, and resistant to rot and insects, making it a popular choice for residential and multifamily structures. Proper installation includes flashing, caulking, and joint treatments to ensure long-term performance.

Maintenance
- Inspect annually for cracks, impact damage, or deteriorated caulking at joints and penetrations.
- Clean siding surfaces periodically to remove dirt, mildew, and debris using a soft brush or low-pressure wash.
- Repaint or touch up finishes as needed based on manufacturer recommendations to maintain protective coating and appearance.

Residential Bldgs

Siding, Cedar, Replace

Cost: **$296,000**

Quantity: **14800 SF**

Useful Life: **50 years**

Next replacement in: **8 year**

Replacement timeline: 1. 2034

Removal of existing siding and installation of new wood siding, such as lap, shingle, or board-and-batten, typically made from cedar, redwood, or other decay-resistant species. Wood siding offers a natural aesthetic and good insulation properties but requires regular upkeep to protect against moisture, pests, and UV degradation. Proper flashing, sealing, and ventilation details are essential for durability.

Maintenance
- Inspect annually for signs of rot, warping, insect activity, and deteriorated paint or stain.
- Repaint or re-stain when surface protection begins to fail or appearance deteriorates.
- Keep siding clear of soil contact and vegetation to prevent moisture retention and pest intrusion.

Residential Bldgs

Walkway, Outdoor Carpet, Replace

Cost: **$17,874**

Quantity: **662 SY**

Useful Life: **15 years**

Next replacement in: **5 year**

Replacement timeline: 1. 2031 2. 2046

Removal of existing outdoor carpet and installation of new weather-resistant carpet over a suitable deck surface, typically secured with adhesive or mechanical fasteners. Outdoor carpet enhances comfort and aesthetics while providing slip resistance, and must be installed over a dry, properly prepared substrate to prevent moisture entrapment and deterioration.

Maintenance
- Inspect annually for fraying, discoloration, lifting edges, or signs of mildew or water damage.
- Clean regularly using a vacuum or mild detergent and hose to remove debris, stains, and organic buildup.
- Ensure drainage under the carpet remains functional to prevent moisture retention and substrate damage.

Residential Bldgs

Walkway, Wood Railing, Replace

Cost: **$97,650**
Quantity: **1085 LF**
Useful Life: **30 years**
Next replacement in: **10 year**
Replacement timeline: **1. 2036**

Removal of the existing wood railing and installation of a new wood railing system, typically constructed from pressure-treated lumber, cedar, or redwood. Wood railings provide a traditional aesthetic and can be customized in style while meeting building code requirements for height, spacing, and structural integrity. Proper sealing and fastener selection are essential for durability.

Maintenance
•Inspect annually for signs of rot, cracking, loose connections, or insect activity, particularly at posts and joints.
•Clean regularly and apply stain or sealant when the surface shows signs of weathering or diminished protection.
•Ensure vegetation is trimmed away from the railing and that water does not pool at the base of posts.

Residential Bldgs

Walkway, Wood Railing, Replace (Bldg 5)

Cost: **$30,240**
Quantity: **336 LF**
Useful Life: **30 years**
Next replacement in: **25 year**
Replacement timeline: **1. 2051**

Residential Bldgs

Balcony, Wood Railing, Replace

Cost: **$63,450**
Quantity: **705 LF**
Useful Life: **30 years**
Next replacement in: **25 year**
Replacement timeline: **1. 2051**

Residential Bldgs

Fire Alarm, Control Panels, Replace

Cost: **$20,000**

Quantity: **5 EA**

Useful Life: **20 years**

Next replacement in: **10 year**

Replacement timeline: **1. 2036** **2. 2056**

Removal of the existing fire alarm control panel and installation of a new control panel to manage the fire alarm system. The new panel includes updated wiring, circuits, and safety features in compliance with current fire safety codes.

Maintenance
- Inspect periodically for signs of malfunction, such as unresponsive controls or faulty displays.
- Ensure that all electrical connections remain secure and free from damage.
- Test the control panel regularly to confirm proper operation and address any issues promptly.

Residential Bldgs

Entry Stairwell, Repair Allowance

Cost: **$10,000**

Quantity: **1 LS**

Useful Life: **10 years**

Next replacement in: **5 year**

Replacement timeline: **1. 2031** **2. 2041** **3. 2051**

Residential Bldgs

Electrical, Light Fixtures, Exterior

Cost: **$9,900**

Quantity: **66 EA**

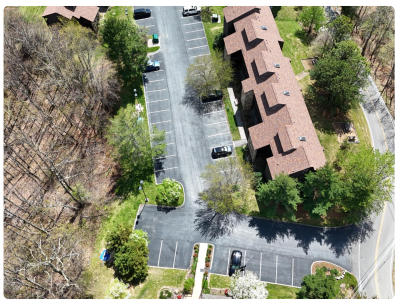
Useful Life: **25 years**

Next replacement in: **3 year**

Replacement timeline: **1. 2029** **2. 2054**

Removal of the existing exterior light fixtures and installation of new fixtures, with the necessary connections to the existing electrical system.

Maintenance
- Inspect periodically for signs of wear, such as cracked lenses, rusted components, or damaged fixtures.
- Ensure that the wiring and electrical connections remain secure and free from damage.
- Clean the fixtures regularly to remove dirt, debris, or organic buildup, and replace any faulty components as necessary.



General Site

Paving, Asphalt, Repair & Seal Coat

Cost: **$8,534.3**

Quantity: **27530 SF**

Useful Life: **3 years**

Next replacement in: **2 year**

Replacement timeline: **1. 2028** **2. 2031** **3. 2034** **4. 2037** **5. 2040** **6. 2043** **7. 2046** **8. 2049** **9. 2052** **10. 2055**

General Site

Paving, Asphalt, Repair & Overlay

Cost: **$82,590**

Quantity: **27530 SF**

Useful Life: **30 years**

Next replacement in: **10 year**

Replacement timeline: **1. 2036**

General Site

Curb, Concrete, 5% Repair

Cost: **$2,502.5**

Quantity: **1430 LF**

Useful Life: **10 years**

Next replacement in: **2 year**

Replacement timeline: 1. 2028 | 2. 2038 | 3. 2048

Repair of a limited portion of the concrete curb, addressing localized damage such as cracks, chips, or surface degradation. This process involves cleaning and preparing the affected areas, followed by the application of a suitable concrete repair material to restore the curb's integrity and functionality.

Maintenance
- Inspect periodically for new cracks, wear, or surface damage, especially after heavy traffic or severe weather events.
- Clean the curb surface regularly to prevent the accumulation of dirt, debris, or moisture that can exacerbate damage.
- Reapply repair materials as needed to maintain structural integrity and prevent further degradation.

General Site

Entry Sign, Maintain & Repair

Cost: **$2,000**

Quantity: **1 LS**

Useful Life: **5 years**

Next replacement in: **3 year**

Replacement timeline: 1. 2029 | 2. 2034 | 3. 2039 | 4. 2044 | 5. 2049 | 6. 2054

Ongoing maintenance and repair of the entry sign, including inspection, cleaning, and fixing any damage to the structure or materials. This may involve addressing issues such as fading paint, cracked materials, or loose components to ensure the sign remains functional and aesthetically presentable.

Maintenance
- Inspect periodically for signs of wear, such as fading, cracks, or damage to the sign structure.
- Repair or replace damaged components, including paint, fasteners, or structural elements, as needed.
- Clean the sign regularly to remove dirt, debris, and environmental buildup.

General Site

Entry Sign, Replace

Cost: **$10,000**

Quantity: **1 EA**

Useful Life: **30 years**

Next replacement in: **18 year**

Replacement timeline: 1. 2044

General Site

Trash Enclosure, Replace

Cost: **$1,500**

Quantity: **1 LS**

Useful Life: **5 years**

Next replacement in: **4 year**

Replacement timeline: 1. 2030 2. 2035 3. 2040 4. 2045 5. 2050 6. 2055

Removal of the existing trash enclosure and installation of a new enclosure designed to conceal garbage containers and maintain a clean and aesthetic appearance.

Maintenance
- Inspect periodically for signs of wear, such as damage, rust, or loose components.
- Ensure that the enclosure remains securely fastened and check for any instability.
- Clean the enclosure regularly to remove dirt, debris, or organic buildup.

Pool & Pool House

Pool, Finish, Resurface

Cost: **$27,000**

Quantity: **1 LS**

Useful Life: **15 years**

Next replacement in: **3 year**

Replacement timeline: 1. 2029 2. 2044

Pool & Pool House

Pool Deck, Repair

Cost: **$8,550**

Quantity: **2850 SF**

Useful Life: **10 years**

Next replacement in: **3 year**

Replacement timeline:

1. 2029
2. 2039
3. 2049

Pool & Pool House

Pool Deck, Wood Railing, Replace

Cost: **$23,940**

Quantity: **266 LF**

Useful Life: **30 years**

Next replacement in: **0 year**

Replacement timeline:

1. 2026
2. 2056

Pool & Pool House

Pool, Furniture, Allowance

Cost: **$2,000**

Quantity: **1 LS**

Useful Life: **3 years**

Next replacement in: **2 year**

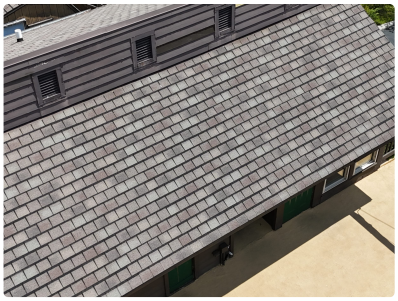
Replacement timeline:

1. 2028
2. 2031
3. 2034
4. 2037
5. 2040
6. 2043
7. 2046
8. 2049
9. 2052
10. 2055

Removal of the existing pool furniture and installation of new items such as lounge chairs, tables, umbrellas, or poolside seating.

Maintenance

- Inspect periodically for signs of wear, such as cracks, rust, or faded upholstery, particularly after exposure to sun, rain, or chlorine.
- Clean the furniture regularly to remove dirt, algae, and debris, and ensure cushions or fabric remain in good condition.
- Check for any loose components or instability in the furniture and tighten or repair as needed to maintain safety and comfort.



Pool & Pool House

Pool House, Reroof

Cost: **$8,250**

Quantity: **11 SQ**

Useful Life: **25 years**

Next replacement in: **10 year**

Replacement timeline: 1. 2036

Pool & Pool House

Pool House, Paint & Repair Allowance

Cost: **$1,000**

Quantity: **1 LS**

Useful Life: **8 years**

Next replacement in: **1 year**

Replacement timeline: 1. 2027 2. 2035 3. 2043 4. 2051

Pool & Pool House

Pool House, Window & Door, Replace

Cost: **$14,720**

Quantity: **184 SF**

Useful Life: **50 years**

Next replacement in: **10 year**

Replacement timeline: 1. 2036

Pool & Pool House

Pool House, Restroom, Remodel Allowance

Cost: **$10,000**
Quantity: **2 EA**
Useful Life: **30 years**
Next replacement in: **10 year**
Replacement timeline: 1. 2036

Budgeted allowance for the comprehensive remodeling of a restroom, including the replacement or upgrading of fixtures, finishes, and surfaces such as flooring, wall coverings, countertops, toilets, sinks, and lighting. The remodel may also include plumbing, electrical, and ventilation system updates to improve functionality, aesthetics, and compliance with current codes.

Maintenance
•Inspect fixtures and finishes annually for wear, leaks, or damage, especially in high-use areas.
•Clean surfaces regularly to prevent buildup of grime, soap scum, and mildew that can degrade materials.
•Check plumbing and ventilation systems periodically for leaks, clogs, or poor airflow to maintain optimal function.

Pool & Pool House

Hot Tub Shelter, Paint & Repair

Cost: **$500**
Quantity: **1 LS**
Useful Life: **8 years**
Next replacement in: **1 year**
Replacement timeline: 1. 2027 2. 2035 3. 2043 4. 2051

Pool & Pool House

Hot Tub Shelter, Replace

Cost: **$15,000**
Quantity: **1 EA**
Useful Life: **40 years**
Next replacement in: **11 year**
Replacement timeline: 1. 2037

Pool & Pool House

Hot Tubs, Replace

Cost: **$17,000**

Quantity: **2 EA**

Useful Life: **15 years**

Next replacement in: **5 year**

Replacement timeline: 1. 2031 2. 2046

Pool & Pool House

Sauna, Repair & Maintenance Allowance

Cost: **$6,000**

Quantity: **1 LS**

Useful Life: **40 years**

Next replacement in: **2 year**

Replacement timeline: 1. 2028

Removal of the existing sauna unit and installation of a new sauna, including all necessary components such as heating elements, wood paneling, benches, and ventilation systems.

Maintenance
•Inspect periodically for signs of wear, such as loose panels, cracked wood, or malfunctioning heating elements.
•Clean the sauna regularly to remove dirt, dust, and moisture buildup to prevent mold or mildew growth.
•Check the heating elements and control systems to ensure they are operating safely and efficiently, addressing any malfunctions promptly.

Pool & Pool House

Sauna, Heater, Replace

Cost: **$2,000**

Quantity: **1 EA**

Useful Life: **10 years**

Next replacement in: **5 year**

Replacement timeline: 1. 2031 | 2. 2041 | 3. 2051

Removal of the existing sauna heater and installation of a new heater system, typically electric or wood-burning, designed to provide efficient and consistent heat for the sauna.

Maintenance
•Inspect periodically for signs of malfunction, such as inconsistent heating or unusual noises from the heater.
•Clean the heater regularly to remove dust or debris that could affect its performance or safety.
•Check the electrical connections and controls to ensure they are functioning properly, and replace any worn or damaged components promptly.

Disclosure

This section outlines important information regarding the scope, methodology, and limitations of this reserve study. The disclosures contained herein are designed to provide transparency about the assumptions, professional judgments, and potential limitations that inform our analysis and recommendations.

Disclosure

General

As a guideline for establishing and spending reserves, it is assumed that the reserve study will be regularly updated to address the Association's changing physical and financial circumstances. As such this report is valid at the date shown and Reserve Study Group cannot be held responsible for subsequent changes in physical/chemical environmental conditions and/or legislation over which we have no control.

This reserve study is based on visual inspections of the physical plant's major components. No invasive or destructive testing, or testing of materials was conducted during the inspections, or at any other time during the preparation of this report. It is assumed that all building and ancillary components have been designed and constructed properly and that life cycles will approximate normal industry performance standards. Reserve Study Group shall not be responsible for accurate determination of remaining life expediencies of components that may have been improperly designed and constructed. Our opinions of the remaining life expectancy of the property's components do not represent a guarantee or warranty of performance in relation to the product, materials or workmanship.

Cost estimates used represent a preliminary opinion only and are neither a quote nor a warranty of actual costs that may be incurred. These estimates are based on typical cost data that may not fully characterize the scope of the underlying property conditions. It should be anticipated that actual cost outcomes will be impacted by varying physical and economic conditions, maintenance practices, changes in technology, and future regulatory actions.

The authors of this report make no representation or warranty, expressed or implied, with respect to the contents of this publication or any part thereof and cannot accept any legal responsibility or liability for any inaccuracies, errors or omissions contained in this publication or any part thereof. Our best professional judgment has been used, however certain facts forming the basis of this report are subject to professional interpretation and differing conclusions could be reached.

The accuracy of the reserve study is also dependent on the accuracy and completeness of the information provided to the Reserve Specialist. The Reserve Specialist shall not be liable for inaccuracies in the reserve study attributable to incomplete or incorrect information provided to its representatives. Material issues which, if not disclosed, would cause a distortion of the association's situation.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement. All our reserve studies are prepared by or under the direct supervision of a Reserve Professional.

Reserve Study Group has been engaged to conduct a reserve study which includes both physical analysis and financial analysis of the common area components and reserves. Reserve Study Group shall incur no civil liability for any claims, losses, damages, or expenses related to the performance of the physical or financial portions of the reserve study. In any situation or matter related to this Reserve Study, the liability of Reserve Study Group is limited to the fees charged for the services provided.

All reserve study updates are based, in part, on information obtained from the most recent reserve study conducted prior to this assessment. The accuracy and completeness of the current reserve study are significantly influenced by the accuracy and thoroughness of the last reserve study. For update with site visit and update with no site visit levels of service the client is considered to have deemed previously developed component lists and quantities as accurate and reliable.

Term Definition

The Terms Definition section provides essential transparency and clarity for understanding the Reserve Study. It outlines the assumptions, methodologies, and limitations under which the study was conducted, including the reliance on visual inspections and typical cost data, without invasive testing or guarantees for future performance.

Term Definition

Adequate Reserves

A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

Capital Improvements

Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.

Cash Flow Method (ALSO KNOWN AS POOLING)

A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund. To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Common Area

The areas identified in the community association's master deed or declarations ofcovenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.

Community Association

A nonprofit entity that exists to preserve the nature of the community and protect the value of the property owned by members. Membership in the community association is mandatory and automatic for all owners. All owners pay mandatory lien-based assessments that fund the operation of the association and maintain the common area or elements, as defined in the governing documents. The community association is served and lead by an elected board of trustees or directors.

Components

The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. Components are selected to be included in the reserve study based on the following three-part test:

1. The association has the obligation to maintain or replace the existing element.
2. The need and schedule for this project can be reasonably anticipated.
3. The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

Components

The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. Components are selected to be included in the reserve study based on the following three-part test:

- Inclusion of long-life components with funding in the study.
- Addition of long-life components with funding at the time when they fall within the 30-year period from the date of study preparation.
- Identification of long-life components in the component inventory even when they are not yet being funded in the 30-year funding plan.

Component Method (ALSO KNOWN AS STRAIGHT LINE)

A method of developing a reserve funding plan where the total funding is based on the sum of funding for the individual components.

Condition Assessment

The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Effective Age

The difference between useful life and estimated remaining useful life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

Financial Analysis

The portion of a reserve study in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.

Fully Funded

100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

Fully Funded Balance (FFB)

An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total. \n FFB = Current Cost X Effective Age/Useful Life

- Example: For a component with a $10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be $4,000.

Fund Status

The status of the reserve fund reported in terms of cash or percent funded.

Funding Goals

The three funding goals listed below range from the most aggressive to most conservative:

Baseline Funding

Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, and it is not recommended as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

Threshold Funding

Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “fully funded” with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

Full Funding

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance. It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.

Funding Plan

An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

Funding Principles

A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.
- Fiscally responsible.

Initial Year

The first fiscal year in the financial analysis or funding plan.

Life Estimates

The task of estimating useful life and remaining useful life of the reserve components.

Life Cycle Cost

The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

Maintenance

Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of “replacement” but may pass the defining test of a reserve component and be appropriate for reserve funding.

Preventive Maintenance

Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

Deferred Maintenance

Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.
This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Corrective Maintenance

Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.
Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded

The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.
While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of “adequacy.”

Periodic Structural Inspection.

Structural system inspections aimed at identifying issues when they become evident.
Additional information and recommendations are included within the Condominium Safety Public Policy Report. www.condosafety.com

Physical Evaluation

The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve stud

Preventive Maintenance Schedule

A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL)

Also referred to as “remaining life” (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life.

Replacement Cost

The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

Reserve Balance

Actual or projected funds, clearly identified as existing either at the beginning or end of the association's fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.

Reserve Study

A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

Reserve Study Provider

An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist. (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. In some instances, qualifications in excess of the RS designation will be required if supplemental subject matter expertise is required.

Reserve Study Provider Firm

A company that prepares reserve studies as one of its primary business activities.

Site Visit

A visual assessment of the accessible areas of the components included within the reserve study.

The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.

Special Assessment

A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.

Structural System

The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.

Responsible Charge

A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals' performing services that directly and materially affect the quality and competence of services rendered by the Reserve Specialist. A Reserve Specialist shall maintain such records as are reasonably necessary to establish that the Reserve Specialist exercised regular and effective supervision of a reserve study of which he or she was in responsible charge. A Reserve Specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

Useful Life (UL)

The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

Valuation Estimates

The task of estimating the current repair or replacement costs for the reserve components.

*Terms and definitions from the 2023 Community Association Institutes Reserve Study Standards.

Reserve Study Group
701 Fifth Ave, Suite 4200, Seattle WA 98104
mail@reservestudygroup.com | 888.315.2843
reservestudygroup.com

Thank You