



CALIFORNIA BUILDER SERVICES

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RESERVE ANALYSIS REPORT



CBS Sample Owners Association

First Ave. & Main St.
Anytown, CA



Full Study with Site Visit

January 1, 2021



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CBS Sample Owners Association

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Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 2022

(1) The regular assessment per ownership interest is \$60.00 per Month. Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page 2-1 of the attached summary.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment Will Be Due:	Amount Per Ownership Interest Per Month or Year (If Assessments Are Variable, See Note Immediately Below):	Purpose Of The Assessment:
	None	
	None	
	None	
	Total:	

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No _____

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate Date Assessment Will Be Due:	Amount Per Ownership Interest Per Month or Year:
N/A	N/A
	Total:

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$289,837, based in whole or in part on the last reserve study or update prepared by California Builder Services as of March, 2020. The projected reserve fund cash balance at the end of the current fiscal year is \$285,203, resulting in reserves being 98% funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is:

Year	Estimated Reserve Amount Required
2022	\$289,837
2023	\$326,974
2024	\$365,786
2025	\$406,335
2026	\$438,963

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be:

Year	Projected Reserve Fund Balance	Percent Funded
2022	\$285,203	98%
2023	\$321,491	98%
2024	\$358,793	98%
2025	\$397,136	98%
2026	\$427,307	97%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 0.37% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.5% per year.

(b) For the purposes of preparing a summary pursuant to this section:

(1) “Estimated remaining useful life” means the time reasonably calculated to remain before a major component will require replacement.

(2) “Major component” has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to **Section 5300**. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

CBS Sample Owners Association
Anytown, CA
Current Assessment Funding Model Summary

		<i>Report Parameters</i>	
Report Date	January 1, 2021	Inflation	2.50%
Account Number	Full Study with Site Visit	Annual Assessment Increase	2.50%
Budget Year Beginning	January 1, 2022	Interest Rate on Reserve Deposit	0.37%
Budget Year Ending	December 31, 2022	Contingency	3.00%
Total Units	118	2022 Beginning Balance	\$331,506
Phase Development	1 of 1		

Current Funding Model Summary

- For budgeting purposes, unless otherwise indicated, we have used January 2007 to begin aging the original components in this reserve study.
- This 118-lot planned development is located near the intersection of First Ave. and Main St, Anytown, California.
- The last Reserve Analyst field inspection was completed on March 1, 2021.
- The current per month/per lot reserve contribution is \$24.22, for an annual contribution of \$34,302.
- This funding model has been given a 2.50% annual continuing contribution increase to the reserves to sustain the rate of inflation.
- The projected percentage funded at the end of this year is estimated to be 98%.

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Month Contribution	\$2,858.50
<i>\$24.22 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$82.92</u>
Total Month Allocation to Reserves	\$2,941.42
<i>\$24.93 per unit monthly</i>	

**CBS Sample Owners Association
Current Assessment Funding Model Projection**

Beginning Balance: \$331,506

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	569,541	34,302	995	81,600	285,203	289,837	98%
2023	583,779	35,160	1,128		321,491	326,974	98%
2024	598,374	36,039	1,264		358,793	365,786	98%
2025	613,333	36,940	1,404		397,136	406,335	98%
2026	628,666	37,863	1,514	9,206	427,307	438,963	97%
2027	644,383	38,810	1,426	63,567	403,976	415,820	97%
2028	660,492	39,780	1,577		445,333	460,034	97%
2029	677,005	40,774	1,732		487,840	506,199	96%
2030	693,930	41,794	1,892		531,525	554,384	96%
2031	711,278	42,838	2,045	3,061	573,347	601,431	95%
2032	729,060	43,909	2,003	56,611	562,649	591,130	95%
2033	747,287	45,007	2,176		609,832	641,199	95%
2034	765,969	46,132	2,342	2,824	655,482	690,421	95%
2035	785,118	47,286	2,524		705,292	744,759	95%
2036	804,746	48,468	2,668	11,784	744,643	788,942	94%
2037	824,865	49,680	245	705,334	89,235	102,964	87%
2038	845,486	50,922	433		140,589	145,467	97%
2039	866,623	52,195	626		193,409	190,030	102%
2040	888,289	53,499	824		247,733	236,731	105%
2041	910,496	54,837	1,028		303,598	285,648	106%
2042	933,259	56,208	984	68,657	292,132	268,089	109%
2043	956,590	57,613	1,198		350,943	323,771	108%
2044	980,505	59,053	1,419		411,416	382,069	108%
2045	1,005,017	60,530	1,646		473,592	443,079	107%
2046	1,030,143	62,043	1,793	23,316	514,112	482,285	107%
2047	1,055,896	63,594	1,499	144,206	434,998	396,160	110%
2048	1,082,294	65,184	1,743		501,925	461,480	109%
2049	1,109,351	66,813	1,994		570,733	529,817	108%
2050	1,137,085	68,484	2,253		641,469	601,284	107%
2051	1,165,512	70,196	2,518		714,183	675,992	106%

**CBS Sample Owners Association
Component Funding Summary**

Description	Future Cost	Useful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
Streets/Asphalt							
Asphalt - Slurry Seal & Repair	21,450	5	0	21,450	3,853	0	21,450
Asphalt Overlay & Replacement	497,056	30	15	171,600	16,399	325,456	171,600
Concrete Curb & Gutter	3,751	5	0	3,751	674	0	3,751
Concrete Sidewalks	3,804	5	0	3,804	683	0	3,804
Stamped Concrete	3,349	5	0	3,349	602	0	3,349
Valley Gutter	667	5	0	667	120	0	667
Streets/Asphalt - Total				\$204,620	\$22,330	\$325,456	\$204,620
Painting							
Fire Hydrants - Painting	679	20	5	450	35	229	450
Fire Lane	318	5	0	318	57	0	318
Metal Vehicle Gates - Painting	1,491	10	0	1,491	150	0	1,491
Street Lights - Painting	1,900	15	0	1,900	143	0	1,900
Painting - Total				\$4,159	\$385	\$229	\$4,159
Fencing/Security							
Block Wall & Masonry - Repairs	3,570	5	0	3,570	641	0	3,570
Electromagnetic Locks	1,500	12	0	1,500	132	0	1,500
Gate Operators	16,000	15	0	16,000	1,204	0	16,000
Gate Sensor Loops	6,750	15	0	6,750	508	0	6,750
Metal Vehicle Gates	17,380	30	15	6,000	573	11,380	6,000
Operator Battery Backup	3,500	10	0	3,500	352	0	3,500
Pedestrian Gate Locks	1,600	15	0	1,600	120	0	1,600
Pedestrian Gates	5,214	30	15	1,800	172	3,414	1,800
Vehicle Entrance - Keypad/Intercom	3,000	15	0	3,000	226	0	3,000
Wooden Fence	16,264	20	5	10,781	839	5,483	10,781
Fencing/Security - Total				\$54,501	\$4,767	\$20,276	\$54,501
Lighting							
Landscape Lighting	1,479	10	4	804	132	675	804
Street Lights	77,049	30	15	26,600	2,542	50,449	26,600
Transformer	1,216	25	10	570	49	646	570
Lighting - Total				\$27,974	\$2,723	\$51,771	\$27,974
Grounds Components							
Backflow Preventers	3,621	30	15	1,250	119	2,371	1,250
Fire Hydrants - Replacement	40,045	40	25	1,440	1,177	38,605	8,100
Irrigation Controllers	4,800	15	0	4,800	361	0	4,800
Irrigation Valves	4,865	20	5	3,225	251	1,640	3,225
Landscape Replenishment	7,727	10	4	4,200	689	3,527	4,200
Message Center	600	12	0	600	53	0	600
Park Benches	2,550	15	0	2,550	192	0	2,550
Trash Receptacle	1,000	15	0	1,000	75	0	1,000
Grounds Components - Total				\$19,065	\$2,917	\$46,142	\$25,725

CBS Sample Owners Association Component Funding Summary

Description	Future Cost	Useful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
Mailboxes							
Cluster Mailboxes - 12 Units	19,465	30	15	6,720	642	12,745	6,720
Cluster Mailboxes - 13 Units	2,520	30	15	870	83	1,650	870
Cluster Mailboxes - 16 Units	2,563	30	15	885	85	1,678	885
Mailboxes - Total				\$8,475	\$810	\$16,074	\$8,475
Signs							
Entry Sign	2,679	15	9	858	157	1,821	858
Exit Sign	382	15	9	122	22	260	122
Monument Sign	3,621	30	15	1,250	119	2,371	1,250
Street Signs	1,760	25	10	825	71	935	825
Signs - Total				\$3,055	\$370	\$5,386	\$3,055
Asset Summary Total:	<u>\$787,185</u>			<u>\$321,850</u>	<u>\$34,302</u>	<u>\$465,334</u>	<u>\$328,510</u>

Percent Fully Funded	98%
Current Average Liability per Unit (Total Units: 118)	-\$58

CBS Sample Owners Association
Category Detail Index

Asset ID	Description	Replacement	Page
1002	Asphalt - Slurry Seal & Repair	2022	2-6
1001	Asphalt Overlay & Replacement	2037	2-6
1023	Backflow Preventers	2037	2-7
1016	Block Wall & Masonry - Repairs	2022	2-8
1029	Cluster Mailboxes - 12 Units	2037	2-9
1030	Cluster Mailboxes - 13 Units	2037	2-9
1031	Cluster Mailboxes - 16 Units	2037	2-10
1004	Concrete Curb & Gutter	2022	2-11
1006	Concrete Sidewalks	2022	2-11
1008	Electromagnetic Locks	2022	2-12
1033	Entry Sign	2031	2-13
1034	Exit Sign	2031	2-14
1036	Fire Hydrants - Painting	2027	2-14
1037	Fire Hydrants - Replacement	2047	2-15
1038	Fire Lane	2022	2-16
1009	Gate Operators	2022	2-16
1011	Gate Sensor Loops	2022	2-17
1022	Irrigation Controllers	2022	2-18
1024	Irrigation Valves	2027	2-19
1019	Landscape Lighting	2026	2-19
1025	Landscape Replenishment	2026	2-20
1028	Message Center	2022	2-21
1013	Metal Vehicle Gates	2037	2-21
1014	Metal Vehicle Gates - Painting	2022	2-22
1032	Monument Sign	2037	2-23
1010	Operator Battery Backup	2022	2-23
1026	Park Benches	2022	2-24
1012	Pedestrian Gate Locks	2022	2-24
1015	Pedestrian Gates	2037	2-25
1005	Stamped Concrete	2022	2-26
1018	Street Lights	2037	2-26
1020	Street Lights - Painting	2022	2-27
1035	Street Signs	2032	2-28
1021	Transformer	2032	2-28
1027	Trash Receptacle	2022	2-29
1003	Valley Gutter	2022	2-30
1007	Vehicle Entrance - Keypad/Intercom	2022	2-30
1017	Wooden Fence	2027	2-31
Total Funded Assets		38	
Total Unfunded Assets		<u>0</u>	
Total Assets		38	

**CBS Sample Owners Association
Detail Report by Category**

Asphalt - Slurry Seal & Repair - 2022

Asset ID	1002	143,000	@ \$0.15
Category	Streets/Asphalt	Asset Actual Cost	\$21,450.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	5	Future Cost	\$21,450.00
Adjustment	5	Assigned Reserves	\$21,450.00
Replacement Year	2022	Monthly Assessment	\$321.11
Remaining Life	0	Interest Contribution	\$0.80
		Reserve Allocation	\$321.91



This component is for the preparation of the asphalt and application of the slurry seal coat to the asphalt. A seal coat is a thin liquid application which consists of a slow setting asphalt chemical emulsion mixed with fillers, water and various additives. This provides a sealant to the top of the asphalt, preventing water from penetrating the surface and providing a limited amount of protection from the sun. This component includes crack fill, skin patching, minor dig out & fill, etc. If a second coat is desired the cost is generally 10% to 20% higher. Cracks 1/4" or wider should be filled when observed. The observed condition was fair with several small areas of erosion and cracks noted.

Asphalt Overlay & Replacement - 2037

Asset ID	1001	143,000 sf	@ \$2.40
Category	Streets/Asphalt	Asset Actual Cost	\$343,200.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$497,055.93
Replacement Year	2037	Assigned Reserves	\$171,600.00
Remaining Life	15	Monthly Assessment	\$1,366.54
		Interest Contribution	\$56.42
		Reserve Allocation	\$1,422.96

CBS Sample Owners Association Detail Report by Category

Asphalt Overlay & Replacement continued...



There are many factors which can cause damage to asphalt. In most cases it's time which has simply "worn out" the asphalt. Of course weather also plays a major part in deterioration, especially on asphalt that has not been properly maintained. Motor oil, gasoline, and other household chemicals also break down the asphalt if they are left to soak in. This component is to apply a petromat overlay on top of the existing asphalt surface along with 1-1/2" of new hot mix asphalt. Generally this includes edge grinding, utility box extensions and filling potholes. The observed condition of the roadway asphalt was good with minimal areas of wear noted.

Backflow Preventers - 2037

Asset ID	1023	2 ea	@ \$1,250.00
Category	Grounds Components	Asset Actual Cost	\$2,500.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$3,620.74
Replacement Year	2037	Assigned Reserves	\$1,250.00
Remaining Life	15	Monthly Assessment	\$9.95
		Interest Contribution	<u>\$0.41</u>
		Reserve Allocation	\$10.37



**CBS Sample Owners Association
Detail Report by Category**

Backflow Preventers continued...

This component covers the replacement of the backflow preventers. They appear to be in fair condition, enclosed in metal mesh crates.

Block Wall & Masonry - Repairs - 2022

Asset ID	1016	3,400 lf	@ \$1.05
		Asset Actual Cost	\$3,570.00
		Percent Replacement	100%
Category	Fencing/Security	Future Cost	\$3,570.00
Placed in Service	January 2007	Assigned Reserves	\$3,570.00
Useful Life	5		
Adjustment	6	Monthly Assessment	\$53.44
Replacement Year	2022	Interest Contribution	<u>\$0.13</u>
Remaining Life	0	Reserve Allocation	\$53.58



The development is surrounded by 6' concrete block wall on the north and east sides, as well as along all the common landscaping throughout the development and the stone pillars and entry monument. This wall appeared to be in good condition without any sign of defect, aside from some minor efflorescence and discoloration due to sprayback from the sprinklers. This reserve component is for the maintenance and repair of the wall and stone only, as the overall component will typically last the life of the development. Maintenance may include mechanical and/or chemical cleaning, efflorescence removal, graffiti removal, sealing, etc.

**CBS Sample Owners Association
Detail Report by Category**

Cluster Mailboxes - 12 Units - 2037

Asset ID	1029	8 ea	@ \$1,680.00
Category	Mailboxes	Asset Actual Cost	\$13,440.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$19,465.13
Replacement Year	2037	Assigned Reserves	\$6,720.00
Remaining Life	15	Monthly Assessment	\$53.51
		Interest Contribution	\$2.21
		Reserve Allocation	\$55.72



This is to replace the mailbox clusters containing 12 boxes, 1 parcel box, and a drop box (14 doors total). Locks and hinges should be lubricated seasonally, as needed. At the time of inspection, the mailboxes appeared to be in good condition, with typical signs of aging but no sign of minor surface rust, dents, excessive wear, warping, or vandalism.

Cluster Mailboxes - 13 Units - 2037

Asset ID	1030	1 ea	@ \$1,740.00
Category	Mailboxes	Asset Actual Cost	\$1,740.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$2,520.04
Replacement Year	2037	Assigned Reserves	\$870.00
Remaining Life	15	Monthly Assessment	\$6.93
		Interest Contribution	\$0.29
		Reserve Allocation	\$7.21

**CBS Sample Owners Association
Detail Report by Category**

Cluster Mailboxes - 13 Units continued...



This is to replace the mailbox clusters containing 13 boxes, 1 parcel box, and a drop box (15 doors total). Locks and hinges should be lubricated seasonally, as needed. At the time of inspection, the mailboxes appeared to be in good condition, with typical signs of aging but no sign of minor surface rust, dents, excessive wear, warping, or vandalism.

Cluster Mailboxes - 16 Units - 2037

Asset ID	1031	1 ea	@ \$1,770.00
Category	Mailboxes	Asset Actual Cost	\$1,770.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$2,563.49
Replacement Year	2037	Assigned Reserves	\$885.00
Remaining Life	15	Monthly Assessment	\$7.05
		Interest Contribution	\$0.29
		Reserve Allocation	\$7.34



This is to replace the mailbox clusters containing 16 boxes, 2 parcel boxes, and a drop box (19 doors total). Locks and hinges should be lubricated seasonally, as needed. At the time of inspection, the mailboxes appeared to be in good condition, with typical signs of aging but no

**CBS Sample Owners Association
Detail Report by Category**

Cluster Mailboxes - 16 Units continued...

sign of minor surface rust, dents, excessive wear, warping, or vandalism.

Concrete Curb & Gutter - 2022

Asset ID	1004	8,180 lf	@ \$22.93
Category	Streets/Asphalt	Asset Actual Cost	\$3,751.35
Placed in Service	January 2007	Percent Replacement	2%
Useful Life	5	Future Cost	\$3,751.35
Replacement Year	2022	Assigned Reserves	\$3,751.35
Remaining Life	0	Monthly Assessment	\$56.16
		Interest Contribution	<u>\$0.14</u>
		Reserve Allocation	\$56.30



This component covers the maintenance and repair of the curb and gutter throughout the development. The curb and gutter appeared to be in fair condition with some areas of chipping and cracking. This component should last the life of the development with proper maintenance. Such maintenance may include crack fill, grinding, efflorescence removal, sealing, etc. We estimate 2% will require repair every 5 years.

Concrete Sidewalks - 2022

Asset ID	1006	19,018 sf	@ \$10.00
Category	Streets/Asphalt	Asset Actual Cost	\$3,803.60
Placed in Service	January 2007	Percent Replacement	2%
Useful Life	5	Future Cost	\$3,803.60
Replacement Year	2022	Assigned Reserves	\$3,803.60
Remaining Life	0	Monthly Assessment	\$56.94
		Interest Contribution	<u>\$0.14</u>
		Reserve Allocation	\$57.08

**CBS Sample Owners Association
Detail Report by Category**

Concrete Sidewalks continued...



This component covers the repair of the concrete walkways within the development and along Church and Fowler Avenues. Annual inspection and repairs may be recommended and necessary to ensure the safety of its members by correcting any elevation changes and trip hazards that the association may be held liable for. Cracks in concrete can be unsightly and create moisture problems. Repairing such cracks is vital in order to keep moisture out. The concrete sidewalks' overall appearance is in good condition with some areas that have some noticeable cracks.

Electromagnetic Locks - 2022

Asset ID	1008	2 ea	@ \$750.00
Category	Fencing/Security	Asset Actual Cost	\$1,500.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	12	Future Cost	\$1,500.00
Replacement Year	2022	Assigned Reserves	\$1,500.00
Remaining Life	0	Monthly Assessment	\$10.98
		Interest Contribution	<u>\$0.03</u>
		Reserve Allocation	\$11.01

CBS Sample Owners Association Detail Report by Category

Electromagnetic Locks continued...



The magnetic gate locks appeared in fair condition but were noted to be non-functioning.

Entry Sign - 2031

Asset ID	1033	1 ea	@ \$2,145.00
Category	Signs	Asset Actual Cost	\$2,145.00
Placed in Service	June 2016	Percent Replacement	100%
Useful Life	15	Future Cost	\$2,678.81
Replacement Year	2031	Assigned Reserves	\$858.00
Remaining Life	9	Monthly Assessment	\$13.07
		Interest Contribution	<u>\$0.30</u>
		Reserve Allocation	\$13.37



This component is for the replacement of the custom sign at the entry on Fowler Avenue. Records indicate the sign was manufactured and installed in June, 2016.

**CBS Sample Owners Association
Detail Report by Category**

Exit Sign - 2031

Asset ID	1034	1 ea	@ \$306.00
Category	Signs	Asset Actual Cost	\$306.00
Placed in Service	June 2016	Percent Replacement	100%
Useful Life	15	Future Cost	\$382.15
Replacement Year	2031	Assigned Reserves	\$122.40
Remaining Life	9	Monthly Assessment	\$1.86
		Interest Contribution	\$0.04
		Reserve Allocation	\$1.91



This component is for the replacement of the custom sign at the exit on Church Avenue. Records indicate the sign was manufactured and installed in June, 2016.

Fire Hydrants - Painting - 2027

Asset ID	1036	6 ea	@ \$100.00
Category	Painting	Asset Actual Cost	\$600.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	20	Future Cost	\$678.84
Replacement Year	2027	Assigned Reserves	\$450.00
Remaining Life	5	Monthly Assessment	\$2.92
		Interest Contribution	<u>\$0.15</u>
		Reserve Allocation	\$3.06

**CBS Sample Owners Association
Detail Report by Category**

Fire Hydrants - Painting continued...



This component is for the painting of the fire hydrants. This is an as-needed item when noticeably needed or requested by the fire inspector. Currently, the paint on the fire hydrants appeared to be in good condition. Painting is not recommended at this time.

Fire Hydrants - Replacement - 2047

Asset ID	1037	6 ea	@ \$3,600.00
Category	Grounds Components	Asset Actual Cost	\$21,600.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	40	Future Cost	\$40,045.19
Replacement Year	2047	Assigned Reserves	\$1,440.23
Remaining Life	25	Monthly Assessment	\$98.06
		Interest Contribution	\$0.69
		Reserve Allocation	\$98.75



The fire hydrants located throughout the development appeared to be in good condition. This component is for the complete replacement of the hydrants.

**CBS Sample Owners Association
Detail Report by Category**

Fire Lane - 2022

Asset ID	1038	185 lf	@ \$1.72
Category	Painting	Asset Actual Cost	\$318.20
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	5	Future Cost	\$318.20
Replacement Year	2022	Assigned Reserves	\$318.20
Remaining Life	0	Monthly Assessment	\$4.76
		Interest Contribution	\$0.01
		Reserve Allocation	\$4.78



The red painted curb is faded and chipping. Painting is recommended.

Gate Operators - 2022

Asset ID	1009	5 ea	@ \$3,200.00
Category	Fencing/Security	Asset Actual Cost	\$16,000.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$16,000.00
Replacement Year	2022	Assigned Reserves	\$16,000.00
Remaining Life	0	Monthly Assessment	\$100.32
		Interest Contribution	\$0.25
		Reserve Allocation	\$100.57

CBS Sample Owners Association **Detail Report by Category**

Gate Operators continued...



This component provides for the replacement of the Chamberlain Elite CSW200ULDC3 gate motor/operators, located at the entry gate, the exit gate and the emergency vehicle access gate. The operator at the emergency access gate was behind a locked gate and was not visually inspected. A gate operator is a mechanical device used to open and close the entry and exit gate. That gate is programmed to open and close with an access entry system and can be opened manually if necessary. A swing arm operator, which is a box that sits off to the side, has an arm extending to the gate. A slide gate operator slides the gate to either side. The gate operators appeared to be in good condition. There was no noticeable rusting on the mechanism. The function of these operators was observed and was noted to function correctly without any sign of defect. Regular maintenance is recommended to prevent premature failure of the component.

Gate Sensor Loops - 2022

Asset ID	1011	9 ea	@ \$750.00
Category	Fencing/Security	Asset Actual Cost	\$6,750.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$6,750.00
Replacement Year	2022	Assigned Reserves	\$6,750.00
Remaining Life	0	Monthly Assessment	\$42.32
		Interest Contribution	\$0.11
		Reserve Allocation	\$42.43

CBS Sample Owners Association Detail Report by Category

Gate Sensor Loops continued...



This is for the replacement of the underground sensor loops and the pulling of new wire harnesses. The current harnesses were functioning properly at time of inspection. If possible, loop replacement should be scheduled to coincide with paving repairs or gate operator replacement.

Irrigation Controllers - 2022

Asset ID	1022	4 ea	@ \$1,200.00
Category	Grounds Components	Asset Actual Cost	\$4,800.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$4,800.00
Replacement Year	2022	Assigned Reserves	\$4,800.00
Remaining Life	0	Monthly Assessment	\$30.10
		Interest Contribution	\$0.08
		Reserve Allocation	\$30.17



The Alex-Tronix BCS-10 irrigation system controllers appeared in varying condition with no signs of operational problems. Irrigation controllers usually have a normal useful life ranging from 8 to 15 years depending on unit type and the environmental conditions they are subject

**CBS Sample Owners Association
Detail Report by Category**

Irrigation Controllers continued...

to. There is no periodic maintenance required with most name brand irrigation controllers.

There are 5 irrigation control boxes, and 4 are inaccessible. It appeared that one of the Alex-Tronix boxes was empty, and there's a newer Hunter box in the same area, so we've reduced the number of irrigation controllers to 4 from the 5 listed in the previous reserve study.

Irrigation Valves - 2027

Asset ID	1024	43 ea	@ \$100.00
Category	Grounds Components	Asset Actual Cost	\$4,300.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	20	Future Cost	\$4,865.06
Replacement Year	2027	Assigned Reserves	\$3,225.00
Remaining Life	5	Monthly Assessment	\$20.90
		Interest Contribution	<u>\$1.05</u>
		Reserve Allocation	<u>\$21.95</u>



The irrigation valves were examined during the onsite inspection. All were covered by in-ground valve boxes and appeared to be in fair condition.

Landscape Lighting - 2026

Asset ID	1019	16 ea	@ \$83.75
Category	Lighting	Asset Actual Cost	\$1,340.00
Placed in Service	October 2016	Percent Replacement	100%
Useful Life	10	Future Cost	\$1,479.11
Replacement Year	2026	Assigned Reserves	\$804.00
Remaining Life	4	Monthly Assessment	\$10.99
		Interest Contribution	<u>\$0.28</u>
		Reserve Allocation	<u>\$11.26</u>

**CBS Sample Owners Association
Detail Report by Category**

Landscape Lighting continued...



This item is for the replacement of the directional accent landscape lights, located at the Fowler Avenue entry. The lights appeared to be in good condition. Their operation was not observed. Price and date in service provided by an invoice from Albright Electric. Bulbs are an operating expense and should be replaced as noticed.

Landscape Replenishment - 2026

Asset ID	1025	1 LS	@ \$7,000.00
Category	Grounds Components	Asset Actual Cost	\$7,000.00
Placed in Service	July 2016	Percent Replacement	100%
Useful Life	10	Future Cost	\$7,726.69
Replacement Year	2026	Assigned Reserves	\$4,200.00
Remaining Life	4	Monthly Assessment	\$57.40
		Interest Contribution	\$1.44
		Reserve Allocation	\$58.84



This component is for the replacement and replenishment of the landscaping. This landscaping includes many types of plants and trees throughout the development. All of the different landscape items will have different life expectancies. This is an average estimate which may

**CBS Sample Owners Association
Detail Report by Category**

Landscape Replenishment continued...

vary based on climate, drought conditions, damage from animals, etc. Pruning, trimming, and other maintenance is handled operationally. The most recent records indicate that \$425.00 was spent for new tree roses at the front entrance.

Message Center - 2022

Asset ID	1028	1 ea	@ \$600.00
Category	Grounds Components	Asset Actual Cost	\$600.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	12	Future Cost	\$600.00
Replacement Year	2022	Assigned Reserves	\$600.00
Remaining Life	0	Monthly Assessment	\$4.39
		Interest Contribution	<u>\$0.01</u>
		Reserve Allocation	\$4.40



This component covers the replacement of the post-mounted corkboard message center located in the park. At time of inspection, it appeared in fair condition with fading and minor damage noted to the bottom of the door.

Metal Vehicle Gates - 2037

Asset ID	1013	4 ea	@ \$3,000.00
Category	Fencing/Security	Asset Actual Cost	\$12,000.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$17,379.58
Replacement Year	2037	Assigned Reserves	\$6,000.00
Remaining Life	15	Monthly Assessment	\$47.78
		Interest Contribution	<u>\$1.97</u>
		Reserve Allocation	\$49.75

CBS Sample Owners Association Detail Report by Category

Metal Vehicle Gates continued...



This component is for the replacement of the decorative metal vehicle gates along Fowler Avenue. The gates and hinges appeared to be in good condition without any sign of damage or rust. With proper maintenance, the useful life could be greatly extended. Painting is provided for within another component.

Metal Vehicle Gates - Painting - 2022

Asset ID	1014	70 lf	@ \$21.30
Category	Painting	Asset Actual Cost	\$1,491.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	10	Future Cost	\$1,491.00
Adjustment	5	Assigned Reserves	\$1,491.00
Replacement Year	2022	Monthly Assessment	\$12.51
Remaining Life	0	Interest Contribution	\$0.03
		Reserve Allocation	\$12.54



This is to prepare, power wash, sand, scrape, spot prime and paint the metal vehicle, pedestrian and mechanical access gates. To ensure the metal achieves its full useful life, it should be painted as recommended. The paint on the gates is in good condition. There is one area of

**CBS Sample Owners Association
Detail Report by Category**

Metal Vehicle Gates - Painting continued...

damage noted on the emergency vehicle access gate along Church Avenue. Painting is used to prolong the remaining life of metals because this can prevent rust and corrosion.

Monument Sign - 2037

Asset ID	1032	1 ea	@ \$2,500.00
Category	Signs	Asset Actual Cost	\$2,500.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$3,620.74
Replacement Year	2037	Assigned Reserves	\$1,250.00
Remaining Life	15	Monthly Assessment	\$9.95
		Interest Contribution	<u>\$0.41</u>
		Reserve Allocation	\$10.37



This component covers the replacement of the granite monument sign located at the Fowler Avenue entry. It appeared to be in good condition with no sign of damage. Efflorescence is noted on the stone surrounding the sign. This has been addressed within another component.

Operator Battery Backup - 2022

Asset ID	1010	5 ea	@ \$700.00
Category	Fencing/Security	Asset Actual Cost	\$3,500.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	10	Future Cost	\$3,500.00
Adjustment	1	Assigned Reserves	\$3,500.00
Replacement Year	2022	Monthly Assessment	\$29.37
Remaining Life	0	Interest Contribution	<u>\$0.07</u>
		Reserve Allocation	\$29.44

**CBS Sample Owners Association
Detail Report by Category**

Operator Battery Backup continued...

This component covers the replacement of the Elite DC2000CSW battery backups. These were not observed, nor was their operation.

Park Benches - 2022

Asset ID	1026	3 ea	@ \$850.00
Category	Grounds Components	Asset Actual Cost	\$2,550.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$2,550.00
Replacement Year	2022	Assigned Reserves	\$2,550.00
Remaining Life	0	Monthly Assessment	\$15.99
		Interest Contribution	\$0.04
		Reserve Allocation	\$16.03



This component covers the replacement of the in-ground mounted recycled plastic park benches located in the park area. They appeared to be in good condition with no signs of damage or excessive wear.

Pedestrian Gate Locks - 2022

Asset ID	1012	2 ea	@ \$800.00
Category	Fencing/Security	Asset Actual Cost	\$1,600.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$1,600.00
Replacement Year	2022	Assigned Reserves	\$1,600.00
Remaining Life	0	Monthly Assessment	\$10.03
		Interest Contribution	\$0.03
		Reserve Allocation	\$10.06

**CBS Sample Owners Association
Detail Report by Category**

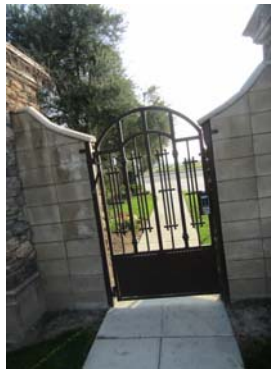
Pedestrian Gate Locks continued...



This component is for the replacement of the Simplex EE1000 double-sided gate locks. They appeared to be in good condition. Their function was not observed.

Pedestrian Gates - 2037

Asset ID	1015	3 ea	@ \$1,200.00
Category	Fencing/Security	Asset Actual Cost	\$3,600.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$5,213.87
Replacement Year	2037	Assigned Reserves	\$1,800.00
Remaining Life	15	Monthly Assessment	\$14.33
		Interest Contribution	<u>\$0.59</u>
		Reserve Allocation	\$14.93



This component is for the replacement of the metal pedestrian gates. The gates appeared to be in good condition without any sign of damage or rust. With proper maintenance, the useful life could be greatly extended. Painting is provided for within another component.

**CBS Sample Owners Association
Detail Report by Category**

Stamped Concrete - 2022

		4,465 sf	@ \$15.00
Asset ID	1005	Asset Actual Cost	\$3,348.75
		Percent Replacement	5%
Category	Streets/Asphalt	Future Cost	\$3,348.75
Placed in Service	January 2007	Assigned Reserves	\$3,348.75
Useful Life	5		
Adjustment	6	Monthly Assessment	\$50.13
Replacement Year	2022	Interest Contribution	\$0.13
Remaining Life	0	Reserve Allocation	\$50.26



The stamped concrete paving at the entrance of the development appeared to be in fair condition with cracking noted throughout. The life of this component will exceed the scope of this 30 year study. This component should last the life of the development with proper maintenance. Periodic maintenance may include mechanical and/or chemical cleaning, efflorescence removal, sealing, grinding, etc. We estimate 5% of the concrete will require repairs every 5 years.

Street Lights - 2037

		19 ea	@ \$2,800.00
Asset ID	1018	Asset Actual Cost	\$53,200.00
		Percent Replacement	100%
Category	Lighting	Future Cost	\$77,049.46
Placed in Service	January 2007	Assigned Reserves	\$26,600.00
Useful Life	30		
Replacement Year	2037	Monthly Assessment	\$211.83
Remaining Life	15	Interest Contribution	\$8.75
		Reserve Allocation	\$220.58

CBS Sample Owners Association Detail Report by Category

Street Lights continued...



The GM-8036 exterior light fixtures located throughout the development appeared to be in good condition with some signs of wear or damage noted. Bulbs are an operating expense and should be replaced as noticed.

Street Lights - Painting - 2022

Asset ID	1020	19 ea	@ \$100.00
Category	Painting	Asset Actual Cost	\$1,900.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$1,900.00
Replacement Year	2022	Assigned Reserves	\$1,900.00
Remaining Life	0	Monthly Assessment	\$11.91
		Interest Contribution	\$0.03
		Reserve Allocation	\$11.94



This component covers the painting of the street light posts. There are areas of noticeable wear. Painting is used to prolong the remaining life of metals because this can prevent rust and corrosion. The painting preparation should include power washing, scraping and repair if needed.

**CBS Sample Owners Association
Detail Report by Category**

Street Signs - 2032

Asset ID	1035	25 ea	@ \$55.00
Category	Signs	Asset Actual Cost	\$1,375.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	25	Future Cost	\$1,760.12
Replacement Year	2032	Assigned Reserves	\$825.00
Remaining Life	10	Monthly Assessment	\$5.93
		Interest Contribution	\$0.27
		Reserve Allocation	\$6.19



This component covers the replacement of the street signs throughout the development. They appeared to be in good condition.

Transformer - 2032

Asset ID	1021	1 ea	@ \$950.00
Category	Lighting	Asset Actual Cost	\$950.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	25	Future Cost	\$1,216.08
Replacement Year	2032	Assigned Reserves	\$570.00
Remaining Life	10	Monthly Assessment	\$4.09
		Interest Contribution	\$0.19
		Reserve Allocation	\$4.28

**CBS Sample Owners Association
Detail Report by Category**

Transformer continued...



The lighting is controlled by a Vista model MT1200 power transformer. This item appeared to be in fair condition. The functionality was not observed. This component is for the replacement and reinstallation of the item.

Trash Receptacle - 2022

Asset ID	1027	1 ea	@ \$1,000.00
Category	Grounds Components	Asset Actual Cost	\$1,000.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$1,000.00
Replacement Year	2022	Assigned Reserves	\$1,000.00
Remaining Life	0	Monthly Assessment	\$6.27
		Interest Contribution	\$0.02
		Reserve Allocation	\$6.29



This component is for the Cassidy style trash receptacle located in the park. It appeared to be in good condition.

**CBS Sample Owners Association
Detail Report by Category**

Valley Gutter - 2022

Asset ID	1003	319 lf	@ \$41.80
Category	Streets/Asphalt	Asset Actual Cost	\$666.71
Placed in Service	January 2007	Percent Replacement	5%
Useful Life	5	Future Cost	\$666.71
Adjustment	10	Assigned Reserves	\$666.71
Replacement Year	2022	Monthly Assessment	\$9.98
Remaining Life	0	Interest Contribution	\$0.02
		Reserve Allocation	\$10.01



There is approximately 319' of concrete valley gutter in the development. The component is for the repair and replacement. The current condition of the concrete was good. Periodic maintenance may include efflorescence removal, sealing, grinding, crack fill, or replacement. We estimate 5% will require repair every 5 years.

Vehicle Entrance - Keypad/Intercom - 2022

Asset ID	1007	1 ea	@ \$3,000.00
Category	Fencing/Security	Asset Actual Cost	\$3,000.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$3,000.00
Replacement Year	2022	Assigned Reserves	\$3,000.00
Remaining Life	0	Monthly Assessment	\$18.81
		Interest Contribution	\$0.05
		Reserve Allocation	\$18.86

CBS Sample Owners Association Detail Report by Category

Vehicle Entrance - Keypad/Intercom continued...



The entry keypad is a DoorKing DKS model 1834. It appeared to be in fair condition without any sign of damage or malfunction. Typically, if the keys show signs of wear or sticking, the key code can be changed to less frequently used numbers to extend the life of the component and provide more equal wear.

Wooden Fence - 2027

Asset ID	1017	575 lf	@ \$25.00
Category	Fencing/Security	Asset Actual Cost	\$14,375.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	20	Future Cost	\$16,263.99
Replacement Year	2027	Assigned Reserves	\$10,781.25
Remaining Life	5	Monthly Assessment	\$69.88
		Interest Contribution	\$3.50
		Reserve Allocation	\$73.39



This component is for the replacement of the 6' wood fencing along the south perimeter only. According to the Covenants, Conditions and Restrictions, the Association is "responsible for repair, maintenance, or replacement of the exterior portions of the the perimeter walls or

**CBS Sample Owners Association
Detail Report by Category**

Wooden Fence continued...

fences adjacent to public streets or open space surrounding the project." The previous reserve study included the wood fencing along the west perimeter as well, but that currently abuts another subdivision and is no longer Association maintenance area. The wood fencing appears to be in fair condition with some signs of aging noted.

**CBS Sample Owners Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2022	
Asphalt - Slurry Seal & Repair	21,450
Block Wall & Masonry - Repairs	3,570
Concrete Curb & Gutter	3,751
Concrete Sidewalks	3,804
Electromagnetic Locks	1,500
Fire Lane	318
Gate Operators	16,000
Gate Sensor Loops	6,750
Irrigation Controllers	4,800
Message Center	600
Metal Vehicle Gates - Painting	1,491
Operator Battery Backup	3,500
Park Benches	2,550
Pedestrian Gate Locks	1,600
Stamped Concrete	3,349
Street Lights - Painting	1,900
Trash Receptacle	1,000
Valley Gutter	667
Vehicle Entrance - Keypad/Intercom	3,000
Total for 2022	\$81,600
<i>No Replacement in 2023</i>	
<i>No Replacement in 2024</i>	
<i>No Replacement in 2025</i>	
Replacement Year 2026	
Landscape Lighting	1,479
Landscape Replenishment	7,727
Total for 2026	\$9,206
Replacement Year 2027	
Asphalt - Slurry Seal & Repair	24,269
Block Wall & Masonry - Repairs	4,039
Concrete Curb & Gutter	4,244
Concrete Sidewalks	4,303
Fire Hydrants - Painting	679
Fire Lane	360
Irrigation Valves	4,865
Stamped Concrete	3,789

**CBS Sample Owners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2027 continued...</i>	
Valley Gutter	754
Wooden Fence	16,264
Total for 2027	\$63,567
<i>No Replacement in 2028</i>	
<i>No Replacement in 2029</i>	
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Entry Sign	2,679
Exit Sign	382
Total for 2031	\$3,061
Replacement Year 2032	
Asphalt - Slurry Seal & Repair	27,458
Block Wall & Masonry - Repairs	4,570
Concrete Curb & Gutter	4,802
Concrete Sidewalks	4,869
Fire Lane	407
Metal Vehicle Gates - Painting	1,909
Operator Battery Backup	4,480
Stamped Concrete	4,287
Street Signs	1,760
Transformer	1,216
Valley Gutter	853
Total for 2032	\$56,611
<i>No Replacement in 2033</i>	
Replacement Year 2034	
Electromagnetic Locks	2,017
Message Center	807
Total for 2034	\$2,824
<i>No Replacement in 2035</i>	
Replacement Year 2036	
Landscape Lighting	1,893

**CBS Sample Owners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2036 continued...</i>	
Landscape Replenishment	9,891
Total for 2036	\$11,784
 Replacement Year 2037	
Asphalt Overlay & Replacement	497,056
Backflow Preventers	3,621
Block Wall & Masonry - Repairs	5,170
Cluster Mailboxes - 12 Units	19,465
Cluster Mailboxes - 13 Units	2,520
Cluster Mailboxes - 16 Units	2,563
Concrete Curb & Gutter	5,433
Concrete Sidewalks	5,509
Fire Lane	461
Gate Operators	23,173
Gate Sensor Loops	9,776
Irrigation Controllers	6,952
Metal Vehicle Gates	17,380
Monument Sign	3,621
Park Benches	3,693
Pedestrian Gate Locks	2,317
Pedestrian Gates	5,214
Stamped Concrete	4,850
Street Lights	77,049
Street Lights - Painting	2,752
Trash Receptacle	1,448
Valley Gutter	966
Vehicle Entrance - Keypad/Intercom	4,345
Total for 2037	\$705,334
 <i>No Replacement in 2038</i>	
<i>No Replacement in 2039</i>	
<i>No Replacement in 2040</i>	
<i>No Replacement in 2041</i>	
 Replacement Year 2042	
Asphalt - Slurry Seal & Repair	35,148
Block Wall & Masonry - Repairs	5,850
Concrete Curb & Gutter	6,147
Concrete Sidewalks	6,233

**CBS Sample Owners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2042 continued...</i>	
Fire Lane	521
Metal Vehicle Gates - Painting	2,443
Operator Battery Backup	5,735
Stamped Concrete	5,487
Valley Gutter	1,092
Total for 2042	\$68,657
<i>No Replacement in 2043</i>	
<i>No Replacement in 2044</i>	
<i>No Replacement in 2045</i>	
Replacement Year 2046	
Electromagnetic Locks	2,713
Entry Sign	3,880
Exit Sign	553
Landscape Lighting	2,424
Landscape Replenishment	12,661
Message Center	1,085
Total for 2046	\$23,316
Replacement Year 2047	
Asphalt - Slurry Seal & Repair	39,767
Block Wall & Masonry - Repairs	6,619
Concrete Curb & Gutter	6,955
Concrete Sidewalks	7,052
Fire Hydrants - Painting	1,112
Fire Hydrants - Replacement	40,045
Fire Lane	590
Irrigation Valves	7,972
Stamped Concrete	6,208
Valley Gutter	1,236
Wooden Fence	26,650
Total for 2047	\$144,206
<i>No Replacement in 2048</i>	
<i>No Replacement in 2049</i>	
<i>No Replacement in 2050</i>	
<i>No Replacement in 2051</i>	

**CBS Sample Owners Association
Spread Sheet**

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Asphalt - Slurry Seal & Repair	21,450					24,269				
Asphalt Overlay & Replacement										
Backflow Preventers										
Block Wall & Masonry - Repairs	3,570					4,039				
Cluster Mailboxes - 12 Units										
Cluster Mailboxes - 13 Units										
Cluster Mailboxes - 16 Units										
Concrete Curb & Gutter	3,751					4,244				
Concrete Sidewalks	3,804					4,303				
Electromagnetic Locks	1,500									
Entry Sign										2,679
Exit Sign										382
Fire Hydrants - Painting						679				
Fire Hydrants - Replacement										
Fire Lane	318					360				
Gate Operators	16,000									
Gate Sensor Loops	6,750									
Irrigation Controllers	4,800									
Irrigation Valves						4,865				
Landscape Lighting					1,479					
Landscape Replenishment					7,727					
Message Center	600									
Metal Vehicle Gates										
Metal Vehicle Gates - Painting	1,491									
Monument Sign										
Operator Battery Backup	3,500									
Park Benches	2,550									
Pedestrian Gate Locks	1,600									
Pedestrian Gates										
Stamped Concrete	3,349					3,789				
Street Lights										
Street Lights - Painting	1,900									
Street Signs										
Transformer										
Trash Receptacle	1,000									

**CBS Sample Owners Association
Spread Sheet**

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Valley Gutter	667					754				
Vehicle Entrance - Keypad/Intercom	3,000									
Wooden Fence						16,264				
Year Total:	81,600				9,206	63,567				3,061

**CBS Sample Owners Association
Spread Sheet**

Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Asphalt - Slurry Seal & Repair	27,458									
Asphalt Overlay & Replacement						497,056				
Backflow Preventers						3,621				
Block Wall & Masonry - Repairs	4,570					5,170				
Cluster Mailboxes - 12 Units						19,465				
Cluster Mailboxes - 13 Units						2,520				
Cluster Mailboxes - 16 Units						2,563				
Concrete Curb & Gutter	4,802					5,433				
Concrete Sidewalks	4,869					5,509				
Electromagnetic Locks			2,017							
Entry Sign										
Exit Sign										
Fire Hydrants - Painting										
Fire Hydrants - Replacement										
Fire Lane	407					461				
Gate Operators						23,173				
Gate Sensor Loops						9,776				
Irrigation Controllers						6,952				
Irrigation Valves										
Landscape Lighting					1,893					
Landscape Replenishment					9,891					
Message Center			807							
Metal Vehicle Gates						17,380				
Metal Vehicle Gates - Painting	1,909									
Monument Sign						3,621				
Operator Battery Backup	4,480									
Park Benches						3,693				
Pedestrian Gate Locks						2,317				
Pedestrian Gates						5,214				
Stamped Concrete	4,287					4,850				
Street Lights						77,049				
Street Lights - Painting						2,752				
Street Signs	1,760									
Transformer	1,216									
Trash Receptacle						1,448				

**CBS Sample Owners Association
Spread Sheet**

Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Valley Gutter	853					966				
Vehicle Entrance - Keypad/Intercom						4,345				
Wooden Fence										
Year Total:	56,611		2,824		11,784	705,334				

**CBS Sample Owners Association
Spread Sheet**

	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Description										
Asphalt - Slurry Seal & Repair	35,148					39,767				
Asphalt Overlay & Replacement										
Backflow Preventers										
Block Wall & Masonry - Repairs	5,850					6,619				
Cluster Mailboxes - 12 Units										
Cluster Mailboxes - 13 Units										
Cluster Mailboxes - 16 Units										
Concrete Curb & Gutter	6,147					6,955				
Concrete Sidewalks	6,233					7,052				
Electromagnetic Locks					2,713					
Entry Sign					3,880					
Exit Sign					553					
Fire Hydrants - Painting						1,112				
Fire Hydrants - Replacement						40,045				
Fire Lane	521					590				
Gate Operators										
Gate Sensor Loops										
Irrigation Controllers										
Irrigation Valves						7,972				
Landscape Lighting					2,424					
Landscape Replenishment					12,661					
Message Center					1,085					
Metal Vehicle Gates										
Metal Vehicle Gates - Painting	2,443									
Monument Sign										
Operator Battery Backup	5,735									
Park Benches										
Pedestrian Gate Locks										
Pedestrian Gates										
Stamped Concrete	5,487					6,208				
Street Lights										
Street Lights - Painting										
Street Signs										
Transformer										
Trash Receptacle										

**CBS Sample Owners Association
Spread Sheet**

Description	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Valley Gutter	1,092					1,236				
Vehicle Entrance - Keypad/Intercom										
Wooden Fence						26,650				
Year Total:	68,657				23,316	144,206				

Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of California Builder Services. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual, McGraw-Hill Professional, and the Operating Cost Manual by the California Bureau of Real Estate. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of building design, HOA Budget preparation, Public Report processing, and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

California Builder Services would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study. Collaboration with the customer and the Association is vital to the accuracy and effectiveness of this study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Part III

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a *physical analysis* and a *financial analysis*.

- **Physical Analysis:**

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement costs of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

This assessment does not include destructive testing, unless otherwise noted. Furthermore, field measurements are taken at the time of the site inspection along with review and measurement take-offs based on building and site plans, among others. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses: Operational expenses are expenses that typically occur monthly or quarterly and sometimes annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next.

Reserve Expenses: Reserve Expenses are the major expenses that occur *other than annually*, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance.

Items not usually included in the Reserve Calculations:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

- **Financial Analysis**

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan." The Financial Analysis takes into account the balance of the reserve fund in cash or cash equivalents, investment yields, and inflation rate.

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The **cash flow method** develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a “window” in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The **Threshold** and the **Current Assessment** funding models are based upon the cash flow method.

The **component method** develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Component Funding model is based upon the component methodology.

Funding Strategies

There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association’s need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below:

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be “fully-funded.” This model is important in that it is a measure of the adequacy of an association’s reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

When an association’s total accumulated reserves for all components meet this criterion, its reserves are considered “fully-funded.”

The **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association’s current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual

component assessments, hence the name “Component Funding Model”. This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Definitions

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be greater than or equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year’s allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards, and prior history, among other methods. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report’s fiscal year date and the date the asset was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared.

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Supplemental Disclosures

General

CBS has no other involvement(s) with the Association which could result in actual or perceived conflicts of interest.

California Builder Services Credentials

With over half a century of combined experience in working with the Bureau of Real Estate's investigators as well as new home design, California Builder Services has the experience to accurately and efficiently complete reserve studies on all types and sizes of developments. We are acutely experienced in the application and use of reserve studies, as we have created thousands of homeowner association budgets, all of which have been reviewed and approved by the Bureau of Real Estate's investigators.

This Reserve Study was prepared by, or under the direct supervision of, a Community Associations Institute credentialed Reserve Specialist.

Completeness

CBS has found no material issues which, if not disclosed, would cause a distortion of the association's situation.

Reliance on Client Data

Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by CBS.

Scope

This Reserve Study is a reflection of information provided to CBS and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

Reserve Balance

The actual or projected total presented in the Reserve Study is based upon information provided and was not audited.

Reserve Projects

Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.