CRITERIUM® KESSLER ENGINEERS

CRITERIUM-KESSLER ENGINEERS
Independently Owned and Operated
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Goodyear, Arizona 85395
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June 3, 2020

Las Torres Homeowners Association Board of Directors
PO Box 2806
Carefree, Arizona 85377
LasTorresHOA@outlook.com

PROPERTY: LAS TORRES HOMEOWNERS ASSOCIATION
CAREFREE, ARIZONA

SERVICE: FULL PROPERTY EVALUATION AND RESERVE FUND ANALYSIS

ATTACHMENT: 19-0228 FINAL REPORT – REVISION 1

Dear Members of the Board of Directors:

As requested by Ms. Debbie Robertson, Treasurer of Las Torres Homeowners Association on your behalf, Criterium-Kessler Engineers has completed a Full Reserve Study for Las Torres. We submit the attached final report for the Board's consideration and use.

This Reserve Study has been performed in general accordance with Community Association Institute (CAI) National Reserve Study Standards. However, Criterium-Kessler's scope of service has exceeded CAI's guidelines with regard to our engineering evaluation of the property's condition, identification of current deficiencies, and consideration of appropriate capital expenditures for recommended repairs, replacements, and improvements.

We observed the property March 6, 2020. Our findings and recommendations are principally based on observations made during our on-site visual inspection performed by Jacob Mann, Criterium-Kessler Engineers. During that site visit, we met with the following board members, Ms. Tollefson, President, and Ms. Robertson, Treasurer.

We have reviewed the provided portion of the Associations Declarations, available financial & maintenance records, real estate information, and other public mapping resources.

The report should be reviewed in its entirety, including its Appendices, which contain the financial analysis, captioned photographs, and reference documents.

As a result of our on-site inspections and other investigations, we find the common components of your community to be in generally good condition and well-maintained. However, we did observe some deficiencies and some deferred repairs, which are noted in the report.

In summary, given the approximate starting balance of the Capital Reserve Fund estimated at $148,642.74 on January 1, 2020, and if the current annual rate of contribution to reserves at $15,600/ annually was carried forward unchanged throughout the 30-year planning period, our evaluation of facility needs, and financial analysis indicates that the Association's level of funding will prove *insufficient* to meet future needs. Due to aging building and site components, we calculate reserve expenditures of an approximate annual average of $32,459 over the next twenty years.

The 20-year total of projected capital expenditure (CapEx) budgets, (current dollar cost estimates inflated at 2.5% annually), is $649,187. Because of drawdowns to pay for these CapEx expenses, projected year-end balances would fall into deficit values in Year 11 (2030), and would reach a theoretical accumulated deficit of approximately ($178,220) at the end of the planning period in Year 20 (2039).

In this report we have provided a recommended funding plan for the Board's consideration.

Typically, our final report published for review by the Board includes projections of the current funding plan and the adopted plan. However, we will also include some or all the preliminary alternates as the Board directs.

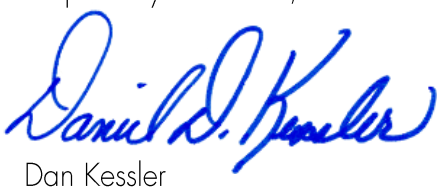
In reviewing the engineering assumptions, cost estimates and projected fund values herein, please understand that their accuracy diminishes greatly beyond Year 5. Long range facility maintenance projections are intended only to indicate the likely pattern of capital expenditures and to guide financial planning. Criterium-Kessler Engineers agrees with CAI's recommendation that reserve studies should be updated regularly to allow periodic adjustment of facility plans and funding strategies.

If you have any questions or would like to discuss further services, please contact Criterium-Kessler Engineers at 480-218-1969.

Criterium Engineers appreciates this opportunity to assist the Board in support of the Association's facility and financial planning. Thank you.

Thank you for your confidence in Criterium-Kessler Engineers.

Respectfully Submitted,



Dan Kessler
President
Criterium-Kessler Engineers

FULL PROPERTY EVALUATION AND RESERVE FUND ANALYSIS

YEARS 2020 - 2039

Las Torres Homeowners Association
Carefree, Arizona

Prepared for:
Las Torres Board of Directors

Requested by:
Ms. Debbie Robertson, Board Treasurer
PO Box 2806
Carefree, Arizona 85377

Prepared by:

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Site Inspection Date(s): March 6, 2020
Final Submittal R1: June 3, 2020

Accredited AACM Arizona Association of Community Managers Affiliate Partner (AAP)

Project Number: 19-0228

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1.0 INTRODUCTION

Following authorization by the Las Torres Board of Directors, Ms. Robertson, Board Treasurer, requested Criterium-Kessler Engineers to conduct a full Reserve Study of your 25-unit residential community located in Carefree, Arizona.

This report must be reviewed in its entirety to understand our findings and their limitations. The Appendices are an integral part of this report and must be included in any review. Please refer to Appendix D for definitions of common terms of reference used herein.

We have conducted the study in general accordance with the National Reserve Study Standards published by the Community Association Institute (CAI). Please refer to Appendix D which contains a copy of the CAI standards.

This study was conducted by licensed Professional Engineers and other qualified staff working under the responsible charge of a CAI-certified Reserve Specialist. Please refer to Appendix F for the qualifications of the project team.

Jacob Mann, Engineering Field Technician for Criterium-Kessler Engineers, performed this study. Mr. Mann visited the site on March 6, 2020. This report is principally based on our visual inspection(s) conducted on March 6, 2020. Mr. Mann prepared this report and the attached financial analysis. Mr. Kessler reviewed his findings, and presents this confidential report for the Board's review and use.

In reviewing the engineering assumptions, cost estimates and projected fund values herein, please understand that their accuracy diminishes greatly beyond Year 5. Long-range facility maintenance projections are intended only to indicate the likely pattern of capital expenditures and to guide financial planning. Criterium-Kessler Engineers agrees with CAI's recommendation that reserve studies should be updated regularly to allow periodic adjustment of facility plans and funding strategies.

For example, given typical service lives, our 20-year cash flow analysis has not anticipated contributions to reserves to offset savings for these longer-term expenses:

- ✓ Brick and concrete masonry re-pointing and renewal of joint sealants
- ✓ Lap siding and exterior trim replacement
- ✓ Full replacement of concrete masonry walls

However, if the Association updates their reserve study periodically, and continue to use a 20 to 30-year planning horizon, then all these eventual capital expenditures (CapEx) will be anticipated well before they become pressing needs.

2.0 EXECUTIVE SUMMARY

In summary, our on-site inspections and other investigations revealed / found the common components of the property to be in good general condition and well-maintained.

We observed some deficiencies and some deferred repairs which are noted within the report.

We have identified an inventory of Association-responsible common components that are likely to require periodic repair or replacement or other recurrent capital investment.

We have formed an opinion of the remaining useful life of each component. We have estimated the current cost of required capital expenditures for their repair or replacement. We have projected annual capital budgets over a 20-year planning period.

We have also interviewed the Board to learn of any planned facility improvements that will require capital expenditures.

In the summary, the 20-year total of projected capital expenditure (CapEx) budgets, (current dollar cost estimates inflated at 2.5% annually), is $649,187.

The Board has provided us with information on the Association's Capital Reserve Fund and the current funding plan. Our initial financial analysis was based on the data supplied.

Given the reported $148,642.74 starting balance of the Capital Reserve Fund on January 1, 2020, the current ongoing rate of contribution $15,600 / annually, and an anticipated average rate of return on investment of 1.13% per year, our financial analysis indicates that the Association's current funding will prove *Inadequate* to meet future needs.

Because of draw-downs to pay for projected CapEx expenses, projected year-end fund balances would theoretically be ($178,220) by the end of the 20-year planning period in 2039.

In this report, we have recommended minimum threshold fund balances be maintained and have included a recommended funding plan for the Board's consideration.

3.0 PURPOSE AND SCOPE

3.1 Objectives

The purpose of this reserve study is to determine a capital needs plan for the Association, to evaluate the current rate of contribution to the capital reserve fund, and, if required, to suggest alternate funding strategies.

This report is intended for use as a tool by the Association's Board of Directors for considering and managing future financial obligations, for determining appropriate capital reserve fund allocations, and for informing the individual Owners of the Association's required capital expenditures and the resulting financial plan.

For purposes of financial planning, Association-responsibility expenses are typically divided into two categories:

- ✓ Operation and maintenance (O&M) of commonly held elements of real property and other assets. These O&M expenses usually include taxes, insurance, property management costs and other service fees.

- ✓ Capital expenditures for major periodic repairs and replacement of commonly-held elements.

Normal, recurring O&M costs are typically paid by the individual owners through periodic assessments or service fees equal to their share of the annual budget, which is estimated based on cost projections of either actual or average levels of expense.

Some additional contingency amount may be included in annual O&M budgets to result in a year-end surplus which is carried forward year-to-year to cover variations in annual costs or any uninsured losses. This carry-over is often referred to as an operating reserve.

These O&M costs, their funding and operating reserves are not typically considered by a reserve study.

Studies of this nature are important to ensure that a community will have sufficient funds for the long-term, periodic capital expenditure requirements. This helps preserve the value of the community and the units within it.

Anticipating significant expenditures over an extended period will assist the Association in determining appropriate levels of present and ongoing contribution to a capital reserve fund which will result in adequate balances to cover these expenses as they arise without any need for borrowing or special assessments.

Of course, borrowing or special assessments may be part some capital plans. However, our study will not consider these sources of revenue unless directed. We caution our clients to check state regulations, which may limit or preclude these options.

Our capital expenditure forecast is more reliable over its first few years than in later years. History demonstrates that, as time progresses, property conditions and management strategies will change. As a result, planned scopes of work may be altered or deferred. Actual cost in the marketplace will vary from estimates.

Actual rates of inflation and returns on investment will vary from projections. For the purposes of this study an inflation rate of 2.5% is used. This figure is in line with the historical average of 2.5% over the last thirty years and accounts for the increasing cost of construction. The Mortenson Construction Index continues to experience a significant index rate increase above the 2% noted by the Consumer Price Index (CPI). The Phoenix and National construction cost indexes increased steadily throughout 2018, which included a 7.5% increase in the Phoenix Index compared to year-end 2017. The report also noted that entities impacted by these costs should plan on a 4% - 6% increase in 2019.

For these reasons, we concur with Community Association Institute guidelines and recommend that this reserve study be updated every three to five years. As of late, many associations choose to perform a yearly update; this allows them to remain current and focused despite frequent Management or Board turnovers.

3.2 Level of Service

The Community Association Institute (CAI) identifies three levels of service for Reserve Studies:

I. Full Reserve Study, with site visit
II. Reserve Study Update, with site visit
III. Reserve Study Update, without site visit

All may be appropriate for a community, depending on the condition of the facility and the phase of their planning cycle. The CAI National Reserve Study Standard in Appendix D contains more detail on these levels of service and the scope of study of each of them.

Our current study is Level I Full Reserve Study.

Criterium-Kessler's actual scope of service is enhanced and exceeds the CAI standard in these principal ways:

- ✓ Our investigation and evaluation of the property is performed by, or overseen by experienced professional engineers.

3.3 Sources of Information

We obtain information from a variety of sources including the following:

Board Members

- ✓ Ms. Leigh Tollefson, President
- ✓ Ms. Debbie Robertson, Treasurer

The following documents were provided to us and reviewed:

- ✓ Bids
- ✓ Budgets
- ✓ Plats
- ✓ Maps
- ✓ Previous Reserve Studies
- ✓ Asset Lists
- ✓ Roofing Report

Document Type	Document Description	Exhibit Attached	Status
Association Budgets & Financial Data	- CKE Document – Reserve Study Checklist	Yes	Reviewed
Site Plans / Plat Maps	- Plat Map	Yes	Reviewed
Prior Reports & Proposals	- Roofing Report by Roofing Southwest dated August 11, 2015 - Reserve Study by Arizona Reserve Services, LLC dated August 1, 2015	No	Reviewed
CC&R's & Governing Documents	- Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Las Torres dated April 23, 2009	No	Reviewed

TABLE 1 – DOCUMENTS REVIEWED

4.0 PHYSICAL ANALYSIS

4.1 Property Description

Please refer to Appendix C for captioned photographs for selected assets throughout the community.

Las Torres is an age-restricted 25 unit residential community located on an approximately 3.5 acre site in Carefree, Arizona. Development of the community began in 1979. Major amenities include the private swimming pool and spa, and the private multi-sport sports court.

4.2 Common Components

Please refer to Appendix A for the Common Component Inventory.

Association-responsible common components include

- ✓ Asphalt
- ✓ Backflow Preventers
- ✓ Block Wall

- ✓ Concrete Walkways
- ✓ Exterior Envelopes
- ✓ Fire Pit and Furniture
- ✓ Flat Roofs and Tile Roofs
- ✓ Irrigation Controllers
- ✓ Flagstone Monument Signs
- ✓ Trash Receptacle Enclosures
- ✓ Wrought Iron Gates and Fences
- ✓ Acrylic Pool Deck
- ✓ Pool / Spa Heaters, Filters, and Pumps
- ✓ Pool Furniture
- ✓ Basketball Backboard
- ✓ Bocce Court
- ✓ Chain Link Fence
- ✓ Flex Court
- ✓ Synthetic Turf

4.3 Condition Assessment

4.3.1 Common Assets

Descriptions & Observations

The site generally slopes from east to west. The topography is suitable for the designed use.

Roof and surface storm water runoff drain to on-site retention basins through gutters, downspouts, roads, and spillways. If the eastern retention basin were to become overburdened, the overflow would drain through underground pipes to the western retention basin. If the western retention basin were to overflow, it drains into the wash to the west. Overall, the storm drainage system appears to function as designed, although we did not observe it during a rain event.

The asphalt-paved entrances and parking spaces near the sports court and throughout the community are in generally good to fair condition with some deficiencies noted.

The network of sidewalks and other walkways providing pedestrian routes across the property is in good general condition. It should be noted that these sidewalks are approximately only 2-feet wide, which is narrow for a common sidewalk.

The network of perimeter block walls and wrought iron view fences throughout the property is in good general condition.

The buildings' structural systems appear to be well designed and constructed. The buildings' exterior walls are finished with cementitious stucco.

The roofs of the buildings are a combination of low-slope flat foam and concrete tiles. They appear to be in good condition and well maintained.

This section of the report does not address Owner-responsible unit interiors nor did we inspect any unit interiors.

Except as noted in Section 4.4 Current Deficiencies, the site improvements are in good general condition.

Common Components & Required Expenditures

Appendix A contains an inventory of all site improvements which are common components, and a detailed schedule of projected Capital Expenditure (CapEx) budgets for these items:

- ✓ Asphalt - Crack Seal & Seal Coat – Budget to crack seal and seal coat the association responsible asphalt. There are several types of asphalt treatments and seal coats, the community should consult with an asphalt professional to determine the best choice.

- ✓ Asphalt - Mill and Overlay – Budget to mill and overlay the top two inches of the asphalt. Schedule intertwined with crack seal and seal coat as asphalt should be sealed within 6-months to 1-year after milling.

- ✓ Backflow Preventer - Replacement – Budget to remove and install three new Febco backflow preventers found throughout the community. Routine maintenance, test cocks, and testing should be considered an operating expense.

- ✓ Block Wall - Repair – Allowance to perform repairs to the block walls throughout the community. This repair cycle coincides with the painting schedule as repairs should typically be performed before painting as a part of the preparation phase. Due to the age of the walls, this repair allowance has been increased in the later years.

- ✓ Concrete walkways - Repair / Replacement – Funds will accumulate over time and should be used as needed to repair or replace sections of the concrete walkways. If no repairs are needed, these funds may be set aside for wholesale replacement of a larger section at a later date.

- ✓ Exterior - Paint – Budget to paint the exteriors of all homes, the pump house, storage shed, trash enclosures, and perimeter walls. Price based on actual bid which excludes trim and doors.

- ✓ Exterior Metal - Paint – Budget to paint all exterior metal including wrought iron gates and fences, trash enclosure gates, gutters and downspouts, staircases, and the chain link fence and posts at the sports court.

- ✓ Fascia - Paint – Budget to repaint the fascia of all homes, last performed June 2016.

- ✓ Fire Pit - Restone / Refurbish – Allowance to remove and replace the stone veneer finish and / or refurbish or repair any damages to the fire pit.

- ✓ Fire Pit Furniture - Replacement – Replacement of the fire pit furniture with in-kind pieces. Also included in the budget is a provision to replace or reupholster cushions as required. Pieces include a side table, coffee table, storage trunk, sofa, two ottomans, and two chairs.

- ✓ Flat Roofs - Reseal – Application of an elastomeric sealant top coat to extend the warranty by 5-years on the resurfaced flat roofs

- ✓ Flat Roofs - Resurface – Budget to resurface the flat foam roofs within the community. Was last resurfaced in March 2019 with a 5-year warranty and the option to extend the warranty by another 5 years if resealed in the 5th Year. See reseal line item above and in the asset list.

- ✓ Irrigation Controller - Replacement – Budget to replace and install new irrigation controllers within the community. Last replaced in 2016.

- ✓ Monument signs - Replacement / Refurbishment – Budget to replace or refurbish the flagstone monument signs. Funds may be used to replace the signs with a new design if desired.

- ✓ Tile Roof Underlayment - Replacement – Budget to replace the G40 underlayment of the tile roofs. Last replaced in 2009 with warrantied repairs more recently.

- ✓ Trash Receptacle Enclosures - Replacement – Replacement of the two trash receptacle enclosures within the community. Includes the gate and stucco covered CMU blocks.

- ✓ Wrought Iron – Replacement – Budget to replace of the wrought iron view fencing, gates, and staircases throughout the community. This includes the approximately 200-lineal feet of pool fence and three gates. There are four staircases in the community, three 8-step, and one 3-step. Price includes removal and installation of new.

4.3.2 Pool Assets

Descriptions & Observations

The pool equipment room was in generally fair to good condition.

The filters, pumps, and heaters were not tested as a part of this study. We are not aware of any ongoing issues or problems with the pool equipment.

The spa and swimming pool appeared to be in generally good condition.

The surrounding acrylic pool deck appeared to be in generally good to fair condition with some cracking noted.

Except as noted in Section 4.4 Current Deficiencies, the pool assets are in good general condition.

Common Components & Required Capital Expenditures

Appendix A contains an inventory of all site improvements which are common components, and a detailed schedule of projected Capital Expenditure (CapEx) budgets for these items:

- ✓ Acrylic Pool Deck - Resurface – Resurfacing of the acrylic pool decking. This wears over time and may need to be patched in small areas for aesthetic purposes or if it begins to present a tripping hazard. Typically these smaller repairs would fall under operations and maintenance.

- ✓ Pool / Spa Heaters - Replacement – Includes installation and removal of 1x Pentair MasterTemp 400HD high performance heater for the swimming pool and 1x RayPak R266A heater for the spa. Last replaced in 2016.

- ✓ Pool Filter - Replacement – Includes removal and installation of 1x Pentair Triton II TR-140 filter for the pool. Also includes a provision for new #20 silica sand.

- ✓ Pool Furniture - Restrap / Replace – It is our understanding that the furniture has a lifetime frame warranty but will need to be restrapped from time to time and umbrellas will need to be replaced. Funds will accumulate over time and replacements or repairs should take place as needed. Last vinyl restrapping occurred in 2016, and new umbrellas were purchased in Mar 2019.

- ✓ Pool Pumps - Replacement – Removal and installation of 2x new Pentair IntelliFlo VS+SVRS variable-speed pumps and 1x superflow 2hp spa booster pump, price averaged.

- ✓ Spa - Resurface & Retile – We were informed the spa was recently brought up to code and was resurfaced and retiled in 2019. Includes Pebble Tec surfacing and tiling.

- ✓ Spa Filter - Replacement – Includes removal and installation of 1x Pentair Triton II TR-40 filter for the spa. Also includes a provision for new #20 silica sand. Last replaced in 2017.

- ✓ Swimming Pool - Resurface & Retile – Includes Pebble Tec surfacing and tiling. Includes a provision for code improvements.

4.3.3 Sports Court Assets

Descriptions & Observations

The private sports court was in generally good condition. The original court surface has been covered by synthetic turf and interlocking flexible court tiles. It is our understanding that there are no plans to return to the original surfacing, as such, costing is for replacement in-kind for synthetic turf and interlocking tiles.

The perimeter chain link fence appears to be in generally good condition.

The adjustable height basketball backboard was in generally fair condition. The height adjustment mechanism was not tested as a part of this inspection.

Except as noted in Section 4.4 Current Deficiencies, the sports court assets are in good general condition.

Common Components & Required Capital Expenditures

Appendix A contains an inventory of all site improvements which are common components, and a detailed schedule of projected Capital Expenditure (CapEx) budgets for these items:

- ✓ Basketball Backboard - Replacement – This is a height adjustable basketball hoop. Price includes removal of old unit and installation of new.

- ✓ Bocce Court - Repair / Resurface – Budget to perform repairs or to replace the synthetic turf and underlayment for the bocce ball court.

- ✓ Chain Link Fence - Replacement – Replacement of the 10-foot tall sports court chain link fence. Chain links are 11 gauge 1.75-inch mesh with 3-inch posts.

- ✓ Flex Court - Replacement – Replacement of the interlocking flexible sports court tiles. Includes preparation, shipping, and removal of old court and installation of new. As this is a modular system, the community has the freedom to choose a different layout or different sports entirely.

- ✓ Synthetic Turf - Replacement – Removal and installation of new synthetic turf in the sports court area.

4.4 Current Deficiencies

Based on our observations during our on-site evaluation.

Retaining Walls

The retaining portions of the block walls did not appear to contain weep holes, at least none that were visible. Weep holes allow excess water to drain, which reduces the hydrostatic load on the wall and limits deterioration by reducing water damage that trapped water would otherwise cause. Given the assumption that the walls are of original construction, we would typically expect more visible and apparent issues than were observed.

As water makes its way through the wall and contacts the steel reinforcing within, the steel begins to corrode leading to a loss of structural integrity. It is common to see the wall eventually develop a pronounced lean in part due to the loss of strength and the increased load from trapped water. Another common occurrence is cracking of the block face when the steel reinforcing corrodes and expands, however, as the walls are covered in textured cementitious stucco this may not be as visible.

One possible scenario is that the walls do contain weep holes but they are either buried or covered by the cementitious stucco. Another potential is that the walls use an entirely different draining system such as a French drain system, however, we did not observe any evidence of this being the case.

Our recommendation is to obtain further evaluation of the walls by a licensed professional structural engineer to determine the best course of action going forward.

Pool Decking

We were informed of previous cracking issues in the pool deck which were repaired in 2015, but have since reappeared. This may be indicative of shifting soils below the deck, or an irrigation or equipment water leak. We recommend further evaluation and testing be done to determine the exact cause of the cracking and next steps.

Pool Fence

One of the end posts of the pool fence near the pool equipment room has an exposed footing. Our recommendation is that the exposed footing be covered with soil and remain covered to preserve integrity of the footing. It did not appear to be caused by an ongoing erosion issue as is most often the case.

During our site inspection, the gates to the pool were not locked nor did they contain any locking mechanism beyond a latch. While it may be determined it is not required to lock the gates, we would still recommend securing the gates. We recommend consulting your legal counsel to determine what pool laws apply.

Asphalt

The asphalt throughout the community was in generally good condition. However, there were areas with signs of raveling and aggregate loss along with cracking. This is typical of asphalt in our climate given its age but should be addressed during the next cycle of asphalt treatments. The community should consult with their asphalt professional to determine the appropriate treatment.

Further, it has been our experience that community associations seek to save budget by stretching out the periodic seal coat, which can result in premature deterioration. An appropriate schedule should be followed to extend the life of the asphalt.

Sports Court

There was an instance where the original sports court surface was buckling near the southwest corner. It is our understanding that the community is aware of this issue and investigating cause and possible remedies.

4.5 Life and Valuation

4.5.1 Opinions of Useful Life

Simply stated, for components that require periodic capital expenditures (CapEx) for their repairs or replacement, the frequency of work equals the typical; industry accepted expected useful life (EUL) for the type of feature:

Component's Frequency of CapEx = Component's EUL

And, the remaining useful life (RUL) of a component before the next capital expenditure for its repair or replacement is equal to the difference between its EUL and its age:

RUL = EUL – Age

Of course, the condition and rate of deterioration of actual site improvements and building elements rarely conform to such simple analysis. Often, a property's history and available documentation does not provide any record of a particular component's actual age.

In our experience, the effective age and actual RUL of an installed item vary greatly from its actual age and calculated RUL. These variances depend on the quality of its original materials and workmanship, level of service, climatic exposure, and ongoing maintenance. As part of Criterium-Kessler Engineer's work on this reserve study, we have determined our opinion of the effective age, EUL and RUL of each common component based on our evaluation of its existing condition and considering those factors.

As a result, in preparing the CapEx schedule for reserve studies, we often:

- ✓ Accelerate the schedule of work for components found to be in poorer condition than expected for their age.

- ✓ Defer work for components observed to be in unusually good condition.

Capital repair and replacement work for some components is often spread over many years. This may be done because not all on-site installations of a particular type of component age or deteriorate at the same rate. Or, work may be scheduled in phases to limit disruption or ease cash flow.

For these reasons, when it seems appropriate we will spread some budgets over multiple years. However, it is beyond the scope of this reserve study to prioritize the need for work between a number of buildings or installed locations or to closely specify or breakdown phased work packages.

In summary, we have based our opinion of the remaining service life and expected frequency and schedule of repair for each common component on some or all of the following:

- ✓ Actual or assumed age
- ✓ Observed existing condition
- ✓ Association's or Community Manager's maintenance history and plan
- ✓ Our experience with actual performance of such components under similar service and exposure
- ✓ Our experience managing the repairs and replacements of such components

We use the following documentation to guide our considerations:

- ✓ Fannie Mae - Expected Useful Life Tables
- ✓ National Association of Home Builders - Life Expectancy of Components
- ✓ Marshall & Swift Valuation Service –Expected Life Expectancies

4.5.2 Cost Estimating

In developing our estimate of capital expenditure for most common components, we have estimated a quantity of each item and a unit cost for its repair or replacement. In some cases, it is more appropriate to estimate a lump sum cost for a required work package.

Unless directed to take a different approach, we assume that contract labor will perform the work and apply appropriate installer's mark-ups on supplied material and equipment. When required or requested, our estimated costs include demolition and disposal of existing materials, and protection of other portions of the property.

When appropriate for large capital projects, we will also include soft costs for design and project management, and typical general contractor's cost for general conditions, supervision, overhead and profit.

We have based our opinion of unit and lump sum costs on some or all of the following:

- ✓ Records of previous maintenance expenses
- ✓ Previously solicited Vendor quotations or Contractor proposals
- ✓ Provided capital budgets developed by others
- ✓ Our project files on repairs and replacements at other properties

We use the following publications to guide our considerations:

- ✓ On-Line RS Means - Construction Cost Data
- ✓ Marshall & Swift Valuation Service – Facility Cost Index

Annual aggregated capital expenditure budgets have been calculated for all years during the study period by inflating the annual tallies of current dollar cost estimates, and compounding for inflation at 2.5% per year.

Of course, it is impossible to accurately predict inflation fluctuation. Two and a half percent is close to the average annual values of both consumer and construction cost increases since the U.S. Bureau of Labor Statistics started publishing data approximately 85 years ago.

5.0 FINANCIAL ANALYSIS

We have projected capital reserve expenditures over the next thirty years and analyzed funding options to satisfy those expenditures. The projections are based on anticipated repair or replacement schedules and estimated costs as discussed in the report. The projections also take into consideration 1.13% return on invested moneys and 2.5% inflation. These values are based on information provided to us by the Association (or our estimates based upon current conditions). Pease note that actual values and rates may vary significantly.

Please refer to Appendix A, which contains tables and graphs illustrating the findings discussed below and includes the following:

- ✓ Reserve Study Summary: Defines all the criteria used for financial calculations, including the assumed inflation rate and rate of return on deposited reserve funds. Also includes is a summary of the proposed funding plan.
- ✓ Component Inventory: Replacement and/or repair components broken down by categories that match the report. The table lists estimated costs as well as estimated useful lives and remaining useful lies for each component.
- ✓ Table of Annual Reserve Expenditures: Costs for component replacement and/or repair items broken down by year based on projections of estimated and remaining lives.
- ✓ Summary of Funding Plan Balances for Each Alternative: A table of yearly balances for each funding plan (if more than one) and annual reserve expenditures. Also included is a combined graph illustrating end of year balances for all funding plans over the 20-year study period.

5.1 Capital Expenditure Projection

Based on our investigations and estimates described in Section 4 of this report, we have identified likely capital expenditures throughout the study period. The components identified are those understood to be the responsibility of the Association.

For detailed information on projected capital expenditures, please refer to the Appendix A. tables titled "Common Component Inventory & Capital Expenditure (CapEx) Planning" and "Annual Capital Expenditures – 20-Year Budget Projection."

Please note that we have assumed that the cost of routine, annually occurring minor repair & replacement work (typically valued at less than $1,500) will be covered by the normal Operations & Maintenance budget. Such minimal costs may be for one-time work on a single item, or aggregated repairs of a type of component over a year.

We have not included any reserve expenditures for repair of casualty damage by vehicle impact, severe storm action, etc. It is assumed that such expenses would be defrayed by proceeds of insurance claims.

Projections are based on a fiscal year running from January 1 to December 31. In summary, we calculate capital reserve expenditures (CapEx) expenditures over the next thirty years of approximately $32,459 annually and $649,187 total.

5.2 Current Funding

5.2.1 Board-Provided Information

Our analysis and calculations are based upon the following starting data provided by Ms. Robertson:

Study Period / Fiscal Year Starting Date:	January 1, 2020
For Designated Fiscal Year:	2020
Starting Reserve Fund Balance:	$148,642.74
On Date:	January 1, 2020
Current Rate of Designated Contribution:	$1,300 Overall per month $15,600 Overall per year
Planned Reserve Increases:	None formally adopted
Planned Special Assessments:	None
Planned Average Return on Investment:	1.13% per year
Projected Rate of Inflation:	2.5% per year

Table: 5.2-1 Provided Starting Data

Financial data, records of past expenses, and cost estimates provided by others have been taken in good faith and at face value. No audit or other verification has been performed.

We have been informed that the community was previously advised to reserve for unexpected roof repairs and other unexpected premature asset failures. To the best of our knowledge they have been maintaining this in a separate fund referred to as Reserve Ops at the rate of $400 per month total. Further, we were requested by the Board to remove this fund and contribution from the financial analysis, which we have done.

5.2.2 Current Funding Plan Projection

The Capital Reserve Fund beginning balance for January 1, 2020 was computed from provided budget data. Our initial analysis was a projection of the Association's *current* annual fund contribution rate of $15,600 forward over 20 years, with no increases.

Given the projected $148,642.74 starting balance of the Capital Reserve Fund on January 1, 2020, and utilizing the data in Table 5.2.1 above, our component funding projection indicates that the Association's current funding of $15,600 per year, if carried forward unchanged, is ***inadequate*** to cover anticipated capital expenditures (CapEx) resulting in a theoretical -55% (negative) Percent Funded in Year-20 and an average of -6% (negative) Percent Funded over the course of the planning period.

Because of drawdowns to pay for projected Capital Expenditures, projected year-end balances would fall to deficit levels at the end of 2030 (Year 11). Accumulated deficits would in a theoretical ($178,220) by year-end 2039 (Year 20).

To correct the inadequate funding for projected Capital Expenditures, we have developed and provided an alternative funding approach below (Section 5.3: Recommended Funding Plan). This approach was developed in an effort to avoid the need for special assessments.

We have also developed a model portraying the previously recommended plan from the study in 2015 which is included below (Section 5.4: Previously Recommended Funding Plan). This plan was not implemented, but will show what the current budget condition would have been if it had been implemented.

For detailed data, please refer to Appendix A tables and graphs titled "Capital Reserve Fund – Current Funding Plan.

5.3 Recommended Funding Plan

Since the current funding profile is in inadequate, Criterium-Kessler Engineers has prepared a recommended funding plan for the Board's consideration that would result in positive year-end balances throughout the planning period theoretically ending in being 100% Funded in Year 20 of the plan. This plan also maintains an average of 67% Funded over the course of the 20-year planning period.

Recommended Funding Plan

- ✓ Lump sum increases as follows:
    - In Year-2 (2021) increase the monthly contribution rate per unit by 20% bringing the monthly contribution rate per unit from $52.00 to $62.40
    - In Year-3 (2022) increase the monthly contribution rate per unit by 20% bringing the monthly contribution rate per unit from $62.40 to $74.88
    - In Year-4 (2023) increase the monthly contribution rate per unit by 15% bringing the monthly contribution rate per unit from $74.88 to $86.11
    - In Year-5 (2024) increase the monthly contribution rate per unit by 15% bringing the monthly contribution rate per unit from $86.11 to $99.03
    - In Year-6 (2021) increase the monthly contribution rate per unit by 9.5% bringing the monthly contribution rate per unit from $99.03 to $108.44
- ✓ 5% increases in Years 7 through 14
- ✓ 3% increase in Year 15

- ✓ 2.5% increases in Years 16 through 20
- ✓ No special assessments

Given the projected $148,642.74 starting balance of the Capital Reserve Fund on January 1, 2020, the Association's current funding of $15,600 per year, and following the recommended increases above, our component funding projection indicates that is adequate to cover anticipated capital expenditures (CapEx) with Year-20 ending in 100 Percent Funded with an overall average of 67 Percent Funded over the course of the 20-year planning period.

With this recommended plan, the Percent Funded rises from its starting point as follows:

- ✓ 50% Percent Funded in Year 1
- ✓ 60+ Percent Funded by Year 7
- ✓ 70+ Percent Funded by Year 14
- ✓ 80+ Percent Funded by Year 16
- ✓ 90+ Percent Funded by Year 18
- ✓ 100 Percent Funded by Year 20

For detailed data, please refer to Appendix A - Financial Analysis, in the tables and graphs titled "Capital Reserve Fund – Recommended Funding Plan.

5.4 Previous Funding Plan

The Previous Funding Plan is a financial projection displaying where the community would be at currently and going into the future if the previous reserve study (2015) contribution recommendations were followed. The starting balance would theoretically be somewhat higher given that several years of increased contributions would have taken place from 2016 up until now, but was not changed for this analysis as it is for informational purposes only.

According to the previous study, the beginning contribution rate in 2016 was reported to be $65 per unit / per month. The plan called for 8% increases to the contribution rate from 2017 through 2032 with no further increases to follow after 2032. Over the course of these increases, the monthly contribution would have risen from the initial $65 per unit / per month to $222.69 per unit / per month.

This plan would have also theoretically maintained an average of approximately 117% Percent Funded over the course of our 20-year planning period (2020 – 2039).

This previously recommended plan consisted of the following increases:

- ✓ Lump sum increases of 8% per year in Years 2017 - 2032 as follows:
  - Increase the 2017 monthly contribution rate per unit from $65.00 to $70.20
  - Increase the 2018 monthly contribution rate per unit from $70.20 to $75.82
  - Increase the 2019 monthly contribution rate per unit from $75.82 to $81.88
  - Increase the 2020 monthly contribution rate per unit from $81.88 to $88.43 (Current Year)
  - Increase the 2021 monthly contribution rate per unit from $88.43 to $95.51
  - Increase the 2022 monthly contribution rate per unit from $95.51 to $103.15
  - Increase the 2023 monthly contribution rate per unit from $103.15 to $111.40
  - Increase the 2024 monthly contribution rate per unit from $111.40 to $120.31
  - Increase the 2025 monthly contribution rate per unit from $120.31 to $129.94
  - Increase the 2026 monthly contribution rate per unit from $129.94 to $140.33
  - Increase the 2027 monthly contribution rate per unit from $140.33 to $151.56
  - Increase the 2028 monthly contribution rate per unit from $151.56 to $163.68
  - Increase the 2029 monthly contribution rate per unit from $163.68 to $176.78
  - Increase the 2030 monthly contribution rate per unit from $176.78 to $190.92
  - Increase the 2031 monthly contribution rate per unit from $190.92 to $206.19
  - Increase the 2032 monthly contribution rate per unit from $206.19 to $222.69
- ✓ No further increases for the remainder of the 20-year planning period
- ✓ No special assessments

Given the projected $148,642.74 starting balance of the Capital Reserve Fund on January 1, 2020, and if the Association's current funding was $26,530 per year, along with following the previously recommended increases above, our component funding projection indicates that would be more than adequate to cover anticipated capital expenditures (CapEx) with Year-20 ending in 192 Percent Funded with an overall average of 124 Percent Funded over the course of the 20-year planning period.

We have included this plan only as a reference point for the Board that provides information on the impacts of choosing to delay increases to reserve funds. According to this previous plan, in 2020 each unit should be contributing $88.43 per month towards reserves versus the current actual contribution of $68.00 per month. If the reported $65 per unit per month in 2016 was accurate, that concludes only a 4.6% increase since 2016 until now in 2020 versus the recommended 8% increase each year. Every year delayed further increases the gap and recommended increases become increasingly steeper and may ultimately result in the need for a special assessment.

For detailed data, please refer to Appendix A - Financial Analysis, in the tables and graphs titled "Capital Reserve Fund – Previous Reserve Study Funding Plan.

5.5 Funding Methodologies

The approach to funding methodologies continues to be a subject of much discussion and can create confusion for those responsible for long-term strategic planning for a community.

Appendix E provides general information related to Funding Methodologies and is not specific to your Association or Community. They are included to provide a framework for consideration of the study, and to explain our approach to the funding analysis.

We also recommend that the Board review the Community Association Institute (CAI) National Reserve Study Standards attached in Appendix D.

The Community Association Institute (CAI) recognizes several funding methodologies, all of which may be used to satisfy these principles:

- ✓ Sufficient Funds When Required
- ✓ Maintains Property Values
- ✓ Stable Contribution Rate over the Years
- ✓ Evenly Distributed Contributions over the Years
- ✓ Fiscally Responsible

The methodology used for this report and/or some of the more common methods are outlined below. Appendix E, Funding Methodologies, has a more detailed overview.

For this reserve study, as requested by the Board of Directors, Criterium-Kessler Engineers has utilized a Component Based funding approach as described below.

5.5.1 Component Based Funding

In our experience, a component-based funding plan based on a comprehensive common component inventory will produce a very conservative funding strategy for an Association.

A component-based funding plan is based on calculated incremental savings toward the eventual repair or replacement of each individual common component.

The accounting concept underlying component-based funding is that an Association should save for repair or replacement of each of their common assets at an annual incremental amount equal to the annual straight-line depreciation of the item. In this way, they will accumulate its full value in capital reserves at the time it is fully depreciated, and funds may be required for a capital expenditure.

Full Funding

For each Fiscal Year, a component-based funding plan calculates an ideal reserve balance that should be on-hand at the beginning of the year. This recommended balance is based on saving money at the rate of depreciation of each common component as explained in the previous section.

If the Association's projected cash flow projection indicates that their capital reserve fund balance will be equal to or greater than that ideal value at the beginning of any given year, then, by Community Association Institute (CAI) definition, the Association is said to be "fully funded" in that year.

In our opinion, when an Association is "fully funded" per the CAI definition set forth below, then, very often, this will mean that the Association is holding more cash reserves than absolutely necessary for prudent management of their financial obligations.

Percent Fully Funded

In component-based fund planning, the percentage ratio between the projected actual reserve balance and the calculated ideal amount of accumulated savings at any point of time is the "percent fully funded".

This metric is used to indicate whether an Association is:

- ✓ "Under-funded" – percent fully funded less than 100%
- ✓ "Over-funded" - percent fully funded greater than 100%

Often, statutory and covenantal funding requirements may obligate an Association to maintain their reserve balance above some minimum percent fully funded value.

Such rules were originally promulgated to ensure conservative funding practices which would protect the membership from unsound financial policies which some developers and associations have practiced in the past.

6.0 LIMITATIONS

The information in this study is not to be considered a warranty of condition, quality, compliance or cost. No warranty is implied.

Financial data, records of past expenses, and cost estimates provided by others have been taken in good faith and at face value. No audit or other verification has been performed.

The observations described in this study are valid on the dates of the investigation and have been made under the conditions noted in the report.

This study is limited to the visual observations made during our inspection. We did not undertake any excavation, conduct any destructive or invasive testing, remove surface materials or finishes, or displace furnishings or equipment.

Except as specifically noted or photographed, we did not observe or inspect the following areas and items:

- ✓ Buried foundations, utility services and infrastructure
- ✓ Locked or inaccessible or confined spaces
- ✓ Building and roof structural elements and members
- ✓ Attics and other concealed spaces
- ✓ Interior of mechanical enclosures and equipment
- ✓ Systems and equipment that was not operating was not tested
- ✓ Individual Owner's improvements
- ✓ Individual Owner units interior

The following assets were not tested during our evaluation:

- ✓ Electronic assets
- ✓ Equipment and Fixture assets

In the absence of other information such as records from construction or previous inspections, or indirect evidence of concealed conditions, we cannot form any conclusions about unobserved portions of the facility.

However, our opinion regarding concealed portions of the property and their condition are based on our experience with other similar facilities.

In some cases, we inspected only a representative sample of site improvements and building spaces, components, systems or equipment. We cannot be responsible for unobserved aberrations.

We did not perform any computations or other engineering analysis as part of this study, nor did we conduct a comprehensive code compliance investigation.

We did not undertake to completely assess the structural stability of the buildings or the underlying foundations and soils. Similarly, we performed no seismic assessment.

We did not undertake a comprehensive environmental assessment of the facility, nor perform any sampling or testing for hazardous materials.

Capital budgets are opinions of likely expense based on rough cost estimates. We have not obtained competitive quotations or estimates from contractors. Actual costs can vary significantly, based on the eventually determined scope of work, availability of materials and qualified contractors, and many other variables. We cannot be responsible for variances.

In our Reserve Fund Analysis, we have provided estimated costs. These costs are based on our general knowledge of building systems and the contracting and construction industry. When appropriate, we have relied on standard sources, such as Means Building Construction Cost Data to develop estimates. However, for items that we have developed costs (e.g.: structural repairs), no standard guide for developing such costs exists. Actual costs can vary significantly, based on the availability of qualified contractors to do the work, as well as many other variables. We cannot be responsible for the specific cost estimates provided.

Criterium-Kessler Engineers prepared this confidential report for the review and use of Las Torres Homeowners Association. We do not intend any other individual or party to rely upon this study without our express written consent. If another individual or party relies on this study, they shall indemnify, defend and hold Criterium Kessler Engineers, its subsidiaries, affiliates, officers, directors, members, shareholders, partners, agents, employees and such other parties in interest specified by Criterium-Kessler Engineers harmless for any damages, losses, or expenses they may incur as a result of its use. Any use or reliance of the report by an individual or party other than Las Torres Homeowners Association shall constitute acceptance of these terms and conditions.

Criterium-Kessler Engineers does not offer financial counseling services. Although reasonable rates of inflation and return on investment must be assumed to calculate projected balances, no one can accurately predict actual economic performance. Although reserve fund management and investment may be discussed during the course of the study, we do not purport to hold any special qualifications in this area.

We recommend that the Las Torres Homeowners Association also seek other professional guidance before finalizing their current capital reserve fund planning. Depending on issues, which may arise, an appropriate team of consultants to aid decision-making might include the property manager, accountant, financial counselor, insurance agent and attorney.

7.0 CONCLUSION

Criterium-Kessler Engineers appreciates this opportunity to assist Las Torres Homeowners Association and the Board in support of the Association's facility and financial planning. We are pleased to present this final report for the Board's consideration and use.

To the best of our ability, we have attempted to work in the best interest of the Association and to aid the Board toward fulfillment of their fiduciary responsibilities and obligations to the individual homeowners who comprise the association's membership.

In our professional opinion, and within the limitations disclosed elsewhere herein, all information contained herein is reliable and appropriate to guide the Board's deliberations and decision-making.

We recommend that the Board seek other appropriate professional guidance before finalizing their current reserve planning. Depending on issues which may arise, consultants who could aid the Association's decision-making might include their community manager, certified public accountant, financial counselor, and/or attorney.

Criterium-Kessler Engineers' work for this study has been carried out in strict accordance with the Code of Ethics of the National Society of Professional Engineers (NSPE) and the Community Association Institute (CAI). We consider our report confidential to the Association, and will not share its content with anyone but the Client without their knowledge and release.

We are unaware of any other involvement or business relationship between Criterium-Kessler Engineers and the Developer, or individual Unit Owners, or members of the Board, or your Property Manager or any other Vendors or Contractors that constitutes any conflict of interest.

Please contact us at (480) 218-1969 to discuss any immediate questions or comments.

Thank you.

Respectfully submitted,

Dan Kessler
President
Criterium-Kessler Engineers

APPENDICES

A – Financial Exhibits
- Funding information from the Association
- Common Component Inventory & Capital Expenditure (CapEx) Planning
- 20-Year Projection of the Current Funding Plan
- 20-Year Projection of the Recommended Plan
- 20-Year Projection of the Previous Study's Plan

B – Graphic Exhibits
- Aerial Photographs / Images
- Maps / Other Relevant Graphics
- Building Drawings / Floor Plans

C – Photographs

D – Reference Documents
- Initial Information from Association
- CAI Nation Reserve Study Standards
- Definitions of Other Terms & References used in the report
- Definitions of Building Systems – Common Abbreviations and Acronyms

E – Funding Methodologies

F – Project Team Qualifications

APPENDIX A

FINANCIAL EXHIBITS

Data Summary

Data Provided		
Number of Units		25
Age of Community (in years)		41
Fiscal Year starts:		1/1/2020
Reserve Funds at start	$	148,643
Rate of Return on Reserve Funds (%)		1.13%
Inflation Rate (%)		2.50%

Current Funding Plan - Contribution Details		
Per Unit/Month	$	52.00
Per Unit/Year	$	624.00
Total/Month	$	1,300
Total Annual	$	15,600

Current Funding - No Increases - Review Values		
Cap Exp Total Expenditures	$	649,187
Average CapEx Annual	$	32,459
Deficit - End of Planning Period Year 20	**$**	**(178,220)**
Average Percent Funded		-6%

Contribution Details - Funding Plan - Recommended Plan		
Per Unit/Month - Year 1	$	52.00
Per Unit/Year - Year 1	$	624.00
Total/Month - Year 1	$	1,300
Total Annual - Year 1	$	15,600
Per Unit/Month - Year 20	$	186.70
Per Unit/Year - Year 20	$	2,240.41
Total/Month - Year 20	$	4,668
Total Annual - Year 20	$	56,010

Funding Plan - Recommended Plan - Review Values		
Cap Exp Total Expenditures	$	649,187
Average CapEx Annual	$	32,459
Surplus - End of Planning Period Year 20	**$**	**322,682**
Average Percent Funded		67%

*Values Rounded to Nearest $00.00

Line Number	Cost Center	Capital Item	Actual Quantity	Units	Unit Cost	Actual EUL	Actual RUL
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	4,000	Sq. Yd.	2	5	2
3	Common Assets	Asphalt - Mill and Overlay	4,000	Sq. Yd.	14	20	11
4	Common Assets	Backflow Preventer - Replacement	3	Each	2,000	25	2
5	Common Assets	Block Wall - Repair	1	Allowance	5,000	50+	1
6	Common Assets	Concrete walkways - Repair / Replacement	1	Allowance	2,500	10	5
7	Common Assets	Exterior - Paint	1	Allowance	67,000	10	1
8	Common Assets	Exterior Metal - Paint	1	Allowance	15,000	10	1
9	Common Assets	Fascia - Paint	1	Allowance	13,850	10	6
10	Common Assets	Fire Pit - Restone / Refurbish	1	Each	2,000	10	9
11	Common Assets	Fire Pit Furniture - Replacement	1	Lot	3,550	10	9
12	Common Assets	Flat Roofs - Reseal	2,460	Sq. Ft.	2	10	4
13	Common Assets	Flat Roofs - Resurface	2,460	Sq. Ft.	3	10	9
14	Common Assets	Irrigation Controller - Replacement	3	Each	750	12	8
15	Common Assets	Monument signs - Replacement / Refurbishment	1	Allowance	2,500	20	10
16	Common Assets	Tile Roof Underlayment - Replacement	496	Square	21	20	10
17	Common Assets	Trash Receptacle Enclosures - Replacement	1	Lot	9,000	20	19
18	Common Assets	Wrought Iron - Replacement	1	Allowance	25,000	30	20
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	1,800	Sq. Ft.	3	10	3
21	Pool Assets	Pool / Spa Heaters - Replacement	1	Allowance	5,750	12	8
22	Pool Assets	Pool Filter - Replacement	1	Allowance	2,000	15	6
23	Pool Assets	Pool Furniture - Restrap / Replace	1	Lot	1,200	10	6
24	Pool Assets	Pool Pumps - Replacement	3	Each	1,400	12	8
25	Pool Assets	Spa - Resurface & Retile	1	Allowance	1,970	15	14
26	Pool Assets	Spa Filter - Replacement	1	Each	1,050	15	12
27	Pool Assets	Swimming Pool - Resurface & Retile	1	Allowance	15,500	15	2
28		**Sports Court Assets**					
29	Sports Court Asse	Basketball Backboard - Replacement	1	Each	2,400	20	13

Line Number	Cost Center	Capital Item	Actual Quantity	Units	Unit Cost	Actual EUL	Actual RUL
30	Sports Court Asse	Bocce Court - Repair / Resurface	600	Sq. Ft.	9	12	1
31	Sports Court Asse	Chain Link Fence - Replacement	360	Ln. Ft.	47	30	23
32	Sports Court Asse	Flex Court - Replacement	4,150	Sq. Ft.	5	20	13
33	Sports Court Asse	Synthetic Turf - Replacement	2,300	Sq. Ft.	7	10	3

Line Number	Cost Center	Capital Item	Calc Quantity	Units	Unit Cost	Calc EUL	Calc RUL	Planning Notes
1		**Common Assets**						
2	Common Assets	Asphalt - Crack Seal & Seal Coat	4,000	Sq. Yd.	2	5	2	Asphalt crack seal and seal coat for the shared driveways and parking spaces.
3	Common Assets	Asphalt - Mill and Overlay	4,000	Sq. Yd.	14	20	11	Budget to mill and overlay the top two inches of the asphalt throughout the community.
4	Common Assets	Backflow Preventer - Replacement	3	Each	2,000	25	2	Replacement of the Febco brand backflow preventers within the community. Routine maintenance, test cocks, and testing should be considered an operating expense.
5	Common Assets	Block Wall - Repair	1	Allowance	5,000	10	1	Allowance to repair the block walls as needed throughout the community. Repair cycle coincides with the painting cycle and repairs should be completed prior to the painting prep stage to avoid unnecessarily repainting. Due to the age of the walls, the budget has been increased in Year-11 to $10,000

Line Number	Cost Center	Capital Item	Calc Quantity	Units	Unit Cost	Calc EUL	Calc RUL	Planning Notes
6	Common Assets	Concrete walkways - Repair / Replacement	1	Allowance	2,500	10	5	Includes a provision to repair / replace a portion of concrete flatwork throughout the community. Funds will accumulate over time and should be used as needed.
7	Common Assets	Exterior - Paint	1	Allowance	67,000	10	1	Price based on actual bids received. Includes painting of all exteriors of homes, trash enclosures, pump house, storage shed, perimeter walls. Excludes trim & doors.
8	Common Assets	Exterior Metal - Paint	1	Allowance	15,000	10	1	Budget to paint all exterior metal assets. Includes wrought iron, trash receptacle enclosure gates, gutters and down spouts, staircases, chain link fence and posts.
9	Common Assets	Fascia - Paint	1	Allowance	13,850	10	6	Price based on actual expenditure from June 2016 to paint all fascia and exterior wooden components.
10	Common Assets	Fire Pit - Restone / Refurbish	1	Each	2,000	10	9	Allowance to restone / refurbish or repair the fire pit.

Line Number	Cost Center	Capital Item	Calc Quantity	Units	Unit Cost	Calc EUL	Calc RUL	Planning Notes
11	Common Assets	Fire Pit Furniture - Replacement	1	Lot	3,550	10	9	Includes replacement of 1x side table, 1x coffee table, 1x storage trunk, 1x sofa, 2x ottomans, 2x chairs. Also included is a provision to replace or reupholster the cushions as needed.
12	Common Assets	Flat Roofs - Reseal	2,460	Sq. Ft.	2	10	4	Application of an elastomeric sealant top coat to extend warranty on the resurfaced flat roofs (last resurfaced Mar 2019).
13	Common Assets	Flat Roofs - Resurface	2,460	Sq. Ft.	3	10	9	Budget to resurface the flat foam roofs within the community. Was last resurfaced in March 2019 w/5-year warranty and the option to extend the warranty by another 5 years if resealed in the 5th Year. See reseal line item.
14	Common Assets	Irrigation Controller - Replacement	3	Each	750	12	8	Budget to replace and install new irrigation controllers. Last replaced in 2016.
15	Common Assets	Monument signs - Replacement / Refurbishment	1	Allowance	2,500	20	10	Budget to replace the flagstone monument signs. Funds may be used to replace the signs with a new design if desired.

Line Number	Cost Center	Capital Item	Calc Quantity	Units	Unit Cost	Calc EUL	Calc RUL	Planning Notes
16	Common Assets	Tile Roof Underlayment - Replacement	496	Square	21	20	10	Replacement of the G40 underlayment of the tile roofs. Last performed in 2009.
17	Common Assets	Trash Receptacle Enclosures - Replacement	1	Lot	9,000	20	19	Replacement of the two trash receptacle enclosures within the community. Includes the gate and stucco covered CMU blocks.
18	Common Assets	Wrought Iron - Replacement	1	Allowance	25,000	30	20	Replacement of the wrought iron view fencing, gates, and staircases throughout the community. This includes the approx 200-LnFt pool fence and three gates. There are four staircases in the community, three 8-step, and one 3-step. Price includes removal and installation of new.
19		**Pool Assets**						
20	Pool Assets	Acrylic Pool Deck - Resurface	1,800	Sq. Ft.	3	10	3	Resurfacing of the acrylic pool decking. This wears over time and may need to be patched in small areas for aesthetic purposes or if they begin to present a tripping hazard. Typically these smaller repairs would fall under operations and maintenance.

Line Number	Cost Center	Capital Item	Calc Quantity	Units	Unit Cost	Calc EUL	Calc RUL	Planning Notes
21	Pool Assets	Pool / Spa Heaters - Replacement	1	Allowance	5,750	12	8	Includes installation and removal of 1x Pentair MasterTemp 400HD high performance heater for the swimming pool and 1x RayPak R266A heater for the spa. Last replaced in 2016
22	Pool Assets	Pool Filter - Replacement	1	Allowance	2,000	15	6	Includes removal and installation of 1x Pentair Triton II TR-140 filter for the pool. Also includes a provision for new #20 silica sand.
23	Pool Assets	Pool Furniture - Restrap / Replace	1	Lot	1,200	10	6	It is our understanding that the furniture has a lifetime frame warranty but will need to be restrapped from time to time and umbrellas will need to be replaced. Funds will accumulate over time and replacements or repairs should take place as needed. Last vinyl restrapping Jan 2016, new umbrellas purchased in Mar 2019.
24	Pool Assets	Pool Pumps - Replacement	3	Each	1,400	12	8	Removal and installation of 2x new Pentair IntelliFlo VS+SVRS variable-speed pumps and 1x superflow 2hp spa booster pump, price averaged

Line Number	Cost Center	Capital Item	Calc Quantity	Units	Unit Cost	Calc EUL	Calc RUL	Planning Notes
25	Pool Assets	Spa - Resurface & Retile	1	Allowance	1,970	15	14	We were informed the spa was recently brought up to code and was resurfaced and retiled in 2019. Includes Pebble Tec surfacing and tiling.
26	Pool Assets	Spa Filter - Replacement	1	Each	1,050	15	12	Includes removal and installation of 1x Pentair Triton II TR-40 filter for the spa. Also includes a provision for new #20 silica sand. Last replaced in 2017
27	Pool Assets	Swimming Pool - Resurface & Retile	1	Allowance	15,500	15	2	Includes Pebble Tec surfacing and tiling. Includes a provision for code improvements.
28		**Sports Court Assets**						
29	Sports Court Assets	Basketball Backboard - Replacement	1	Each	2,400	20	13	This is a height adjustable basketball hoop. Price includes removal of old unit and installation of new.
30	Sports Court Assets	Bocce Court - Repair / Resurface	600	Sq. Ft.	9	12	1	Budget to perform repairs or to replace the synthetic turf and underlayment for the bocce ball court.
31	Sports Court Assets	Chain Link Fence - Replacement	360	Ln. Ft.	47	30	23	Replacement of the 10-foot tall sports court chain link fence. Chain links are 11 gauge 1.75-inch mesh with 3-inch posts.

Line Number	Cost Center	Capital Item	Calc Quantity	Units	Unit Cost	Calc EUL	Calc RUL	Planning Notes
32	Sports Court Assets	Flex Court - Replacement	4,150	Sq. Ft.	5	20	13	Replacement of the interlocking flexible sports court tiles. Includes preparation, shipping, removal of old court and installation of new. As this is a modular system, the community has the freedom to choose a different layout or different sports entirely.
33	Sports Court Assets	Synthetic Turf - Replacement	2,300	Sq. Ft.	7	10	3	Removal and installation of new synthetic turf in the sports court area.

Annual Capital Expenditures – 30 - Year Budget Projection

Line Number	Cost Center	TOTAL ANNUAL CAPEX >>	$92,400	$29,049	$22,210	$4,715	$2,760
		Asset	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	-	7,011	-	-	-
3	Common Assets	Asphalt - Mill and Overlay	-	-	-	-	-
4	Common Assets	Backflow Preventer - Replacement	-	6,150	-	-	-
5	Common Assets	Block Wall - Repair	5,000	-	-	-	-
6	Common Assets	Concrete walkways - Repair / Replacen	-	-	-	-	2,760
7	Common Assets	Exterior - Paint	67,000	-	-	-	-
8	Common Assets	Exterior Metal - Paint	15,000	-	-	-	-
9	Common Assets	Fascia - Paint	-	-	-	-	-
10	Common Assets	Fire Pit - Restone / Refurbish	-	-	-	-	-
11	Common Assets	Fire Pit Furniture - Replacement	-	-	-	-	-
12	Common Assets	Flat Roofs - Reseal	-	-	-	4,715	-
13	Common Assets	Flat Roofs - Resurface	-	-	-	-	-
14	Common Assets	Irrigation Controller - Replacement	-	-	-	-	-
15	Common Assets	Monument signs - Replacement / Refur	-	-	-	-	-
16	Common Assets	Tile Roof Underlayment - Replacement	-	-	-	-	-
17	Common Assets	Trash Receptacle Enclosures - Replace	-	-	-	-	-
18	Common Assets	Wrought Iron - Replacement	-	-	-	-	-
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	-	-	5,295	-	-
21	Pool Assets	Pool / Spa Heaters - Replacement	-	-	-	-	-
22	Pool Assets	Pool Filter - Replacement	-	-	-	-	-
23	Pool Assets	Pool Furniture - Restrap / Replace	-	-	-	-	-
24	Pool Assets	Pool Pumps - Replacement	-	-	-	-	-
25	Pool Assets	Spa - Resurface & Retile	-	-	-	-	-
26	Pool Assets	Spa Filter - Replacement	-	-	-	-	-
27	Pool Assets	Swimming Pool - Resurface & Retile	-	15,888	-	-	-
28		**Sports Court Assets**					
29	Sports Court Assets	Basketball Backboard - Replacement	-	-	-	-	-
30	Sports Court Assets	Bocce Court - Repair / Resurface	5,400	-	-	-	-

Asset			Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024
31	Sports Court Assets	Chain Link Fence - Replacement	-	-	-	-	-
32	Sports Court Assets	Flex Court - Replacement	-	-	-	-	-
33	Sports Court Assets	Synthetic Turf - Replacement	-	-	16,915	-	-

Line Number	Cost Center	TOTAL ANNUAL CAPEX >>	$19,291	$7,932	$14,502	$15,814	$15,944
		Asset	Year 6 2025	Year 7 2026	Year 8 2027	Year 9 2028	Year 10 2029
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	-	7,932	-	-	-
3	Common Assets	Asphalt - Mill and Overlay	-	-	-	-	-
4	Common Assets	Backflow Preventer - Replacement	-	-	-	-	-
5	Common Assets	Block Wall - Repair	-	-	-	-	-
6	Common Assets	Concrete walkways - Repair / Replacen	-	-	-	-	-
7	Common Assets	Exterior - Paint	-	-	-	-	-
8	Common Assets	Exterior Metal - Paint	-	-	-	-	-
9	Common Assets	Fascia - Paint	15,670	-	-	-	-
10	Common Assets	Fire Pit - Restone / Refurbish	-	-	-	2,437	-
11	Common Assets	Fire Pit Furniture - Replacement	-	-	-	4,325	-
12	Common Assets	Flat Roofs - Reseal	-	-	-	-	-
13	Common Assets	Flat Roofs - Resurface	-	-	-	9,052	-
14	Common Assets	Irrigation Controller - Replacement	-	-	2,675	-	-
15	Common Assets	Monument signs - Replacement / Refur	-	-	-	-	3,122
16	Common Assets	Tile Roof Underlayment - Replacement	-	-	-	-	12,822
17	Common Assets	Trash Receptacle Enclosures - Replace	-	-	-	-	-
18	Common Assets	Wrought Iron - Replacement	-	-	-	-	-
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	-	-	-	-	-
21	Pool Assets	Pool / Spa Heaters - Replacement	-	-	6,835	-	-
22	Pool Assets	Pool Filter - Replacement	2,263	-	-	-	-
23	Pool Assets	Pool Furniture - Restrap / Replace	1,358	-	-	-	-
24	Pool Assets	Pool Pumps - Replacement	-	-	4,992	-	-
25	Pool Assets	Spa - Resurface & Retile	-	-	-	-	-
26	Pool Assets	Spa Filter - Replacement	-	-	-	-	-
27	Pool Assets	Swimming Pool - Resurface & Retile	-	-	-	-	-
28		**Sports Court Assets**					
29	Sports Court Assets	Basketball Backboard - Replacement	-	-	-	-	-
30	Sports Court Assets	Bocce Court - Repair / Resurface	-	-	-	-	-

Asset			Year 6 2025	Year 7 2026	Year 8 2027	Year 9 2028	Year 10 2029
31	Sports Court Assets	Chain Link Fence - Replacement	-	-	-	-	-
32	Sports Court Assets	Flex Court - Replacement	-	-	-	-	-
33	Sports Court Assets	Synthetic Turf - Replacement	-	-	-	-	-

Line Number	Cost Center	TOTAL ANNUAL CAPEX >>	$186,396	$10,352	$66,828	$8,752	$3,532
		Asset	Year 11 2030	Year 12 2031	Year 13 2032	Year 14 2033	Year 15 2034
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	-	8,975	-	-	-
3	Common Assets	Asphalt - Mill and Overlay	71,429	-	-	-	-
4	Common Assets	Backflow Preventer - Replacement	-	-	-	-	-
5	Common Assets	Block Wall - Repair	10,000	-	-	-	-
6	Common Assets	Concrete walkways - Repair / Replacen	-	-	-	-	3,532
7	Common Assets	Exterior - Paint	85,766	-	-	-	-
8	Common Assets	Exterior Metal - Paint	19,201	-	-	-	-
9	Common Assets	Fascia - Paint	-	-	-	-	-
10	Common Assets	Fire Pit - Restone / Refurbish	-	-	-	-	-
11	Common Assets	Fire Pit Furniture - Replacement	-	-	-	-	-
12	Common Assets	Flat Roofs - Reseal	-	-	-	6,036	-
13	Common Assets	Flat Roofs - Resurface	-	-	-	-	-
14	Common Assets	Irrigation Controller - Replacement	-	-	-	-	-
15	Common Assets	Monument signs - Replacement / Refur	-	-	-	-	-
16	Common Assets	Tile Roof Underlayment - Replacement	-	-	-	-	-
17	Common Assets	Trash Receptacle Enclosures - Replace	-	-	-	-	-
18	Common Assets	Wrought Iron - Replacement	-	-	-	-	-
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	-	-	6,778	-	-
21	Pool Assets	Pool / Spa Heaters - Replacement	-	-	-	-	-
22	Pool Assets	Pool Filter - Replacement	-	-	-	-	-
23	Pool Assets	Pool Furniture - Restrap / Replace	-	-	-	-	-
24	Pool Assets	Pool Pumps - Replacement	-	-	-	-	-
25	Pool Assets	Spa - Resurface & Retile	-	-	-	2,716	-
26	Pool Assets	Spa Filter - Replacement	-	1,378	-	-	-
27	Pool Assets	Swimming Pool - Resurface & Retile	-	-	-	-	-
28		**Sports Court Assets**					
29	Sports Court Assets	Basketball Backboard - Replacement	-	-	3,228	-	-
30	Sports Court Assets	Bocce Court - Repair / Resurface	-	-	7,262	-	-

Asset			Year 11 2030	Year 12 2031	Year 13 2032	Year 14 2033	Year 15 2034
31	Sports Court Assets	Chain Link Fence - Replacement	-	-	-	-	-
32	Sports Court Assets	Flex Court - Replacement	-	-	27,906	-	-
33	Sports Court Assets	Synthetic Turf - Replacement	-	-	21,653	-	-

Line Number	Cost Center	TOTAL ANNUAL CAPEX >>	$21,797	$33,164	$0	$34,280	$59,470
		Asset	Year 16 2035	Year 17 2036	Year 18 2037	Year 19 2038	Year 20 2039
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	-	10,154	-	-	-
3	Common Assets	Asphalt - Mill and Overlay	-	-	-	-	-
4	Common Assets	Backflow Preventer - Replacement	-	-	-	-	-
5	Common Assets	Block Wall - Repair	-	-	-	-	-
6	Common Assets	Concrete walkways - Repair / Replacen	-	-	-	-	-
7	Common Assets	Exterior - Paint	-	-	-	-	-
8	Common Assets	Exterior Metal - Paint	-	-	-	-	-
9	Common Assets	Fascia - Paint	20,059	-	-	-	-
10	Common Assets	Fire Pit - Restone / Refurbish	-	-	-	3,119	-
11	Common Assets	Fire Pit Furniture - Replacement	-	-	-	5,537	-
12	Common Assets	Flat Roofs - Reseal	-	-	-	-	-
13	Common Assets	Flat Roofs - Resurface	-	-	-	11,587	-
14	Common Assets	Irrigation Controller - Replacement	-	-	-	-	3,597
15	Common Assets	Monument signs - Replacement / Refur	-	-	-	-	-
16	Common Assets	Tile Roof Underlayment - Replacement	-	-	-	-	-
17	Common Assets	Trash Receptacle Enclosures - Replace	-	-	-	14,037	-
18	Common Assets	Wrought Iron - Replacement	-	-	-	-	39,966
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	-	-	-	-	-
21	Pool Assets	Pool / Spa Heaters - Replacement	-	-	-	-	9,192
22	Pool Assets	Pool Filter - Replacement	-	-	-	-	-
23	Pool Assets	Pool Furniture - Restrap / Replace	1,738	-	-	-	-
24	Pool Assets	Pool Pumps - Replacement	-	-	-	-	6,714
25	Pool Assets	Spa - Resurface & Retile	-	-	-	-	-
26	Pool Assets	Spa Filter - Replacement	-	-	-	-	-
27	Pool Assets	Swimming Pool - Resurface & Retile	-	23,010	-	-	-
28		**Sports Court Assets**					
29	Sports Court Assets	Basketball Backboard - Replacement	-	-	-	-	-
30	Sports Court Assets	Bocce Court - Repair / Resurface	-	-	-	-	-

Asset			Year 16 2035	Year 17 2036	Year 18 2037	Year 19 2038	Year 20 2039
31	Sports Court Assets	Chain Link Fence - Replacement	-	-	-	-	-
32	Sports Court Assets	Flex Court - Replacement	-	-	-	-	-
33	Sports Court Assets	Synthetic Turf - Replacement	-	-	-	-	-

Line Number	Cost Center	Fully Funded Balance >>	$148,170	$148,633	$156,591	$182,904	$212,508
		Asset	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	6,840	1,402	2,875	4,420	6,040
3	Common Assets	Asphalt - Mill and Overlay	30,690	34,317	38,106	42,063	46,195
4	Common Assets	Backflow Preventer - Replacement	6,000	246	504	775	1,060
5	Common Assets	Block Wall - Repair	500	1,025	1,576	2,154	2,760
6	Common Assets	Concrete walkways - Repair / Replacer	1,750	2,050	2,364	2,692	276
7	Common Assets	Exterior - Paint	6,700	13,735	21,118	28,861	36,978
8	Common Assets	Exterior Metal - Paint	1,500	3,075	4,728	6,461	8,279
9	Common Assets	Fascia - Paint	8,310	9,937	11,641	13,423	15,288
10	Common Assets	Fire Pit - Restone / Refurbish	600	820	1,051	1,292	1,545
11	Common Assets	Fire Pit Furniture - Replacement	1,065	1,456	1,865	2,294	2,743
12	Common Assets	Flat Roofs - Reseal	3,503	4,039	4,600	472	967
13	Common Assets	Flat Roofs - Resurface	2,229	3,046	3,903	4,800	5,740
14	Common Assets	Irrigation Controller - Replacement	1,125	1,345	1,576	1,817	2,070
15	Common Assets	Monument signs - Replacement / Refu	1,500	1,666	1,839	2,019	2,208
16	Common Assets	Tile Roof Underlayment - Replacement	6,160	6,841	7,551	8,292	9,066
17	Common Assets	Trash Receptacle Enclosures - Replac	1,350	1,845	2,364	2,908	3,477
18	Common Assets	Wrought Iron - Replacement	10,000	11,104	12,257	13,461	14,718
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	4,536	5,166	530	1,086	1,669
21	Pool Assets	Pool / Spa Heaters - Replacement	2,875	3,438	4,027	4,644	5,289
22	Pool Assets	Pool Filter - Replacement	1,467	1,640	1,821	2,010	2,208
23	Pool Assets	Pool Furniture - Restrap / Replace	720	861	1,009	1,163	1,325
24	Pool Assets	Pool Pumps - Replacement	2,100	2,511	2,942	3,392	3,863
25	Pool Assets	Spa - Resurface & Retile	394	538	690	849	1,015
26	Pool Assets	Spa Filter - Replacement	350	431	515	603	695
27	Pool Assets	Swimming Pool - Resurface & Retile	15,500	1,059	2,171	3,338	4,562
28		**Sports Court Assets**					
29	Sports Court Assets	Basketball Backboard - Replacement	1,080	1,230	1,387	1,551	1,722
30	Sports Court Assets	Bocce Court - Repair / Resurface	450	923	1,418	1,938	2,484

Asset			Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024
31	Sports Court Assets	Chain Link Fence - Replacement	5,049	5,750	6,483	7,250	8,050
32	Sports Court Assets	Flex Court - Replacement	9,338	10,634	11,990	13,407	14,888
33	Sports Court Assets	Synthetic Turf - Replacement	14,490	16,503	1,692	3,468	5,331

Fully Funded Plan – 20 - Year Budget Projection

Line Number	Cost Center	Fully Funded Balance >>	$227,017	$253,958	$275,734	$297,490	$320,426
		Asset	Year 6 2025	Year 7 2026	Year 8 2027	Year 9 2028	Year 10 2029
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	7,739	1,586	3,252	5,000	6,834
3	Common Assets	Asphalt - Mill and Overlay	50,506	55,004	59,696	64,588	69,687
4	Common Assets	Backflow Preventer - Replacement	1,358	1,670	1,997	2,339	2,698
5	Common Assets	Block Wall - Repair	3,394	4,059	4,755	5,483	6,244
6	Common Assets	Concrete walkways - Repair / Replacer	566	870	1,189	1,523	1,873
7	Common Assets	Exterior - Paint	45,483	54,390	63,714	73,470	83,674
8	Common Assets	Exterior Metal - Paint	10,183	12,177	14,264	16,448	18,733
9	Common Assets	Fascia - Paint	1,567	3,212	4,939	6,750	8,648
10	Common Assets	Fire Pit - Restone / Refurbish	1,810	2,087	2,377	244	500
11	Common Assets	Fire Pit Furniture - Replacement	3,213	3,705	4,220	433	887
12	Common Assets	Flat Roofs - Reseal	1,486	2,031	2,603	3,201	3,828
13	Common Assets	Flat Roofs - Resurface	6,724	7,754	8,831	905	1,856
14	Common Assets	Irrigation Controller - Replacement	2,334	2,609	223	457	702
15	Common Assets	Monument signs - Replacement / Refu	2,404	2,609	2,823	3,046	156
16	Common Assets	Tile Roof Underlayment - Replacement	9,874	10,716	11,594	12,510	641
17	Common Assets	Trash Receptacle Enclosures - Replac	4,073	4,697	5,349	6,031	6,744
18	Common Assets	Wrought Iron - Replacement	16,028	17,395	18,821	20,307	21,855
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	2,281	2,922	3,595	4,299	5,035
21	Pool Assets	Pool / Spa Heaters - Replacement	5,963	6,668	570	1,168	1,795
22	Pool Assets	Pool Filter - Replacement	151	309	475	650	833
23	Pool Assets	Pool Furniture - Restrap / Replace	136	278	428	585	749
24	Pool Assets	Pool Pumps - Replacement	4,356	4,871	416	853	1,311
25	Pool Assets	Spa - Resurface & Retile	1,189	1,371	1,561	1,760	1,968
26	Pool Assets	Spa Filter - Replacement	792	893	998	1,109	1,224
27	Pool Assets	Swimming Pool - Resurface & Retile	5,846	7,190	8,598	10,072	11,614
28		**Sports Court Assets**					
29	Sports Court Assets	Basketball Backboard - Replacement	1,901	2,087	2,282	2,486	2,698
30	Sports Court Assets	Bocce Court - Repair / Resurface	3,055	3,653	4,279	4,935	5,620

Asset			Year 6 2025	Year 7 2026	Year 8 2027	Year 9 2028	Year 10 2029
31	Sports Court Assets	Chain Link Fence - Replacement	8,886	9,759	10,670	11,620	12,611
32	Sports Court Assets	Flex Court - Replacement	16,434	18,048	19,732	21,490	23,323
33	Sports Court Assets	Synthetic Turf - Replacement	7,286	9,336	11,483	13,731	16,085

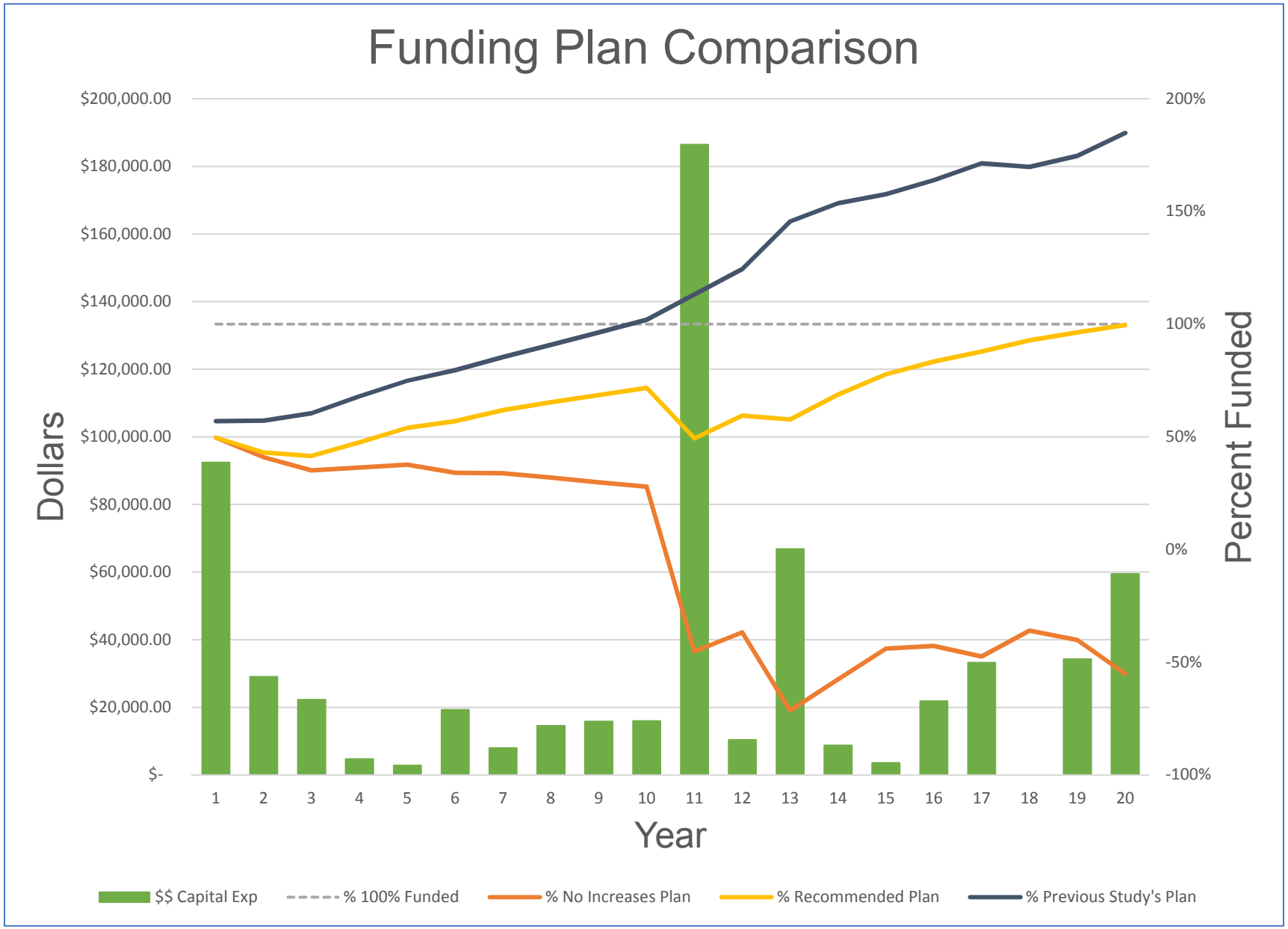
Line Number	Cost Center	Fully Funded Balance >>	$177,870	$205,000	$177,158	$207,543	$244,774
		Asset	Year 11 2030	Year 12 2031	Year 13 2032	Year 14 2033	Year 15 2034
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	8,756	1,795	3,680	5,657	7,732
3	Common Assets	Asphalt - Mill and Overlay	3,571	7,321	11,257	15,384	19,711
4	Common Assets	Backflow Preventer - Replacement	3,072	3,464	3,873	4,301	4,748
5	Common Assets	Block Wall - Repair	640	1,312	2,017	2,757	3,532
6	Common Assets	Concrete walkways - Repair / Replacer	2,240	2,624	3,026	3,446	353
7	Common Assets	Exterior - Paint	8,577	17,582	27,032	36,944	47,335
8	Common Assets	Exterior Metal - Paint	1,920	3,936	6,052	8,271	10,597
9	Common Assets	Fascia - Paint	10,638	12,721	14,901	17,183	19,570
10	Common Assets	Fire Pit - Restone / Refurbish	768	1,050	1,345	1,654	1,978
11	Common Assets	Fire Pit Furniture - Replacement	1,363	1,863	2,387	2,936	3,511
12	Common Assets	Flat Roofs - Reseal	4,484	5,171	5,889	604	1,237
13	Common Assets	Flat Roofs - Resurface	2,853	3,899	4,996	6,145	7,348
14	Common Assets	Irrigation Controller - Replacement	960	1,230	1,513	1,809	2,119
15	Common Assets	Monument signs - Replacement / Refu	320	492	672	862	1,060
16	Common Assets	Tile Roof Underlayment - Replacement	1,314	2,021	2,762	3,538	4,352
17	Common Assets	Trash Receptacle Enclosures - Replac	7,488	8,266	9,078	9,925	10,809
18	Common Assets	Wrought Iron - Replacement	23,468	25,148	26,898	28,719	30,614
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	5,806	6,613	678	1,390	2,136
21	Pool Assets	Pool / Spa Heaters - Replacement	2,453	3,144	3,867	4,624	5,416
22	Pool Assets	Pool Filter - Replacement	1,024	1,225	1,435	1,654	1,884
23	Pool Assets	Pool Furniture - Restrap / Replace	922	1,102	1,291	1,489	1,696
24	Pool Assets	Pool Pumps - Replacement	1,792	2,296	2,824	3,377	3,956
25	Pool Assets	Spa - Resurface & Retile	2,186	2,412	2,649	181	371
26	Pool Assets	Spa Filter - Replacement	1,344	92	188	289	396
27	Pool Assets	Swimming Pool - Resurface & Retile	13,228	14,914	16,677	18,518	20,441
28		**Sports Court Assets**					
29	Sports Court Assets	Basketball Backboard - Replacement	2,919	3,149	161	331	509
30	Sports Court Assets	Bocce Court - Repair / Resurface	6,336	7,085	605	1,241	1,908

Asset			Year 11 2030	Year 12 2031	Year 13 2032	Year 14 2033	Year 15 2034
31	Sports Court Assets	Chain Link Fence - Replacement	13,644	14,722	15,844	17,014	18,232
32	Sports Court Assets	Flex Court - Replacement	25,234	27,226	1,395	2,860	4,398
33	Sports Court Assets	Synthetic Turf - Replacement	18,548	21,125	2,165	4,439	6,825

Fully Funded Plan – 20 - Year Budget Projection

Line Number	Cost Center	Fully Funded Balance >>	$265,562	$276,413	$321,634	$334,664	$323,811
		Asset	Year 16 2035	Year 17 2036	Year 18 2037	Year 19 2038	Year 20 2039
1		**Common Assets**					
2	Common Assets	Asphalt - Crack Seal & Seal Coat	9,906	2,031	4,163	6,401	8,748
3	Common Assets	Asphalt - Mill and Overlay	24,245	28,992	33,963	39,163	44,602
4	Common Assets	Backflow Preventer - Replacement	5,214	5,701	6,208	6,738	7,290
5	Common Assets	Block Wall - Repair	4,345	5,196	6,086	7,018	7,993
6	Common Assets	Concrete walkways - Repair / Replacer	724	1,113	1,522	1,950	2,398
7	Common Assets	Exterior - Paint	58,222	69,623	81,559	94,047	107,110
8	Common Assets	Exterior Metal - Paint	13,035	15,587	18,259	21,055	23,980
9	Common Assets	Fascia - Paint	2,006	4,112	6,322	8,641	11,071
10	Common Assets	Fire Pit - Restone / Refurbish	2,317	2,672	3,043	312	639
11	Common Assets	Fire Pit Furniture - Replacement	4,113	4,743	5,402	554	1,135
12	Common Assets	Flat Roofs - Reseal	1,903	2,600	3,331	4,098	4,900
13	Common Assets	Flat Roofs - Resurface	8,608	9,926	11,304	1,159	2,375
14	Common Assets	Irrigation Controller - Replacement	2,444	2,783	3,138	3,509	300
15	Common Assets	Monument signs - Replacement / Refu	1,267	1,485	1,712	1,950	2,198
16	Common Assets	Tile Roof Underlayment - Replacement	5,204	6,097	7,030	8,007	9,028
17	Common Assets	Trash Receptacle Enclosures - Replac	11,731	12,693	13,695	702	1,439
18	Common Assets	Wrought Iron - Replacement	32,587	34,638	36,772	38,991	1,332
19		**Pool Assets**					
20	Pool Assets	Acrylic Pool Deck - Resurface	2,920	3,741	4,601	5,502	6,446
21	Pool Assets	Pool / Spa Heaters - Replacement	6,246	7,113	8,020	8,968	766
22	Pool Assets	Pool Filter - Replacement	2,124	2,375	2,637	2,911	3,197
23	Pool Assets	Pool Furniture - Restrap / Replace	174	356	548	749	959
24	Pool Assets	Pool Pumps - Replacement	4,562	5,196	5,858	6,551	560
25	Pool Assets	Spa - Resurface & Retile	571	780	999	1,229	1,470
26	Pool Assets	Spa Filter - Replacement	507	623	746	873	1,007
27	Pool Assets	Swimming Pool - Resurface & Retile	22,449	1,534	3,145	4,835	6,608
28		**Sports Court Assets**					
29	Sports Court Assets	Basketball Backboard - Replacement	695	891	1,096	1,310	1,535
30	Sports Court Assets	Bocce Court - Repair / Resurface	2,607	3,340	4,108	4,913	5,755

Asset			Year 16 2035	Year 17 2036	Year 18 2037	Year 19 2038	Year 20 2039
31	Sports Court Assets	Chain Link Fence - Replacement	19,500	20,820	22,194	23,624	25,112
32	Sports Court Assets	Flex Court - Replacement	6,010	7,701	9,472	11,327	13,269
33	Sports Court Assets	Synthetic Turf - Replacement	9,327	11,950	14,699	17,577	20,591


Funding Plan Comparison
$200,000.00
$180,000.00
$160,000.00
$140,000.00
$120,000.00
$100,000.00
$80,000.00
$60,000.00
$40,000.00
$20,000.00
$-
Dollars
200%
150%
100%
50%
0%
-50%
-100%
Percent Funded
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20
Year
$$ Capital Exp
% 100% Funded
% No Increases Plan
% Recommended Plan
% Previous Study's Plan

Capital Reserve Fund – Current Funding
No Change to Contribution

Contribution Details

	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
First Year	$ 1,300	$ 15,600	$ 52.00	$ 624.00
Last Year	$ 1,300	$ 15,600	$ 52.00	$ 624.00

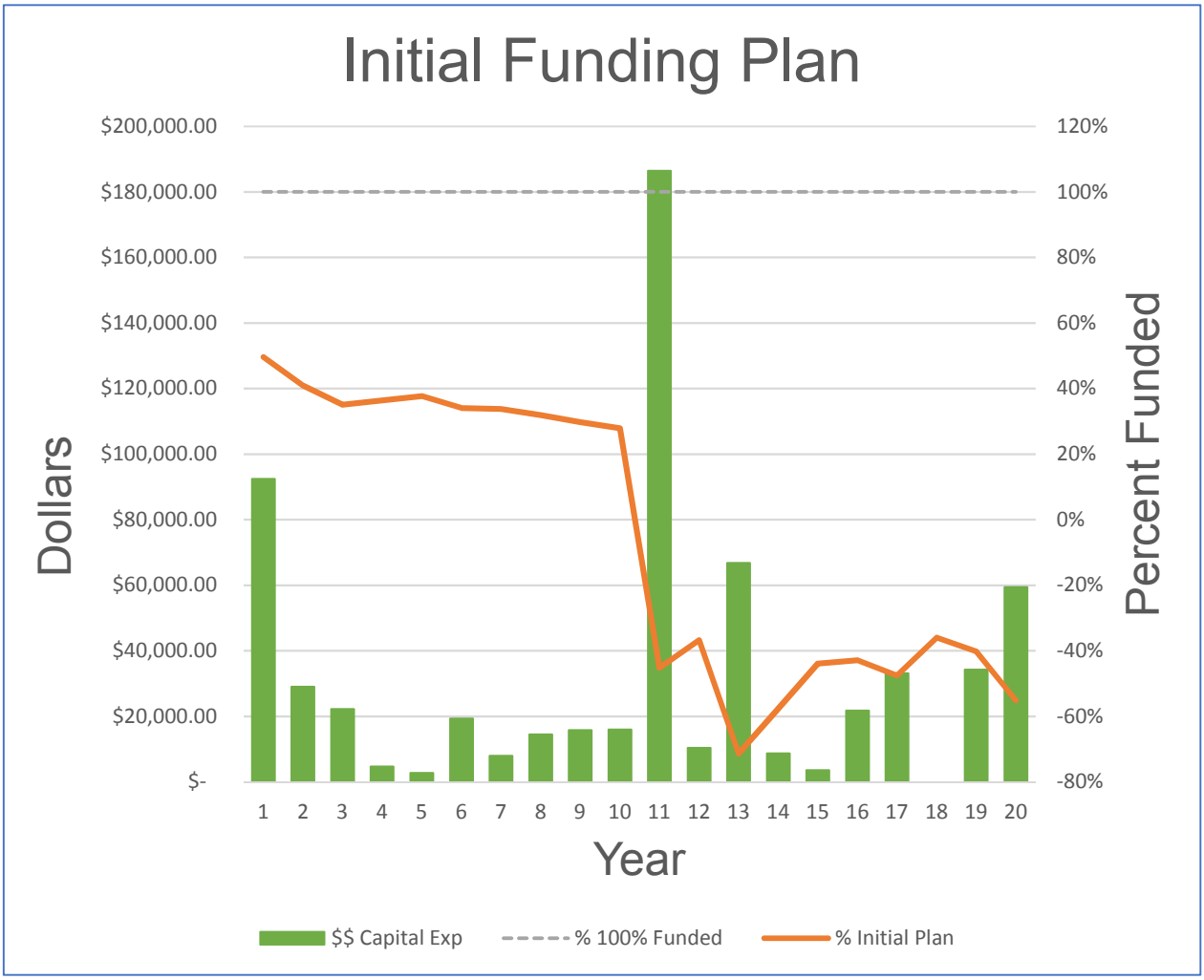
Number of Units	25
Fiscal Year starts:	01/01/20
Reserve Funds at start	$ 148,643
Rate of Return (%)	1.13%
Inflation Rate (%)	2.50%
Average Percent Funded	-5.95%

Special Assessments		
Year	Total/Year	Per Unit
		$ -
		$ -
		$ -

SUMMARY

Current contribution rate with
no changes over the course of 20-years

No Special Assessments



Capital Reserve Fund – Current Funding
No Change to Contribution

Year	Fiscal Year	Beginning Reserve Balance	Revenue	Special Assess	Investment Earnings	Capital Expenditure	Ending Reserve Balance	Fully Funded Balance	Percent Funded
2020	1	148,643	15,600	-	1,680	92,400	73,522	148,170	50%
2021	2	73,522	15,600	-	831	29,049	60,905	148,633	41%
2022	3	60,905	15,600	-	688	22,210	54,983	156,591	35%
2023	4	54,983	15,600	-	621	4,715	66,489	182,904	36%
2024	5	66,489	15,600	-	751	2,760	80,080	212,508	38%
2025	6	80,080	15,600	-	905	19,291	77,295	227,017	34%
2026	7	77,295	15,600	-	873	7,932	85,836	253,958	34%
2027	8	85,836	15,600	-	970	14,502	87,904	275,734	32%
2028	9	87,904	15,600	-	993	15,814	88,683	297,490	30%
2029	10	88,683	15,600	-	1,002	15,944	89,341	320,426	28%
2030	11	89,341	15,600	-	1,010	186,396	(80,445)	177,870	-45%
2031	12	(80,445)	15,600	-	-	10,352	(75,198)	205,000	-37%
2032	13	(75,198)	15,600	-	-	66,828	(126,425)	177,158	-71%
2033	14	(126,425)	15,600	-	-	8,752	(119,577)	207,543	-58%
2034	15	(119,577)	15,600	-	-	3,532	(107,509)	244,774	-44%
2035	16	(107,509)	15,600	-	-	21,797	(113,706)	265,562	-43%
2036	17	(113,706)	15,600	-	-	33,164	(131,270)	276,413	-47%
2037	18	(131,270)	15,600	-	-	-	(115,670)	321,634	-36%
2038	19	(115,670)	15,600	-	-	34,280	(134,350)	334,664	-40%
2039	20	(134,350)	15,600	-	-	59,470	(178,220)	323,811	-55%

Capital Reserve Fund - Recommended Funding Plan
Lump Sum Increases + Increases to follow inflation

Contribution Details

	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
First Year	$ 1,300	$ 15,600	$ 52.00	$ 624.00
Last Year	$ 4,668	$ 56,010	$ 186.70	$ 2,240.41

Number of Units	25
Fiscal Year starts:	01/01/20
Reserve Funds at start	$ 148,643
Rate of Return (%)	1.13%
Inflation Rate (%)	2.50%
Average Percent Funded	66.66%

Special Assessments		
Year	Total/Year	Per Unit
		$ -
		$ -
		$ -

SUMMARY

Increases as follows:
20% - Years 2 - 3
15% - Years 4 - 5
9.5% - Year 6
5% - Years 7 - 14
3% - Year 15
2.5% - Years 16 - 20

No Special Assessments

Capital Reserve Fund - Recommended Funding Plan

Lump Sum Increases + Increases to follow inflation

Year	Fiscal Year	Beginning Reserve Balance	Revenue	Special Assess	Investment Earnings	Capital Expenditure	Ending Reserve Balance	Fully Funded Balance	Percent Funded
2020	1	148,643	15,600	-	1,680	92,400	73,522	148,170	50%
2021	2	73,522	18,720	-	831	29,049	64,025	148,633	43%
2022	3	64,025	22,464	-	723	22,210	65,002	156,591	42%
2023	4	65,002	25,834	-	735	4,715	86,855	182,904	47%
2024	5	86,855	29,709	-	981	2,760	114,785	212,508	54%
2025	6	114,785	32,531	-	1,297	19,291	129,323	227,017	57%
2026	7	129,323	34,158	-	1,461	7,932	157,009	253,958	62%
2027	8	157,009	35,865	-	1,774	14,502	180,147	275,734	65%
2028	9	180,147	37,659	-	2,036	15,814	204,027	297,490	69%
2029	10	204,027	39,542	-	2,306	15,944	229,930	320,426	72%
2030	11	229,930	41,519	-	2,598	186,396	87,651	177,870	49%
2031	12	87,651	43,595	-	990	10,352	121,884	205,000	59%
2032	13	121,884	45,774	-	1,377	66,828	102,208	177,158	58%
2033	14	102,208	48,063	-	1,155	8,752	142,674	207,543	69%
2034	15	142,674	49,505	-	1,612	3,532	190,259	244,774	78%
2035	16	190,259	50,743	-	2,150	21,797	221,354	265,562	83%
2036	17	221,354	52,011	-	2,501	33,164	242,703	276,413	88%
2037	18	242,703	53,311	-	2,743	-	298,757	321,634	93%
2038	19	298,757	54,644	-	3,376	34,280	322,497	334,664	96%
2039	20	322,497	56,010	-	3,644	59,470	322,682	323,811	100%

Capital Reserve Fund - Previous Reserve Funding Plan

All Previous Recommendations Followed +
8% Increases until 2032 - No further increases

Contribution Details

	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
First Year	$ 2,211	$ 26,529	$ 88.43	$ 1,061.16
Last Year	$ 5,567	$ 66,805	$ 222.68	$ 2,672.18

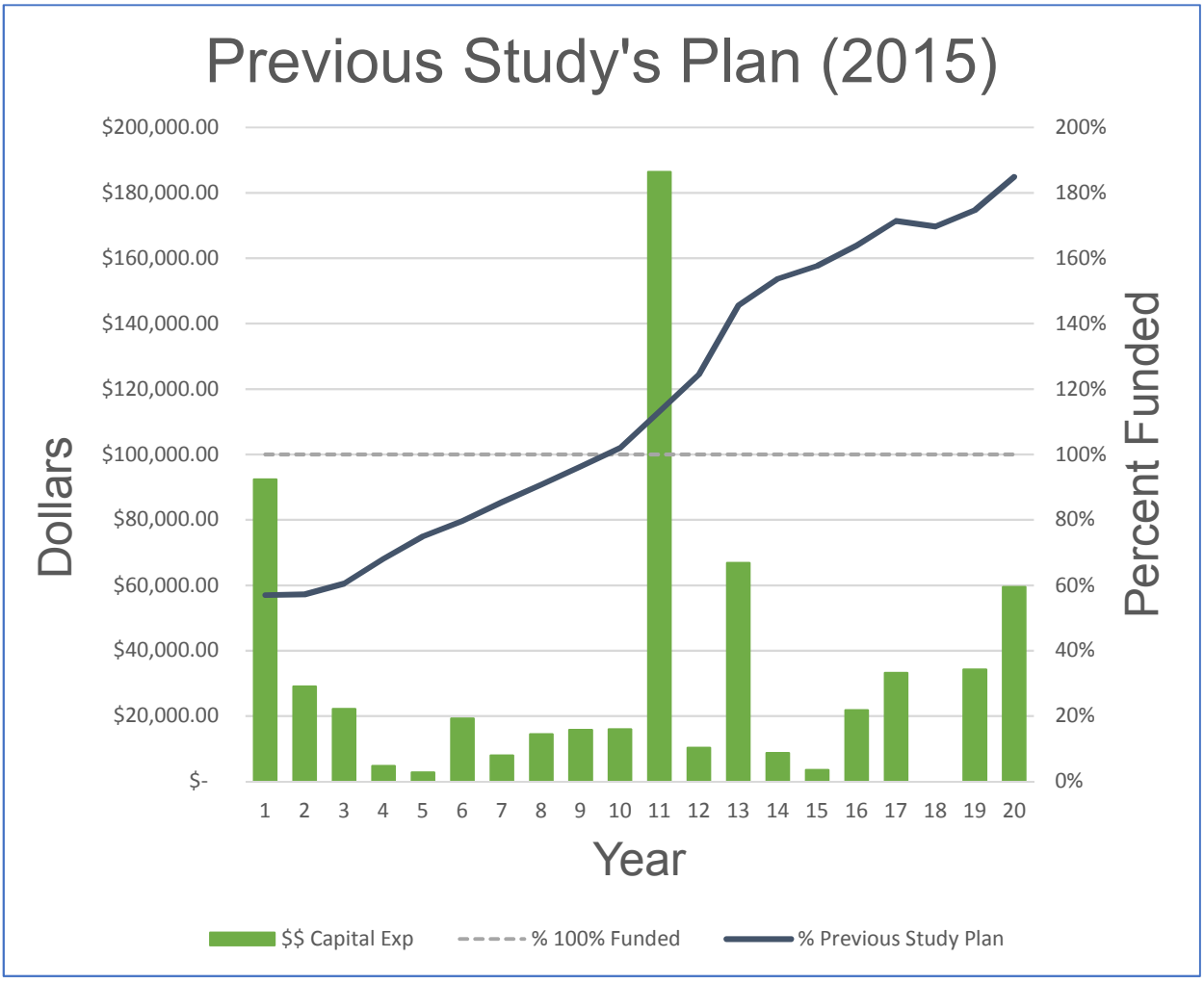
Number of Units	25
Fiscal Year starts:	01/01/20
Reserve Funds at start	$ 148,643
Rate of Return (%)	1.13%
Inflation Rate (%)	2.50%
Average Percent Funded	116.54%

Special Assessments		
Year	Total/Year	Per Unit

SUMMARY

Assuming all previous reserve study recommendations had been followed until now and into the future
(8% increases from 2017 until 2032)

No further increases



Capital Reserve Fund - Previous Reserve Funding Plan

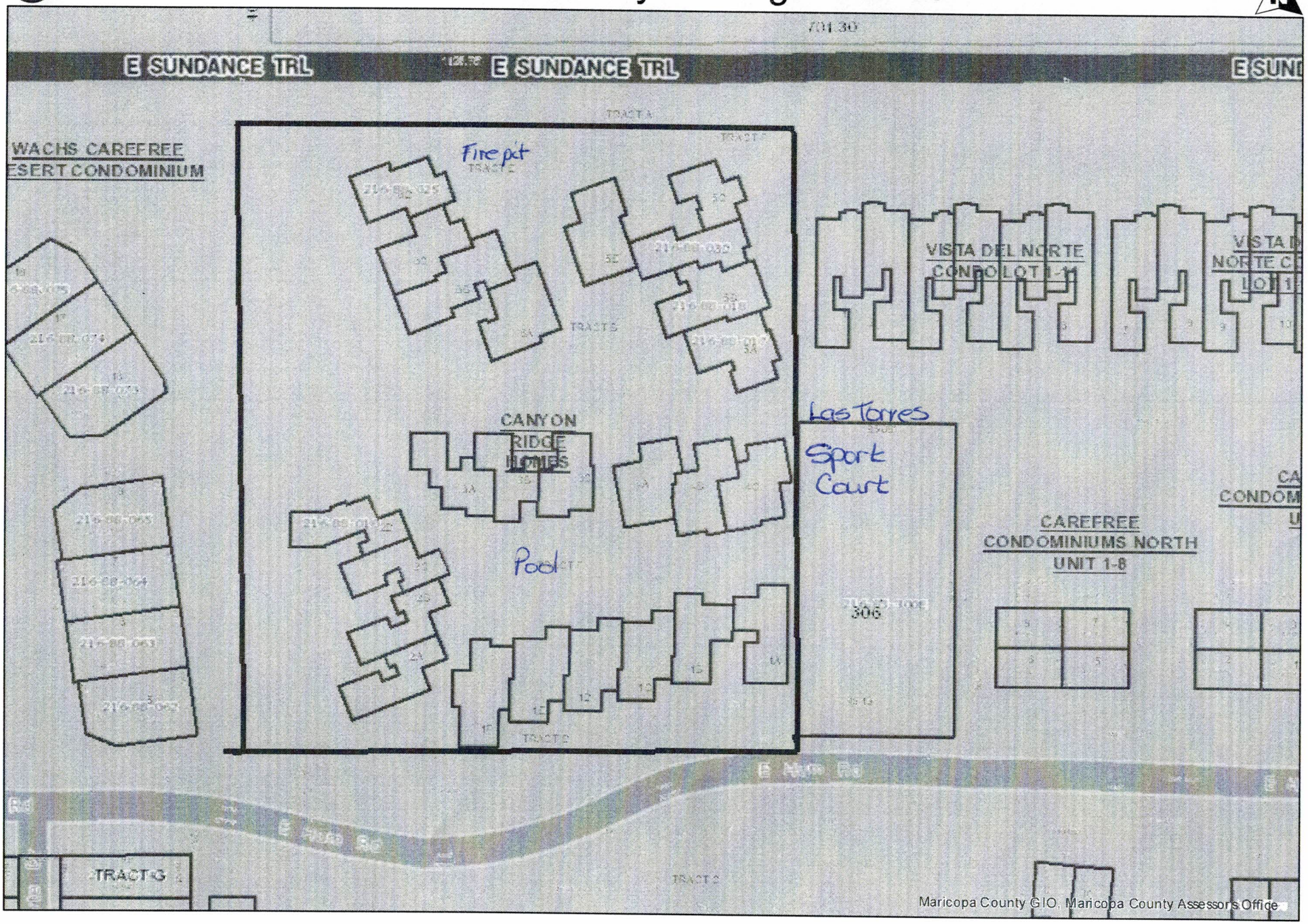
All Previous Recommendations Followed +
8% Increases until 2032 - No further increases

Year	Fiscal Year	Beginning Reserve Balance	Revenue	Special Assess	Investment Earnings	Capital Expenditure	Ending Reserve Balance	Fully Funded Balance	Percent Funded
2020	1	148,643	26,529	-	1,680	92,400	84,451	148,170	57%
2021	2	84,451	28,651	-	954	29,049	85,009	148,633	57%
2022	3	85,009	30,943	-	961	22,210	94,702	156,591	60%
2023	4	94,702	33,419	-	1,070	4,715	124,476	182,904	68%
2024	5	124,476	36,092	-	1,407	2,760	159,215	212,508	75%
2025	6	159,215	38,980	-	1,799	19,291	180,704	227,017	80%
2026	7	180,704	42,098	-	2,042	7,932	216,912	253,958	85%
2027	8	216,912	45,466	-	2,451	14,502	250,327	275,734	91%
2028	9	250,327	49,103	-	2,829	15,814	286,445	297,490	96%
2029	10	286,445	53,032	-	3,237	15,944	326,769	320,426	102%
2030	11	326,769	57,274	-	3,692	186,396	201,340	177,870	113%
2031	12	201,340	61,856	-	2,275	10,352	255,119	205,000	124%
2032	13	255,119	66,805	-	2,883	66,828	257,978	177,158	146%
2033	14	257,978	66,805	-	2,915	8,752	318,946	207,543	154%
2034	15	318,946	66,805	-	3,604	3,532	385,822	244,774	158%
2035	16	385,822	66,805	-	4,360	21,797	435,190	265,562	164%
2036	17	435,190	66,805	-	4,918	33,164	473,748	276,413	171%
2037	18	473,748	66,805	-	5,353	-	545,906	321,634	170%
2038	19	545,906	66,805	-	6,169	34,280	584,599	334,664	175%
2039	20	584,599	66,805	-	6,606	59,470	598,540	323,811	185%

APPENDIX B

GRAPHIC EXHIBITS

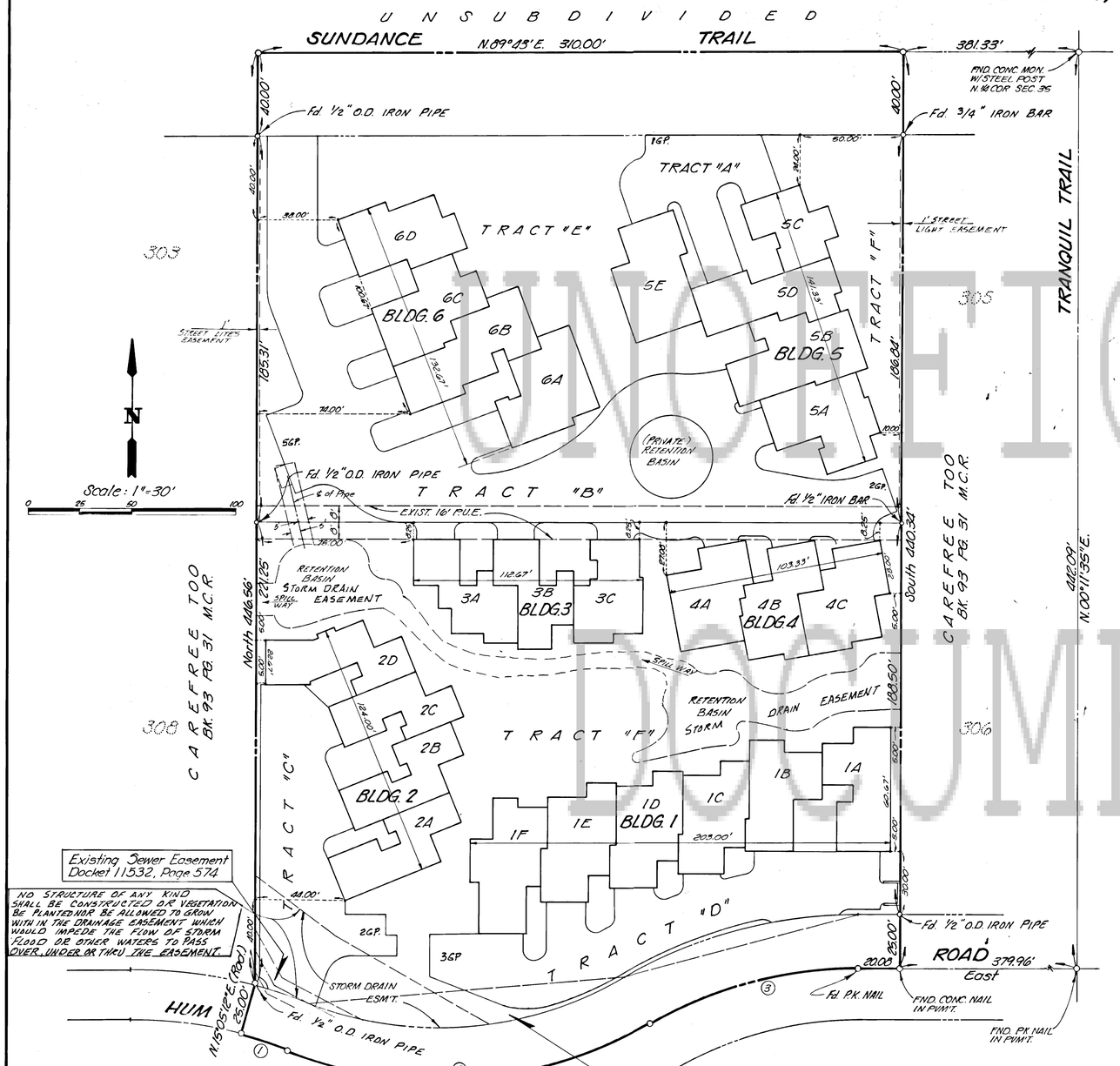
Las Torres/Canyon Ridge Homes



217-11

HORIZONTAL REGIME MAP OF CANYON RIDGE HOMES

A PLANNED CONDOMINIUM PROJECT ON LOTS 304 AND 307 CAREFREE TOO MAP 93 PAGE 31 MARICOPA COUNTY, ARIZONA



DEDICATION

STATE OF ARIZONA }
COUNTY OF MARICOPA } S.S.

Known all men by these presents: That First American Title Insurance Company of Arizona, an Arizona Corporation, as Trustee, in compliance with horizontal regime Sec 33-551 through 33-561 of the Arizona Revised Statutes, has divided as a condominium, CANYON RIDGE HOMES Book of Maps, Page records of Maricopa County, Arizona, as shown and platted hereon and hereby publishes this plat as and for the plat of CANYON RIDGE HOMES and hereby declares that the plat sets forth the location and gives the dimensions of the air-space units, common areas, easements, and private accessways constituting same and that each air-space unit, common area, easement and private accessway shall be known by the number, letter or name given each respectively on said plat.

The private accessways shown hereon as Tracts A thru D are hereby dedicated to the public as easements for public utilities and their maintenance, refuse collection, and emergency and service type vehicles. Except as may otherwise expressly be provided herein or in recorded instruments, the use of Tracts A thru D private accessways, shown hereon shall be limited to the individual unit owners of CANYON RIDGE HOMES, or their invitees, for ingress and egress.

IN WITNESS WHEREOF:

First American Title Insurance Company of Arizona, an Arizona Corporation, as Trustee, has hereunto caused its name to be signed by the undersigned officer thereunto duly authorized this 18th day of October 1979.

By: Daniel Meyer

ACKNOWLEDGEMENT

STATE OF ARIZONA }
COUNTY OF MARICOPA } S.S.

On this ___ day of ___ 1979, before me, the undersigned officer, personally appeared ___ who acknowledged himself to be the instrument for the purpose therein contained by signing the name of the ___ by himself as such officer, in witness thereof I hereunto set my hand and official seal.

Notary Public: ___

My commission expires: ___

APPROVAL

This plat was duly approved by the Board of Supervisors of Maricopa County, Arizona this 29 day of October 1979

Attest: ___ By: ___
Clerk of the Board (Chairman)

Satisfactory assurance in the form of A.E.S.I. from GREAT WESTERN BANK AND TRUST in the amount of $32,780.00 has been provided to guarantee, pavement, water and electrical services.

___ 10-18-79
COUNTY ENGINEER DATE

See Deed Restrictions for details concerning this condominium recorded in Docket ___ Page ___ M.C.R.

CERTIFICATE OF COUNTY ASSESSOR

I, the undersigned as a Deputy County Assessor, Maricopa County, Arizona, do hereby certify that as of this date the records of this office reflect that FIRST AMERICAN TITLE INS. CO. as designated on the plat is owner of the property as shown on the plat and more particularly described as Assessor's parcel numbers: 216-83-(300, 301)

___ 10/24/79
Deputy County Assessor Date

CERTIFICATE OF COUNTY TREASURE

I, the undersigned as a Deputy County Treasurer, Maricopa County, Arizona, do hereby certify that as of this date the records of this office reflect that there are no tax liens on any of the parcels comprising the plat as listed in the Assessor's certification, with the following exceptions:

___

___ 10/26/79
Deputy County Treasurer Date

CERTIFICATION

THIS IS TO CERTIFY THAT THE SURVEY AND SUBDIVISION OF THE PREMISES DESCRIBED AND PLATTED HEREON WERE MADE UNDER MY DIRECTION DURING THE MONTHS OF FEBRUARY TO OCTOBER, 1979, THAT THE PLAT IS CORRECT AND ACCURATE, THAT THE MONUMENTS SHOWN HEREON HAVE BEEN LOCATED OR ESTABLISHED AS DESCRIBED AND THE LOT CORNERS PERMANENTLY SET.

William A. Lemme
WILLIAM A. LEMME P.E. 8315

9-18-79

NOTES:

1. Dimensions shown hereon are in feet and decimal parts thereof.
2. Tracts "E" & "F" are reserved for common area.

Existing Sewer Easement Docket 11532, Page 574

NO STRUCTURE OF ANY KIND SHALL BE CONSTRUCTED OR VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITH IN THE DRAINAGE EASEMENT WHICH WOULD IMPEDE THE FLOW OF STORM FLOOD OR OTHER WATERS TO PASS OVER UNDER OR THRU THE EASEMENT.

Existing Sewer Easement Docket 11655, Page 207

BASIS OF BEARINGS

The Monument Line of Tranquil Trail = N.00°11'35"E.

BENCH MARK

Brass Cap in Handhole at intersection of Cave Creek Road & Scottsdale Road
Elev. 2343.76

NOTES:
1. THE SWIMMING POOL SHALL BE ELEVATED ABOVE THE LEVEL OF THE WASH.
2. GUEST PARKING = G.P.
TOTAL 13= SPACES

CURVE DATA

NO.	Δ	R	T	L
1	06°42'03"	200.00'	11.71'	23.40'
2	51°47'00"	200.00'	97.08'	180.76'
3	29°59'40"	200.00'	53.58'	104.70'

NOTE: THE MAINTENANCE OF THE STORM DRAIN EASEMENTS AND RETENTION BASINS SHALL BE THE RESPONSIBILITY OF THE HOMEOWNER'S ASSOCIATION.

NOTE: NO STRUCTURE OF ANY KIND SHALL BE CONSTRUCTED OR VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITH IN THE DRAINAGE EASEMENT WHICH WOULD IMPEDE THE FLOW OF STORM FLOOD OR OTHER WATERS TO PASS OVER UNDER OR THRU THE EASEMENT.

WILLIAM A. LEMME
CIVIL ENGINEERING, INC.
PLANNING ENGINEERING SURVEYING
5508 N. 43RD AVE., GLENDALE, AZ. 85301
PHONE (602) 939-2345

SITE PLAN FOR
CANYON RIDGE HOMES
A CONDOMINIUM CONVERSION

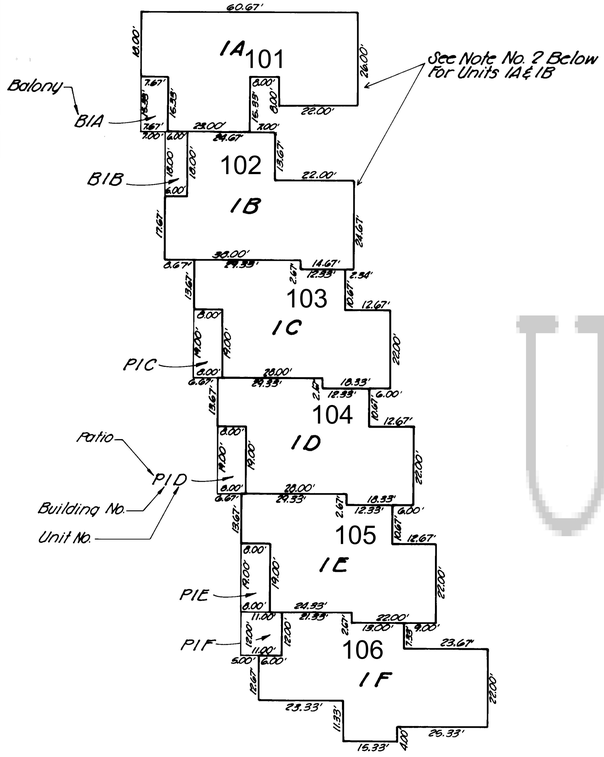
W.O. 7402 SHEET 1 OF 2

STATE OF ARIZONA
County of Maricopa } ss
I hereby certify that the within instrument was filed and recorded at request of
W.A. Lemme
Oct. 30, 1979 - 11:00
in Book 217
on page 11
Witness my hand and official seal the day and year first above written
Duff Lowe County Recorder
By Joann Deputy

217-11

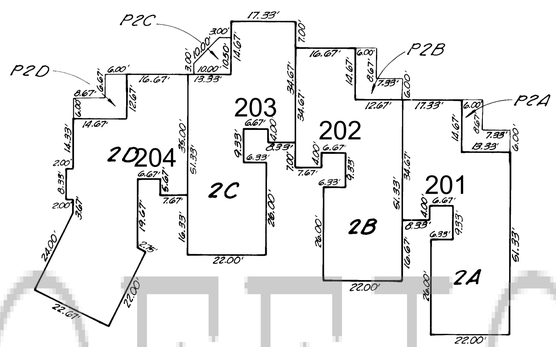
217-11

217-11 402603



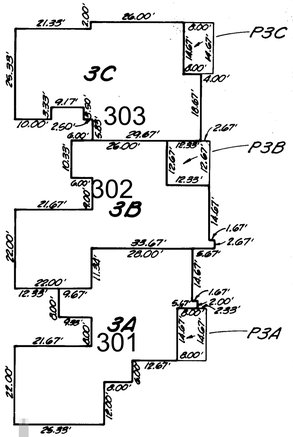
BUILDING 1

7438 Hum Rd.



BUILDING 2

7432 Hum Rd.



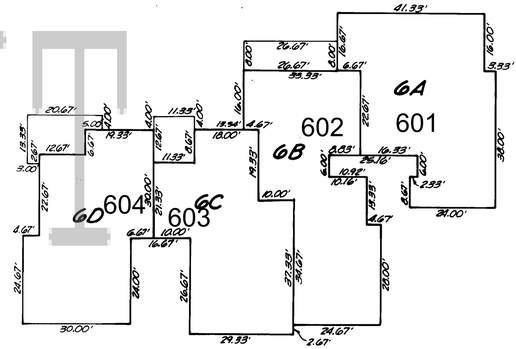
BUILDING 3

7433 Sundance Trail

BUILDING 5

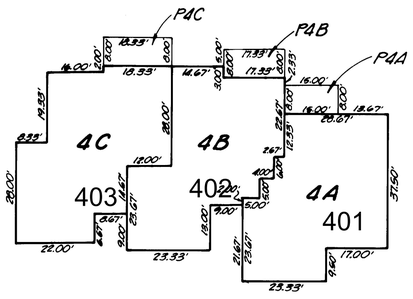
7437 Sundance Trail

7439 Sundance Trail



BUILDING 6

7431 Sundance Trail



BUILDING 4

7435 Sundance Trail

NOTES:

1. See sheet 3 of 3 for second floor layout.
2. Units 1A & 1B shows second floor layout, see sheet 3 of 3 for first floor layout.

WILLIAM A. LEMME
CIVIL ENGINEERING, INC.
PLANNING ENGINEERING SURVEYING
5506 N. 43RD AVE., GLENDALE, AZ. 85301
PHONE (602) 939-2345

1ST FLOOR LAYOUT FOR
CANYON RIDGE HOMES
A CONDOMINIUM CONVERSION

W.O. 7903 DATE SHEET 2 OF 3

WILLIAM A. LEMME 9-18-79

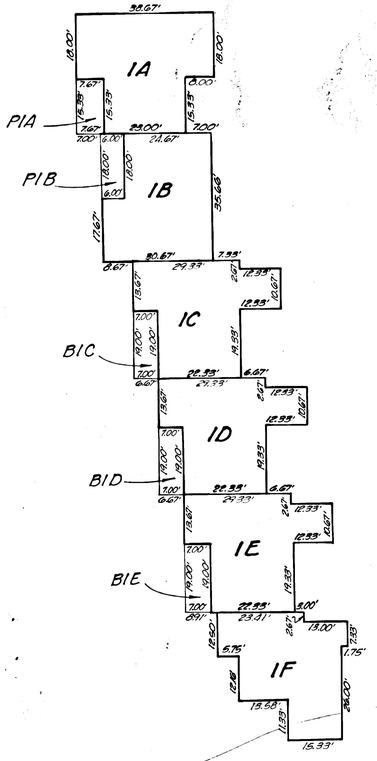
217-11

217-11

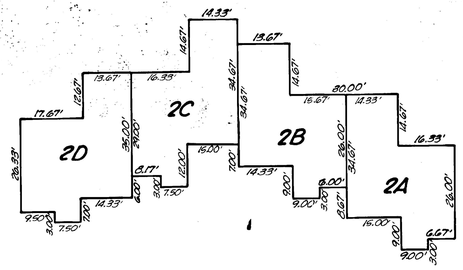
217-11

STATE OF ARIZONA }
County of Maricopa } ss

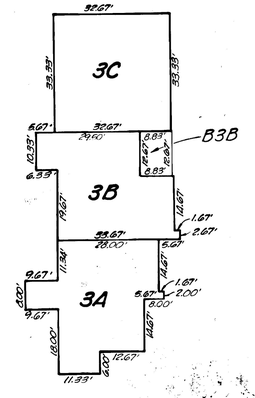
I hereby certify that the within instrument was filed and recorded at request of
W. A. Lemme
Oct. 30, 1979 - 11:20
in Book 217 on page 11
Witness my hand and seal the day and year aforesaid
Phil Torrey County Recorder
By Barry D. Ray



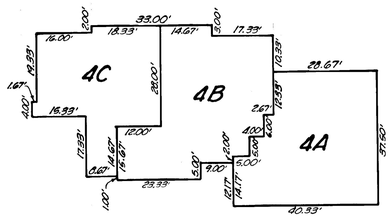
BUILDING 1



BUILDING 2



BUILDING 3



BUILDING 4

WILLIAM A. LEMME
CIVIL ENGINEERING, INC.
PLANNING ENGINEERING SURVEYING
5506 N. 43RD AVE., GLENDALE, AZ. 85301
PHONE (602) 939-2345

2ND FLOOR LAYOUT FOR
CANYON RIDGE HOMES
A CONDOMINIUM CONVERSION

9-18-79

APPENDIX C

PHOTOGRAPHS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
1		Las Torres community

PHOTO NUMBER		Description:
2		Community pool overview

Project Number: 19-0228

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
3		Cracking in the acrylic pool decking

PHOTO NUMBER		Description:
4		Community pool and spa overview

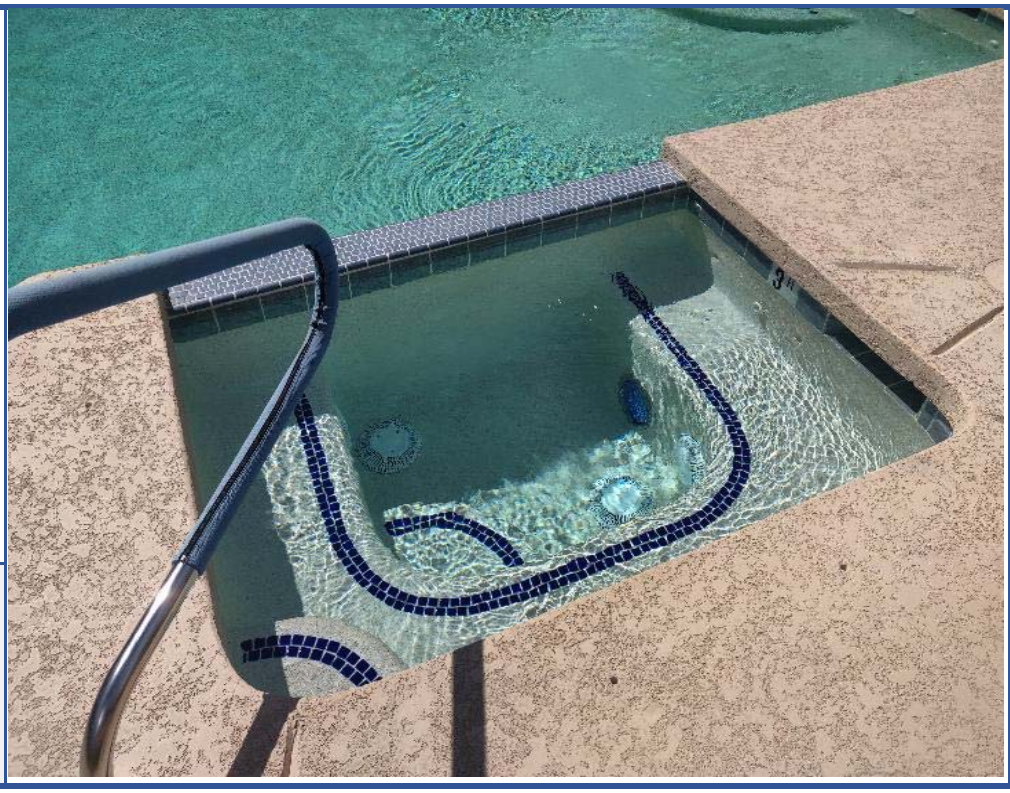
CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

5



Description:

Spa - recently retiled and brought up to code

PHOTO NUMBER

6

Description:

Cracking in the acrylic pool decking

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
7		Typical pool loungers and side table

PHOTO NUMBER		Description:
8		Typical table and chairs with central umbrella

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

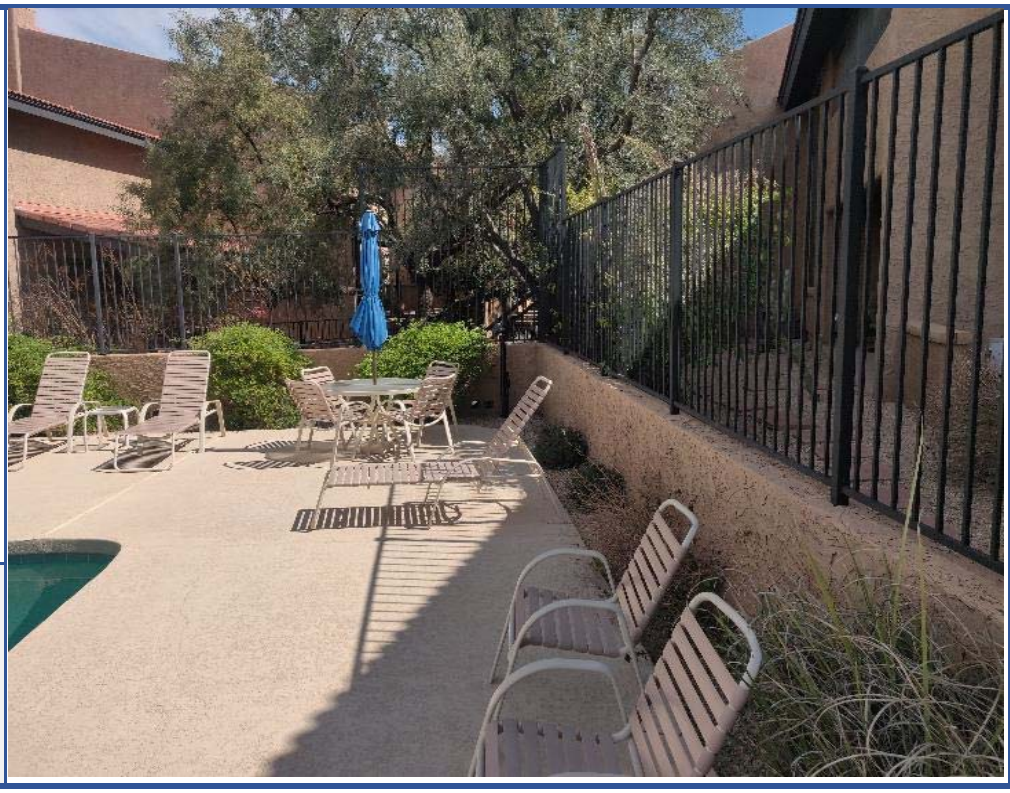
PHOTO NUMBER		Description:
9		Pool overview

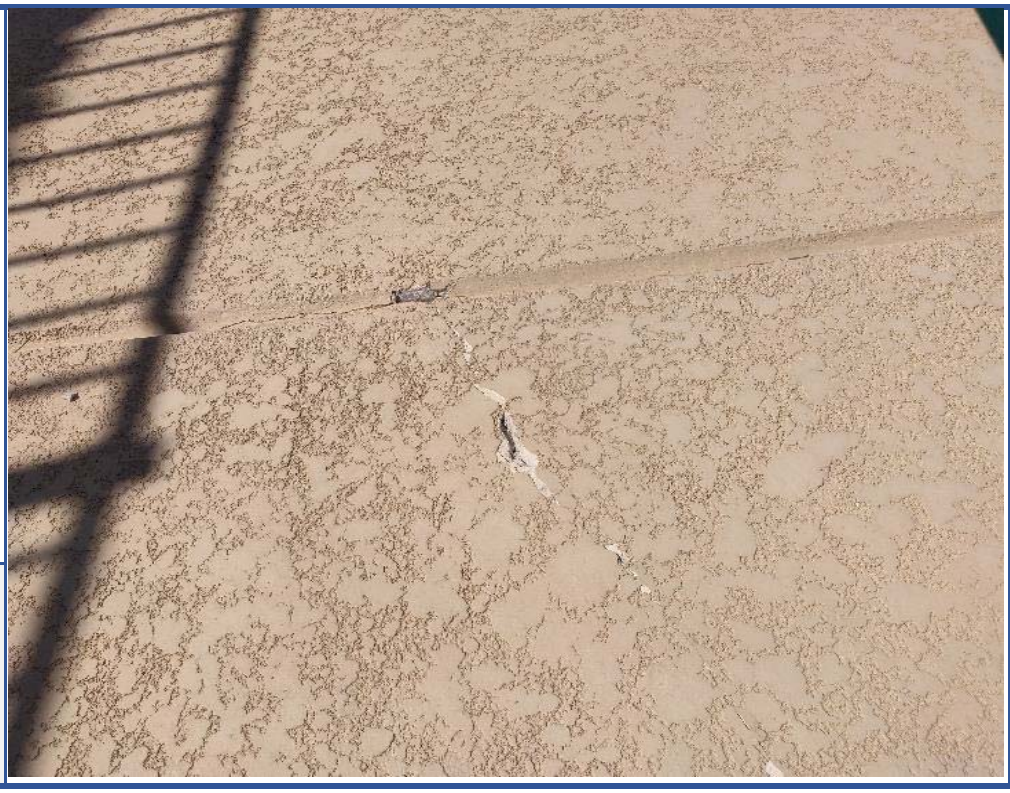
PHOTO NUMBER		Description:
10		Pool pump room

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

11



Description:

Cracking in the acrylic pool decking

PHOTO NUMBER

12

Description:

Cracking in the acrylic pool decking

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

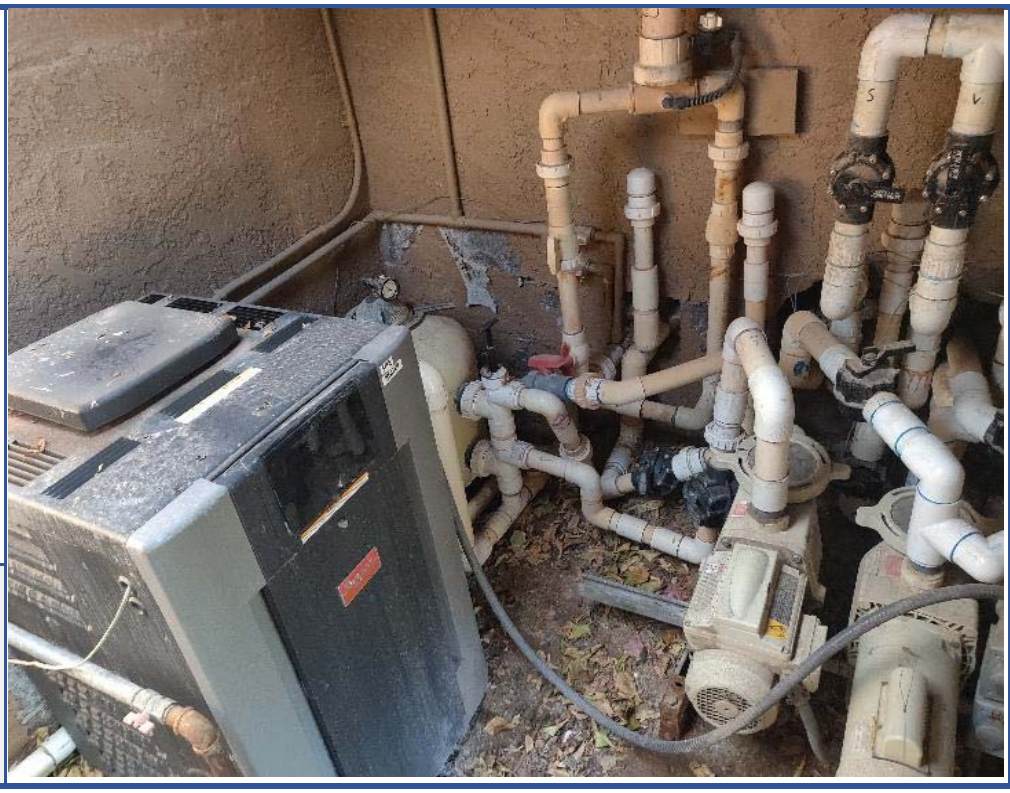
PHOTO NUMBER		Description:
13		Exposed pool fence footing

PHOTO NUMBER		Description:
14		Pool equipment house

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
15		Pool and spa heaters

PHOTO NUMBER		Description:
16		Pool pumps

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

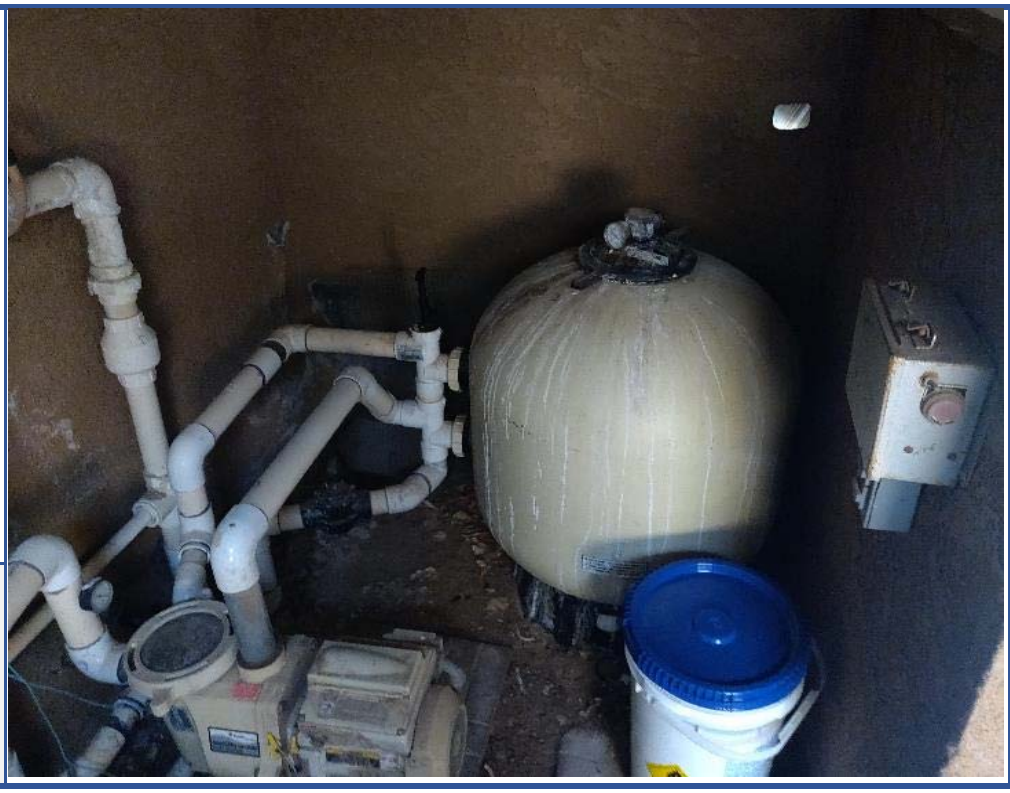
PHOTO NUMBER		Description:
17		Pentair Triton II TR140 sand filter for the pool

PHOTO NUMBER		Description:
18		Pentair IntelliFlo VS+SVRS 3 HP pump

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
19		Pool pumps

PHOTO NUMBER		Description:
20		Pentair Triton - II TR40 sand filter for the spa

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
21		Paint spalling on the wall, below grade of pool deck

PHOTO NUMBER		Description:
22		Pentair MasterTemp 400 pool heater

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
23		Raypak 266k BTU Spa heater

PHOTO NUMBER		Description:
24		Paint spalling near the bottom of the wall

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
25		Exterior metal staircase - Retaining wall has no visible weep holes

PHOTO NUMBER		Description:
26		Retaining walls - no visible weep holes, some paint spalling

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
27		Visible efflorescence

PHOTO NUMBER		Description:
28		All foliage, plants and irrigation should be 3-feet from walls

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
29		Spalling paint at lower courses of the wall

PHOTO NUMBER		Description:
30		Parking area overview

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

31

Description:

Concrete flowline

PHOTO NUMBER

32

Description:

Perimeter wall is retaining and contains no weep holes

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

33

Description:

Community stone sign - footing exposed

PHOTO NUMBER

34

Description:

Wash area

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
35		Typical exterior

PHOTO NUMBER		Description:
36		Typical concrete tile roof

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

37

Description:

Asphalt road cracking since last crack sealed and seal coated

PHOTO NUMBER

38

Description:

Perimter wall with exposed footing along Hum Road

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
39		Asphalt driveway overview

PHOTO NUMBER		Description:
40		Trash receptacle enclosure - gaps near the bottom of the rear of the cmu enclosure

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
41		Vertical seam in the enclosure, potentially either widened or previously repaired

PHOTO NUMBER		Description:
42		Trash receptacle enclosure gate

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

43

Description:

Typical sidewalk throughout the community

PHOTO NUMBER

44

Description:

Entrance gate to the sports court scrapes the ground at this point and does not freely open wider than pictured

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
45		Flexcourt sports court

PHOTO NUMBER		Description:
46		Sports court overview

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

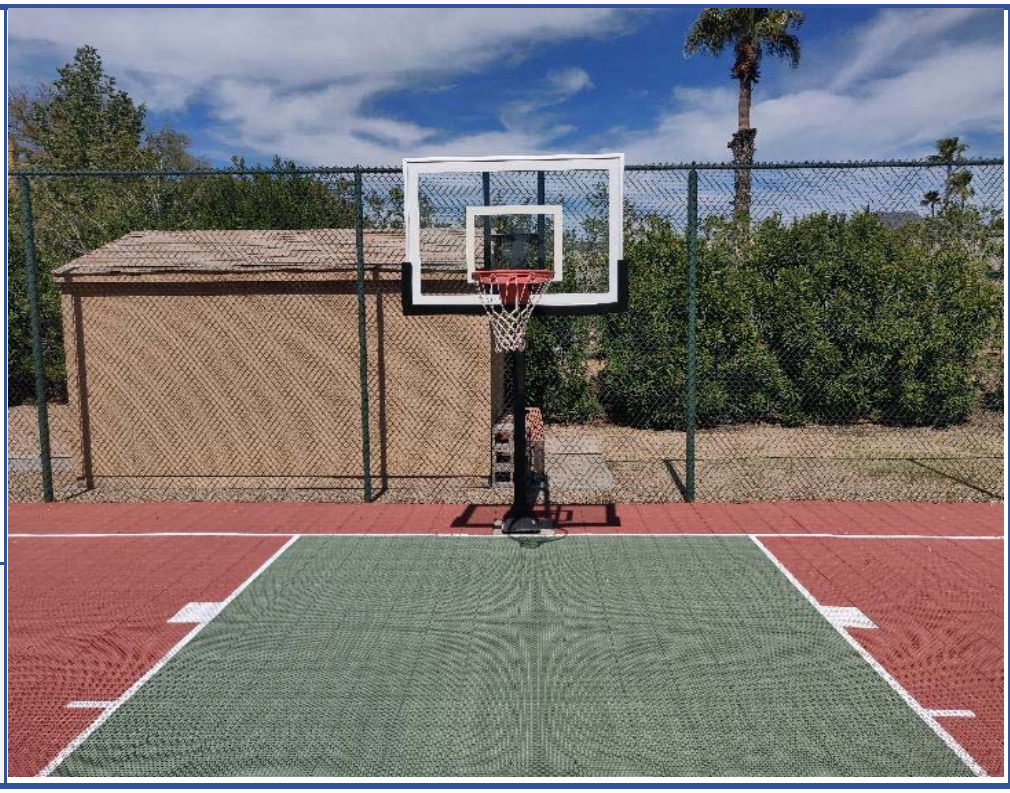
PHOTO NUMBER		Description:
47		Height adjustable basketball hoop

PHOTO NUMBER		Description:
48		Flexcourt tennis court

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
49		Tennis court - net ripped

PHOTO NUMBER		Description:
50		Bocce court

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

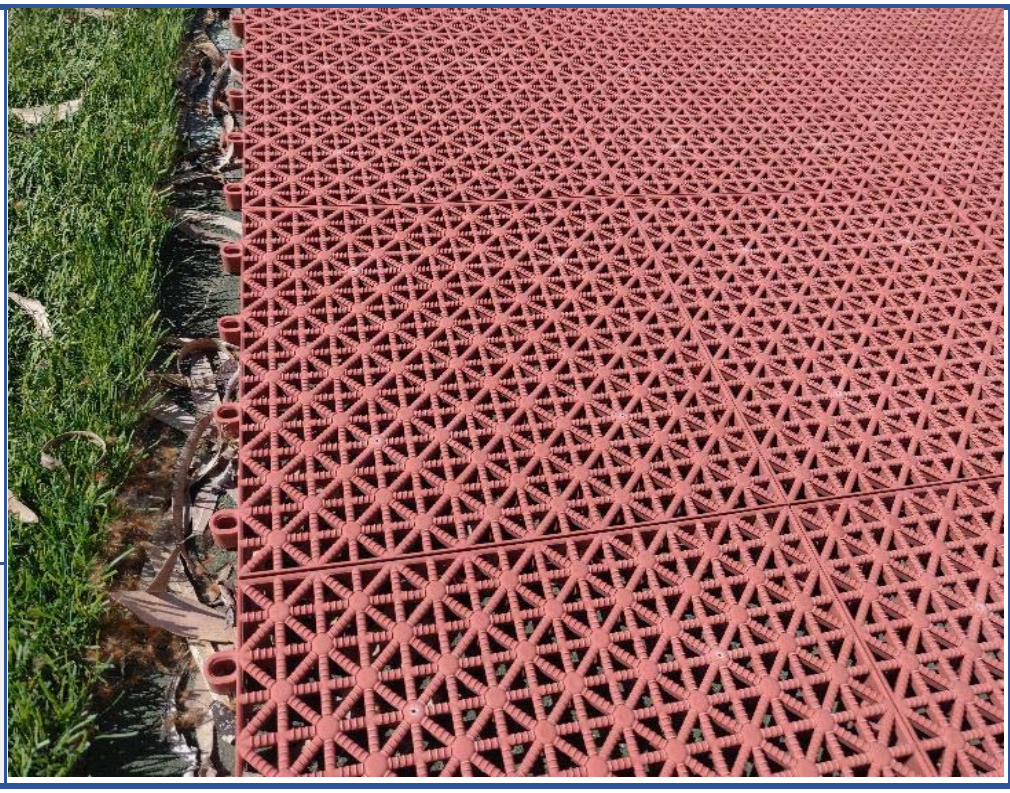
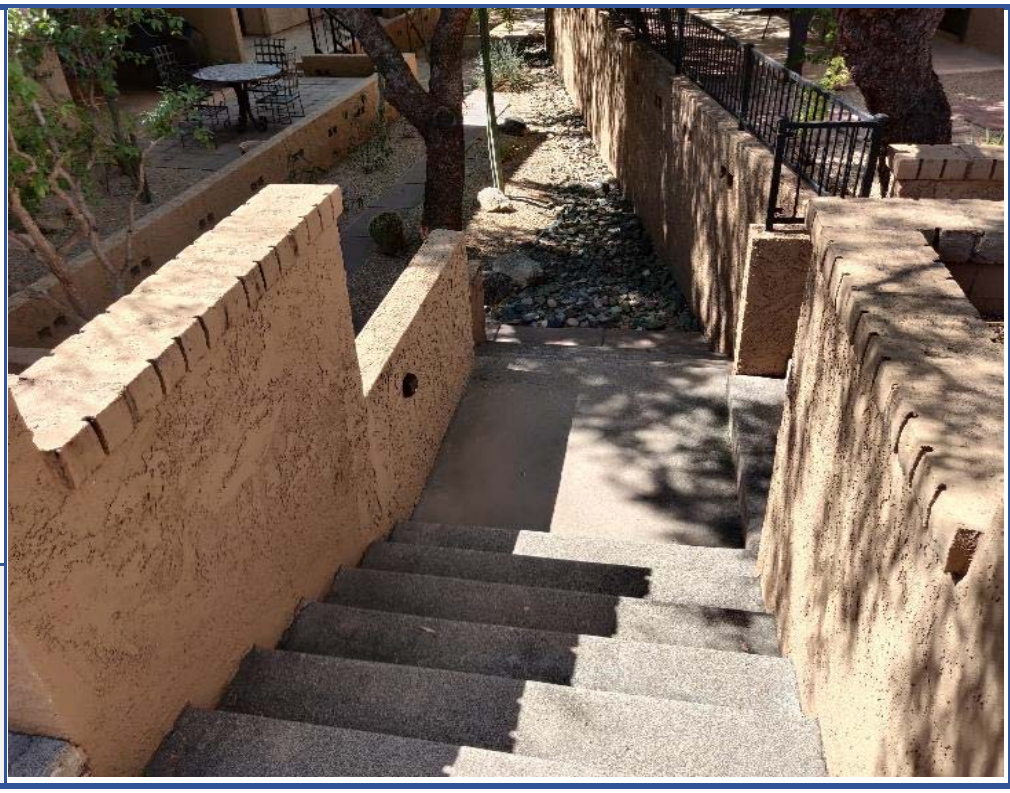
PHOTO NUMBER		Description:
51		Flexcourt tiles

PHOTO NUMBER		Description:
52		Concrete stairs and walls

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
53		Storage shed

PHOTO NUMBER		Description:
54		Typical concrete tile roof and gutter downspout

Project Number: 19-0228

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
55		Sitting area

PHOTO NUMBER		Description:
56		Asphalt beginning loss of aggregate

Project Number: 19-0228

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

57

Description:

Northern trash receptacle enclosure

PHOTO NUMBER

58

Description:

Post footing has been uplifted - likely due to a past collision

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
59		Trash receptacle enclosure

PHOTO NUMBER		Description:
60		Asphalt edge cracking. This is due to a lack of support along the edge.

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
61		Community etched flagstone sign

PHOTO NUMBER		Description:
62		Asphalt cracking and loss of aggregate

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

63

Description:

Concrete spillway broken

PHOTO NUMBER

64

Description:

Seal coat flaking. Usually caused by poor bonding most frequently seen in areas of untreated oil spots

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

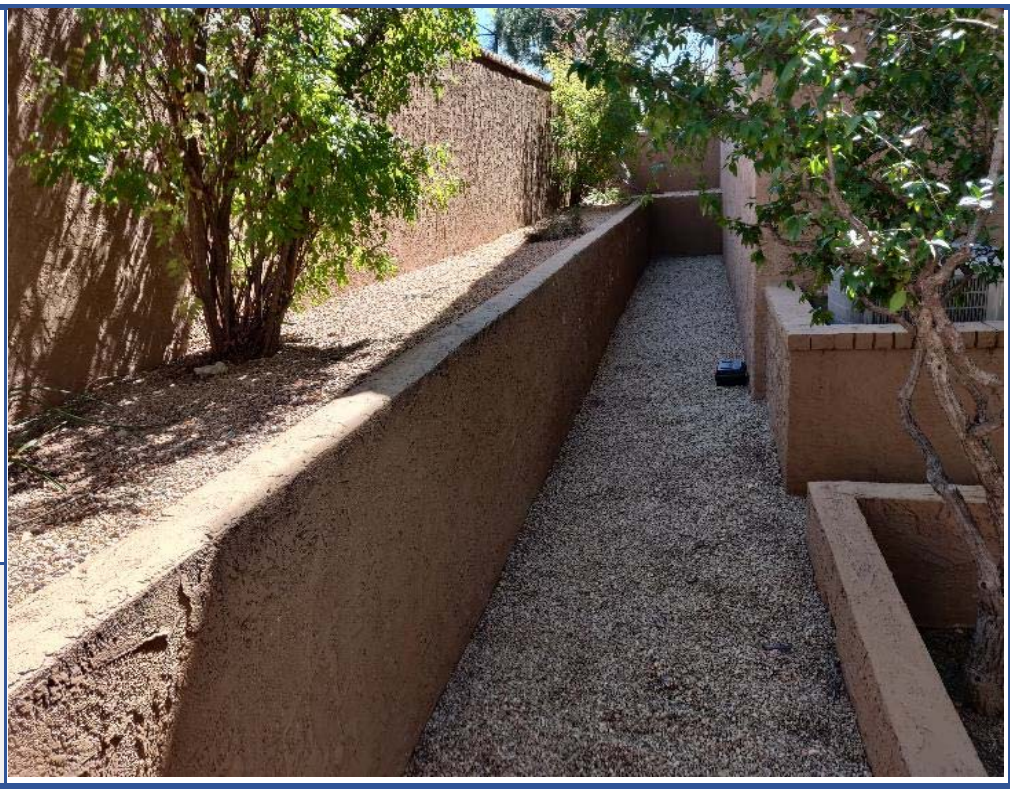
PHOTO NUMBER		Description:
65		Retaining walls - no visible weep holes

PHOTO NUMBER		Description:
66		Retaining walls with side turned blocks for surface drainage but no visible weep holes

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
67		Retaining wall with visible efflorescence

PHOTO NUMBER		Description:
68		Small wrought iron staircase - retaining walls with no visible weep holes

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
69		Retaining walls with side turned blocks for surface drainage but no visible weep holes

PHOTO NUMBER		Description:
70		Concrete sidewalk uplift

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

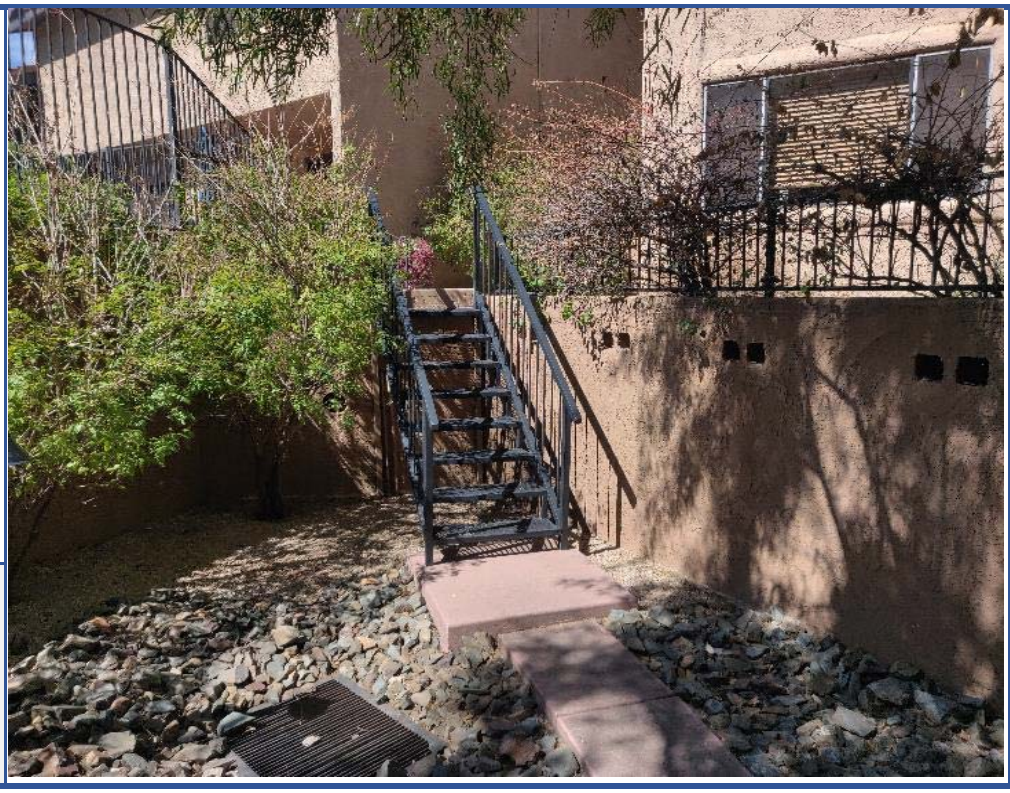
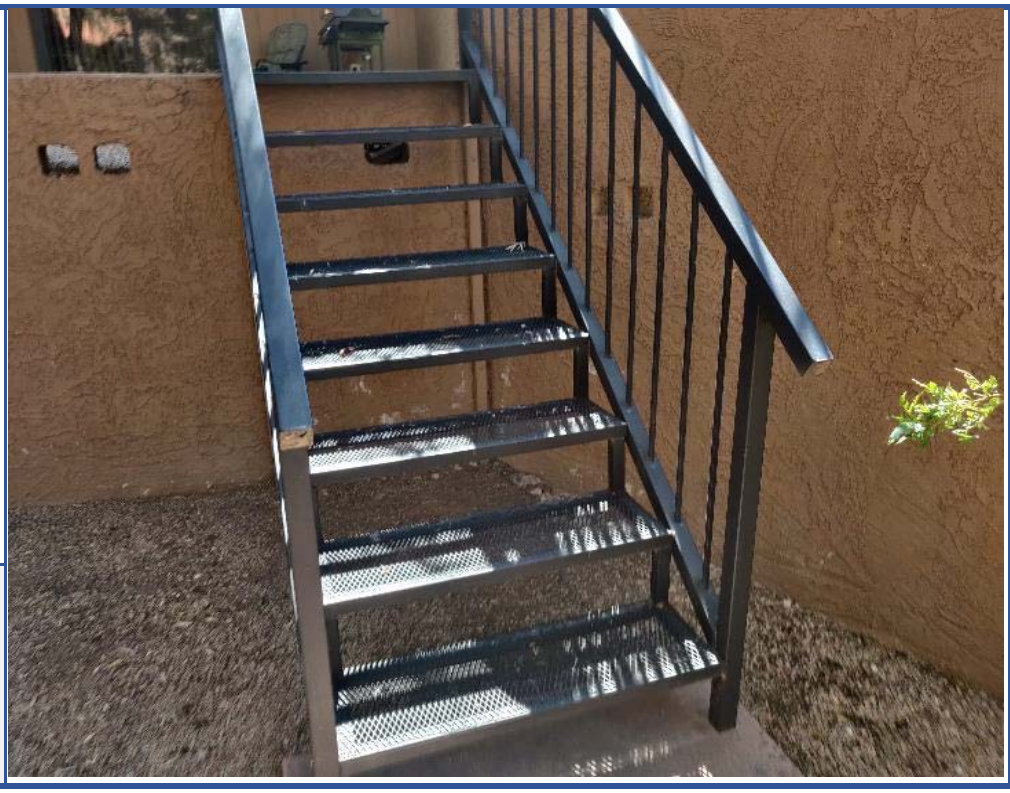
PHOTO NUMBER		Description:
71		Wrought iron staircase

PHOTO NUMBER		Description:
72		Wrought iron staircase

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
73		Visible efflorescence and paint spalling

PHOTO NUMBER		Description:
74		Asphalt loss of aggregate

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
75		Firepit area overview

PHOTO NUMBER		Description:
76		Firepit furniture

Project Number: 19-0228

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
77		Firepit recently retiled

PHOTO NUMBER		Description:
78		Firepit furniture overview

CRITERIUM KESSLER ENGINEERS

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER		Description:
79		Northern wrought iron gate

PHOTO NUMBER		Description:
80		Asphalt loss of aggregate

Project Number: 19-0228

Location:
Las Torres Community Association
Carefree, Arizona

Photo Taken By:
JM
Photo Date:
Mar 6, 2020

PHOTO NUMBER

81

Description:

Retaining wall with no visible weep holes

Project Number: 19-0228

CRITERIUM KESSLER ENGINEERS

PROVIDED BY THE BOARD

LAS TORRES HOMEOWNERS ASSOCIATION

Carefree, AZ 15 April 2020

Irrigation Back flow Preventers - 3 Total on property

Back flow preventer #1, East side of Unit 303 (3 pictures)

Picture 1 of 3. Back flow Preventer #1, East side of unit 303

Picture 2of3. Back flow preventer #1, East side of Unit 303

PROVIDED BY THE BOARD

Picture 3of3. Back flow preventer #1, East side of Unit 303

Back flow preventer #2, North side of Unit 604 (3 pictures)

Picture 1of3. Back flow Preventer #2, North of Unit 604

Picture 2of3. Back flow preventer #2, North side of Unit 604

Picture 3of3. Back flow preventer #2, North side of Unit 604

Back flow preventer #3, South of Unit 201 (2 pictures)

Picture 1of2. Back flow Preventer #3, South side of unit 201

Picture 2of2. Back flow Preventer #3, South side of unit 201

APPENDIX D

REFERENCE DOCUMENTS

CRITERIUM® KESSLER ENGINEERS

CRITERIUM-KESSLER ENGINEERS
Independently Owned and Operated
14539 W. Indian School Road, Suite #880
Goodyear, Arizona 85395
TEL 480 218-1969

Reserve Study Document Checklist

Thank you for the opportunity to be of service. As we begin your important reserve study, the following is a list of items we will use to streamline the process. Our staff works diligently to minimize the impact on you, your staff and the Board during the data collection period. Not all data below may be relevant to your community, but providing those items that are is greatly appreciated.

PROPERTY Las Torres (also known as Canyon Ridge)

NA ☐ Entry gate – Please provide building access codes and/ or keys (if applicable)

NA ☐ Security – does our staff need a window permit to freely access the property? If so, please provide / inform security of our dates on your property.

☐ Community / complex map(s)

☐ Original construction documents and as-builts (if available)

- Particularly valuable for clubhouses and other buildings

☐ Original Plats, site plans, drainage plans, etc.

☐ Existing written engineering reports / proposals for known deficiencies (if applicable)

☑ CC&R's and all governing documents

☑ Previous reserve study and associated documents

☑ Existing asset list

- If different / in addition to what is documented in the most recent reserve study

FINANCIAL

☐ Significant reserve fund expenditures from the last 12 – 24 months

- Item: 2017 - Asphalt Reseal Cost: 60165
- Item: 2017 - Pool Furniture Restrap Cost: 1253
- Item: 2018 - Paint Pool fence Cost: 3900

2019 Redo Flat Roof 7265
2019 Resurface; Add tile to Spa 60400
2019 Restone Firepit 1471
2019 Add trash bin enclosures 8941
(7,000 from Ops Reserve)

☐ Upcoming planned significant reserve fund expenditures 12 – 24 months

- Item: Painting stucco exteriors Cost: under bid
- Item: Redo Bocce Court Cost: under bid
- Item: Paint Remaining metal Cost: _____

☐ Association Budgets – current year (previous year and following year)

☐ Key financial information

- Fiscal year: (Jan – Dec) Oct - Sept Ops Reserve 14,575
- Ending Reserve balance previous fiscal year: R.R Reserve 148,643
- Beginning Reserve balance current fiscal year: sab
- Amount currently in reserve fund: RR: 149,945 Ops 14,975
- Amount put into reserve fund: RR: 1300 Ops Reserve: 400
  - Deposits are: (Monthly) Quarterly Annually
  - Amount above is: (Total) By Unit

MISCELLANEOUS

☐ Have there been any asset additions since the previous Reserve Study?
Trash Bin Enclosures
Firepit Furniture

☐ Have any assets been decommissioned/ replaced/ no longer present in the previous Reserve Study, that are to be excluded from this Study? No

☐ the any assets the Board wishes to include in this Study not addressed in the previous Reserve Study? More detail on Sport Court
This may include actions such as turf conversion

☐ Are there any specific concerns the Board would like us to address?
No

☐ Is there anything missed / incorrect in the previous study? No

TERMS OF REFERENCE
RESERVE STUDY

Association	The unit owners' association. May be referred to with different terminology in legal covenants of incorporation.
Board	Elected officers of the Association with fiduciary responsibility for the community's common holdings. May be referred to with different terminology in legal covenants of incorporation.
Owner	Individual unit owner, a Member, or the Association.
Community Manager	Professional organization through which the Board delegates responsibilities for operations and maintenance of the community (also known as a property manager, portfolio manager, managing agent, etc.).
Excellent	Component or system is in "as new" condition, requiring no rehabilitation and should perform in accordance with expected performance.
Good	Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.
Fair	Component or system falls into one or more of the following categories: a) Workmanship not in compliance with commonly accepted standards, b) Evidence of previous repairs not in compliance with commonly accepted practice, c) Component or system is obsolete, d) Component or system approaching end of expected performance. Repair or replacement is required to prevent further deterioration, or to prolong expected life.
Poor	Component or system has either failed, or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. Present condition could contribute to, or cause, the deterioration of other adjoining elements or systems. Repair or replacement is required.
Adequate	A component or system is stable, has capacity to function as required, is sufficient for its services, is suitable for operation, and/or conforms to standard construction practices.
Basis of Comparison	Ratings are determined by comparison to other buildings of similar age and construction type.
Left, Right, Front, Rear	Directions are taken from the viewpoint of an observer standing at the property frontage and facing it. Or, for a building within a campus setting, the viewpoint of an observer standing in front of the principal entrance and facing it.
Current deficiency immediate expense	We will note any observed or reported physical condition that requires immediate action to correct an existing or potential safety hazard, an enforceable building code violation, or the poor or deteriorated condition of a critical element or system. Also, to address any conditions which, if left "as is," would likely result in the failure of a critical element or system. Such items will be noted in our report even if they do not require a capital expenditure.
Short-term capital expenditures	Correction of physical deficiencies including deferred maintenance, which may not warrant immediate attention, but required repairs or replacements that should be undertaken on a priority basis, taking precedence over preventative maintenance work within a one-year time frame. Included are physical deficiencies resulting from improper design, faulty installation, and/or substandard quality of original systems or materials. Components or systems that have exceeded their expected useful life and require repair or replacement within a one-year timeframe are also included. Observed minor issues that would typically be addressed as normal operations & maintenance work may not be noted in the report.
Long-term capital expenditures	Non-routine repairs, replacements or planned improvements that will require significant expenditure during the study period. Included are items that will reach the end of their estimated useful life or which, in the opinion of the engineer, will require such expense during that time. If saving for longer-term expenditures is desired, then allowances or contingencies for such items may also be included. Observed minor issues that would typically be addressed as normal operations & maintenance work may not be noted in the report.
Expected Useful Life (EUL)	As components age, they wear and deteriorate at varying rates, depending on their service and exposure. Although it is an inexact science, various financial underwriters, data services, and trade organizations publish guidance regarding the EULs of typical building materials and operating systems. For short-lived components, their EUL is used as the frequency between periodic repairs or replacements. Some systems' economic life may be shortened because improved equipment or materials has become available that is less costly to operate or maintain.
Remaining Useful Life (RUL)	The simple equation for determining remaining useful life before repair or replacement is: EUL – Age = RUL However, based on our evaluation of a component, and our professional judgment, we may assign a shorter or longer RUL to actual items being considered.

BUILDING SYSTEMS AND COMPONENTS COMMON ABBREVIATIONS AND ACRONYMS			
ABS	Acrylonitrile-Butadiene-Styrene (Black Pipe)	IBC	International Building Code
ACM	Asbestos Containing Material	IRC	International Residential Code
ACT	Acoustic Ceiling Tile	KVA	Kilovolt-Ampere
ADA	Americans with Disabilities Act	LF	Lineal Foot
AHU	Air Handling Unit	LUST	Leaking Underground Storage Tank
ASHRAE	American Society of Heating, Refrigeration, and Air-Conditioning Engineers	MSL	Mean Sea Level
ASTM	American Society for Testing and Materials	NEC	National Electric Code
BBL	Barrels	NFPA	National Fire Protection Association
BOCA	Building Officials Code Administrators International	MBH	Thousand British Thermal Units / Hour
BTU	British Thermal Unit	MDP	Main Distribution Panel (electric power)
BTUH	British Thermal Unit / Hour	O&M	Operations & Maintenance
CFM	Cubic Foot / Minute	OSB	Oriented Strand Board (sheathing or decking)
CI	Cast Iron (piping)	PCA	Property Condition Assessment
CIP	Cast in Place (concrete)	PCB	Polychlorinated Biphenyls
CMU	Concrete Masonry Unit (block)	PCR	Property Condition Report
CPVC	Chlorinated Poly Vinyl Chloride (piping)	PE	Polyethylene (pipe)
CW	Cold Water	PE	Licensed Professional Engineer
DI	Ductile Iron (piping)	PVC	Poly Vinyl Chloride (piping and siding)
EIFS	Exterior Insulating and Finishing System	PTAC	Packaged Terminal Air Conditioning Unit
EPDM	Ethylene Propylene Diene Monomer	ROM	Rough Order of Magnitude
EUL	Expected Useful Life	RUL	Remaining Useful Life
FCU	Fan Coil Unit	RTU	Roof Top Unit
FEMA	Federal Emergency Management Agency	SF	Square Foot
FFE	Furniture, Fixtures and Equipment	SOG	Slab On Grade (concrete basement or ground floor)
FHA	Forced Hot Air	SQ	100 Square Feet
FHAA	Fair Housing Act and Amendments	SY	Square Yard
FHW	Forced Hot Water	UBC	Uniform Building Code
FIRM	Flood Insurance Rate Map	UL	Underwriters Laboratories
FOIA	Freedom of Information Act	UST	Underground Storage Tank
GFI	Ground Fault Interruption (circuit breaker)	VAC	Volts Alternating Current
GWB	Gypsum Wall Board (drywall or sheetrock)	VAV	Variable Air Volume Box
HID	High Intensity Discharge (lamp, lighting fixture)	VCT	Vinyl Composition Tile
HVAC	Heating Ventilation and Air Conditioning	VWC	Vinyl Wall Covering
HW	Hot Water		
HWH	Hot Water Heater (domestic)		

Application for CAI's
Reserve Specialist (RS) Designation

RS

National Reserve Study Standards

Table of Contents

General Information

Reserve Study

A Reserve Study is made up of two parts, 1) the information about the physical status and repair/replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and 2) the evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis). The Physical Analysis is comprised of the Component Inventory, Condition Assessment, and Life and Valuation Estimates. The Component Inventory should be relatively "stable" from year to year, while the Condition Assessment and Life and Valuation Estimates will necessarily change from year to year. The Financial Analysis is made up of a finding of the client's current Reserve Fund Status (measured in cash or as Percent Funded) and a recommendation for an appropriate Reserve contribution rate (Funding Plan).

Physical Analysis
- Component Inventory
- Condition Assessment
- Life and Valuation Estimates

Financial Analysis
- Fund Status
- Funding Plan

continued on next page

Levels of Service

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal.

I. **Full:** A Reserve Study in which the following five Reserve Study tasks are performed:
   - Component Inventory
   - Condition Assessment (based upon on-site visual observations)
   - Life and Valuation Estimates
   - Fund Status
   - Funding Plan

II. **Update, With-Site-Visit/On-Site Review:** A Reserve Study update in which the following five Reserve Study tasks are performed:
   - Component Inventory (verification only, not quantification)
   - Condition Assessment (based on on-site visual observations)
   - Life and Valuation Estimates
   - Fund Status
   - Funding Plan

III. **Update, No-Site-Visit/Off Site Review:** A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:
   - Life and Valuation Estimates
   - Fund Status
   - Funding Plan

Terms and Definitions

CASH FLOW METHOD: A method of developing 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 anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s) of the association or cooperative.

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "Cash Flow Method."

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT REPLACEMENT COST: See "Replacement Cost."

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and 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 where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED: 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which 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, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

FFB = Current Cost X Effective Age / Useful Life

or

FFB = (Current Cost X Effective Age / Useful Life) + [(Current Cost X Effective Age / Useful Life) / (1 + Interest Rate) ^ Remaining Life] - [(Current Cost X Effective Age / Useful Life) / (1 + Inflation Rate) ^ Remaining Life]

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Full Funding: Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding: Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statues.

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

FUNDING PLAN: An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual (or projected)* Reserve Balance to the *Fully Funded Balance*, expressed as a percentage. 4

PHYSICAL ANALYSIS: 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 Study.

REMAINING USEFUL LIFE (RUL): Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. "Our budget and finance committee is soliciting proposals to update our Reserve Study for next year's budget."

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence 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 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; expect 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;
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.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balance.
See "Deficit."

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Reserve Study Required Contents

Each Reserve Study prepared by a Reserve Specialist or Reserve Specialist applicant must contain all of the following elements:

PAGE	CONTENTS
_____	1. A summary of the association's number of units.
_____	2. Association physical description (legal or physical narrative).
_____	3. General statement or opinion describing the association's current reserve fund status (good/fair/poor, adequate or inadequate. Percent Funded, etc.).
_____	4. General statement describing the methods and objectives utilized in computing or evaluating the association's Reserve Fund status (Percent Funded or otherwise).
_____	5. Fiscal Year (start and end) for which the Reserve study is prepared.
_____	6. A projection of starting reserve cash balance (as-of above start date).
_____	7. A general statement describing the development or computation of the association's starting Reserve Fund balance.
_____	8. Recommended reserve contributions (minimum 20 years).
_____	9. Projected reserve expenses (minimum 20 years).
_____	10. Projected ending reserve fund balance (minimum of 20 years).
_____	11. A tabular listing of the components in the Reserve Study.
_____	12. A tabular listing of the component quantities or identifying descriptions.
_____	13. A tabular listing showing each component's Useful Life.
_____	14. A tabular listing showing each component's Remaining Useful Life, where RUL=0=initial year.
_____	15. A tabular listing showing each component's Current Replacement Cost.
_____	16. A general statement describing the Methods (cash flow, component, etc.) and Goals (Full Funding, Threshold Funding, Baseline Funding) of the Funding Plan, using National Standard terminology.
_____	17. Identification of the source(s) utilized to obtain component repair or replacement cost estimates.
_____	18. A clear description of which one of the three Reserve Study "Levels of Service" (ie: Full, Update With-Site-Visit, Update No-Site-Visit) was performed.
_____	19. A clear statement of assumption used for Interest and inflation (whether zero or otherwise).

Applicants MUST INCLUDE THE ABOVE TABLE with their work product submission, noting the page number where all the above required elements can be found in their sample work product.

Reserve Study Required Disclosures

Each Reserve Study prepared by a Reserve Specialist or Reserve Specialist applicant must contain all of the following disclosures:

PAGE	DISCLOSURE
_____	1. **General:** Description of other involvement(s) with the association, which could result in actual or perceived conflicts of interest.
_____	2. **Physical Analysis:** Description of how thorough the on-site observations were performed: representative sampling vs. all common areas, destructive testing or not, field measurements vs. drawing take-offs, etc.
_____	3. **Personnel Credentials:** State or organizational licenses or credentials carried by the individual responsible for Reserve Study preparation or oversight.
_____	4. **Completeness:** Material issues which, if not disclosed, would cause a distortion of the association's situation.
_____	5. **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 the consultant.
_____	6. **Scope:** The Reserve Study will be a reflection of information provided to the consultant and assembled for the association's use, not for he purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
_____	7. **Reserve Balance:** The actual or projected total presented in the Reserve Study is based upon information provided and was not audited.
_____	8. **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.

Applicants MUST INCLUDE THE ABOVE TABLE with their work product submission, noting the page number where all the above required elements can be found in their sample work product.

APPENDIX E

FUNDING METHODOLOGIES
(DISCUSSION POINTS)

Funding Methodologies

The approach to funding methodologies continues to be a subject of much discussion and can create confusion for those responsible for long-term strategic planning for a community.

This is written to be applicable to for communities that utilize reserve studies including Homeowners Associations and Condominium Associations—both residential and commercial.

This Appendix provides general information related to Funding Methodologies and is not specific to your Association or Community. This has been included to provide a framework for consideration of the study, and to explain our approach to the funding analysis.

We also recommend that the Board review the Community Association Institute (CAI) National Reserve Study Standards attached in the "Reference Documents" Appendix of this report.

The Community Association Institute (CAI) recognizes several funding methodologies, all of which may be used to satisfy these principles:

- ✓ Sufficient Funds When Required
- ✓ Stable Contribution Rate over the Years
- ✓ Evenly Distributed Contributions over the Years
- ✓ Fiscally Responsible Some of the more common methods are outlined below.

Within the context of the report, "Section 5.4 – Funding Methodologies," provides a brief overview that we used for this report since we recognize that some Associations prefer a different methodology. The text in included in Section 5.4 is replicated below.

STATUTORY FUNDING

Some states regulate the management of homeowner associations, including the fiduciary responsibility of its Officers or Board regarding reserve funding.

To our knowledge, Arizona does not require any funding criteria.

COVENANTAL FUNDING

The legal documents, which originally establish a homeowner's association, may set forth guidelines for its reserve funding.

You should review the Master Deed and/or CC&Rs for your Association to determine if there are stipulations for long-term funding criteria since each community is set up with unique requirements.

CASH FLOW BASED FUNDING

Criterium Engineer's recommended approach to reserve planning utilizes a cash flow model implementing either Baseline or Threshold Based Funding methodology.

A cash flow based funding plan is prepared so that contributions to capital reserves are selected to be sufficient to offset future variable annual capital expenditures.

Our engineering evaluation and planning yields a projected annual capital expenditure (CapEx) budget schedule over the planning period. This CapEx plan and the Association's current rate of contribution to reserves is entered into our computer model.

The model allows us to determine whether the Association's current rate of contribution will prove sufficient to meet capital obligations over the planning period.

If the Association's current rate of contribution is not sufficient, our computer model allows us to develop alternate contribution strategies for the Association's consideration.

Baseline Cash Flow Based Funding

The goal of baseline funding is to maintain positive year-end balances throughout the planning period.

Threshold Cash Flow Based Funding

One strategy to ensure there will be sufficient funds available to cover unplanned emergencies is to maintain prudent minimum threshold reserve balances. In the face of unusual and uninsured expenses, this may eliminate the need for either making a special assessment or borrowing money.

Often, the initial threshold is established as some multiple of the average annual CapEx budget, and then inflated ahead at the selected rate of inflation.

Maintaining significant threshold balances has the additional benefit of allowing the Association to generate greater returns on investments and thereby reduce the rate of Owners' contribution to reserves.

Of course, the benefits of establishing larger threshold balance values must be weighed against Unit Owners' preference to control their own funds.

In any event, the goal of threshold funding is to ensure that year-end capital reserve fund balances will not fall below some minimum value.

This threshold value is typically determined by one of the following methods:

- ✓ An arbitrary, prudent dollar amount based on our experience
- ✓ It may be calculated as some multiple of the annual average CapEx amount over the study period
- ✓ A collaborative effort with the Board or Community Manager to determine a threshold amount that works for the community

Consideration should be given to increasing the threshold balance value over the study period to reflect historic rates of inflation.

COMPONENT BASED (PERCENT FUNDED)

In our experience, a component-based funding plan based on a comprehensive common component inventory will produce a very conservative funding strategy for an Association.

A component-based funding plan is based on calculated incremental savings toward the eventual repair or replacement of each individual common component.

The accounting concept underlying component-based funding is that an Association should save for repair or replacement of each of their common assets at an annual incremental amount equal to the annual straight-line depreciation of the item. In this way, they will accumulate its full value in capital reserves at the time it is fully depreciated, and funds may be required for a capital expenditure.

Full Funding

For each Fiscal Year, a component-based funding plan calculates an ideal reserve balance that should be on-hand at the beginning of the year. This recommended balance is based on saving money at the rate of depreciation of each common component as explained in the previous section.

If the Association's projected cash flow projection indicates that their capital reserve fund balance will be equal to or greater than that ideal value at the beginning of any given year, then, by Community Association Institute (CAI) definition, the Association is said to be "fully funded" in that year.

In our opinion, when an Association is "fully funded" per the CAI definition set forth below, then, very often, this will mean that the Association is holding more cash reserves than absolutely necessary for prudent management of their financial obligations.

Percent Fully Funded

In component-based fund planning, the percentage ratio between the projected actual reserve balance and the calculated ideal amount of accumulated savings at any point of time is the “percent fully funded”.

This metric is used to indicate whether an Association is:

- ✓ “Under-funded” – percent fully funded less than 100%
- ✓ “Over funded” - percent fully funded greater than 100%

Often, statutory and covenantal funding requirements may obligate an Association to maintain their reserve balance above some minimum percent fully funded value.

Such rules were originally promulgated to ensure conservative funding practices, which would protect the membership from unsound financial policies, which some developers and associations have practiced in the past.

SPECIAL ASSESSMENTS

The goal of nearly all reserve studies is to establish a regular, periodic rate of contribution to reserves, which ensures there will be sufficient funds when required.

However, sometimes it is necessary to boost the reserve balance quickly, before there is adequate time to accumulate funds through regular savings. In those cases, assuming the Unit Owners’ personal finances can support it, it is expeditious to assess a lump sum special payment.

Special assessments are often tied to, or earmarked for, some particular capital expenditure. This may be a periodic but unusually high expense such as re-paving or re-roofing. Or, it may be to collect funds to pay for some desired new amenity, such as a new building, new tennis court or an elevator.

Although it is unusual, if the individual Unit Owners who form an Association all have sufficient means, the membership may prefer to manage their own investments and contribute to capital expenses only based on annual special assessments rather than through monthly, quarterly, or annual assessments.

BORROWING

The goal of nearly all reserve studies is to establish a regular, periodic rate of contribution to reserves, which ensures there will be sufficient funds when required.

However, sometimes it is necessary to boost the reserve balance quickly, before there is adequate time to accumulate funds through regular savings. In those cases, if the Unit Owners' personal finances cannot support an adequate special assessment, then the Association may need to borrow the funds.

Borrowing is often justified to obtain funds for some particular capital expenditure. This may be a periodic but unusually high expense such as re-paving or re-roofing. Or, a loan may be taken to obtain funds to pay for some desired new feature, such as a new building, tennis court, or to enhanced interior furnishings.

When funds are borrowed, then part of the regular, periodic contributions of the membership in the following years will be earmarked for repaying the loan.

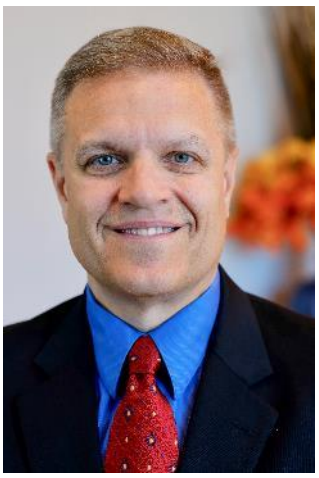
APPENDIX F

PROJECT TEAM QUALIFICATIONS

KESSLER CRITERIUM ENGINEERS

BUILDING INSPECTION ENGINEERS
PROUDLY SERVING NORTH AMERICA SINCE 1957

Dan Kessler
President & Owner



Dan is the President of Criterium-Kessler Engineers located in Phoenix, Arizona (formerly known as Criterium-Arizona). He is a proven, employee-centric executive leader with over 30 years of engineering, program management, senior leadership, military, and Intelligence Community experience. His broad range of management and technical skills include:

- ✓ Program and Project Management & Leadership
- ✓ Due Diligence Building Inspections
- ✓ Reserve Studies – Enhanced and Standard
- ✓ Block Wall and Fence Evaluations
- ✓ Process Improvement and Best Practices
- ✓ Budgeting and Cost Control

Prior to becoming an affiliate owner with Criterium Engineers, Dan was an executive with a large company in the defense industry where he held numerous positions of increasing responsibility in engineering development, engineering operations, program management, and executive leadership—culminating in his role as Executive Director of Engineering for a nationwide team of 5,000+ technically diverse engineers. Dan is also a US Air Force veteran.

EDUCATION AND PROFESSIONAL AFFILIATIONS

- ✓ National Louis University, Evanston, Illinois
  - o Bachelors of Business Management

- ✓ Community College of the Air Force, Birmingham, Alabama
  - o Associates of Applied Science, Remote Sensing

WHY I DO WHAT I DO

"We live in an exciting age when seemingly nothing is beyond our ability to create through proper engineering—and that means constant change, even to some of the most common elements of our society. Whether we realize it or not, we have a symbiotic relationship with buildings and structures, and it's fascinating to understand how all of the different elements work together to form the landscape we interact with each day. Most important though, is the opportunity to develop strong relationships and partner with clients to help them understand their structures in a way that can alleviate concerns, instill confidence, and ultimately succeed in their endeavors."

DKessler@Criterium-Kessler.com – 480.218.1969
14539 W. Indian School Road, Suite #880, Goodyear, Arizona 85395

WHY CRITERIUM ENGINEERS

"Although buildings and other elements of society may appear simplistic in nature, the facts are that every element of our society has been engineered to perform as an element of an integrated system—whether that's buildings, roads, bridges, or even the topography around one's home. When a problem surfaces, the ability to partner with a company such as Criterium Engineers, with over 60 years of extremely diverse experience, and the combined nationwide expertise of 140+ engineers, is critical to understanding and solving problems.

Criterium Engineers is comprised of people who genuinely care about developing and nurturing relationships with other people and creating collaborative partnerships to fully investigate and understand their buildings and their associated challenges."

PROJECT HIGHLIGHTS

- ✓ Property Condition Assessments – Large 500,000 SF shopping mall, 330,000 SF retail plaza, office buildings, commercial retail, all La-Z-Boy showrooms and warehouses in Arizona, condominiums, etc.
- ✓ Paradise Reserve Community Association, Paradise Valley, Arizona – Reserve Study to project capital needs over the next 20 years for a unique community.
- ✓ Paradise Reserve Community Association, Paradise Valley, Arizona – Reserve Study to project capital needs over the next 20 years for a unique community.
- ✓ Palm Valley Phase V Community Association, Goodyear, Arizona – Structural wall evaluations, bid specification development for repair/repainting.
- ✓ Canyon Trails Homeowners Association, Goodyear, Arizona – Structural wall inspections and measurements to prepare for repainting and repairs.
- ✓ Pebble Creek Community Association, Goodyear, Arizona – Reserve Study to project capital needs over the next 20 years for the Association that manages over 4,500 homes for the Robson and Pebble Creek.
- ✓ Estrella Community Association, Goodyear, Arizona – Wall and fence structural defect evaluation across twelve communities.
- ✓ Ironwood Village Community Association, Scottsdale, Arizona – Wall evaluation to determine structural deficiencies, repairs, and erosion issues.
- ✓ Homeowners Associations and Communities – Structural Inspections and reports, water intrusion, and erosion control.
- ✓ Insurance, Home Warranty, and Commercial Clients – Stucco inspections, building inspections, structural distress inventory.

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KESSLER CRITERIUM ENGINEERS

BUILDING INSPECTION ENGINEERS
PROUDLY SERVING NORTH AMERICA SINCE 1957

Jacob W. Mann
Engineering Field Technician

Jacob Mann is an Engineering Field Technician. As a member of our team, he is immersed in the day to day operations of the engineering business, projects, and client relations. His extensive business background dealing with a myriad of clientele has been invaluable to our team.

Jacob's focus is on Reserve Studies and Transition Studies with additional emphasis on streamlining processes and identifying opportunities. He is continuing his education to become a certified Reserve Specialist and has gained significant competence with structural block wall evaluations and assisting the engineers with writing quality reports related to a wide range of structural and forensic engineering projects.

Jacob also assists our engineers with day to day operations, data collection and analysis, and keeping projects running smoothly.

EDUCATION & PROFESSIONAL AFFILIATIONS

- ✓ Glendale Community College, 2013
  - Emergency Response & Operations
  - Emergency Medical Technician

WHY I DO WHAT I DO

"Helping people has always been my passion and I am proud to do that by assisting with and performing inspections. Coming from an emergency focused background, I understand first-hand how situations can go from bad to worse, and I'm here to help. People change, lives change, and buildings change; we ensure the buildings you live, work, and visit are in tip-top shape. I enjoy meeting people and getting to know clients, visitors, and tenants. My goal is for everyone to have a good experience from beginning to end and the result is an outcome that suits all parties involved.

WHY CRITERIUM ENGINEERS?

"Every situation is different and we recognize the unique attributes of each individual. This results in a customized report tailored to your community, building, or home. When an issue presents itself it is often overwhelming and the cause unknown, but we are here to clear the mist. We provide clear and concise reports which convey pertinent information to what's happening and most importantly, why it's happening, along with required repairs or suggested upgrades. With over 60-years of experience, and with the expertise of over 140+ engineers to pull from, we can diagnose your issues.

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14539 W. Indian School Road, Suite #880, Goodyear, Arizona 85395

PROJECT HIGHLIGHTS

- ✓ Union at Roosevelt, Phoenix, Arizona - Property Condition Assessments (PCA), assisted with inspecting a high-rise condominium complex including restaurant and retail space below for the current condition and deficiencies.
- ✓ Estrella Homeowners Association, Goodyear, Arizona – Inspected numerous sections of walls in the community and provided associated reports.
- ✓ Santa Rita Ranch Homeowners Association, Mesa, Arizona – Evaluated and prepared a report for a wall evaluation of over 900 homes.
- ✓ Lindita Homeowners Association, Phoenix, Arizona – Reviewed and provided a detailed wall evaluation report.
- ✓ Palm Valley Phase VIII, Goodyear, Arizona – Inspected and evaluated the common area walls and provided a detailed report of the current condition, deficiencies, and recommended repairs.
- ✓ Stucco Moisture Inspections in Arizona – Evaluated many homes throughout the Valley and provided thorough reports detailing the current condition and deficiencies of stucco exterior homes.
- ✓ Reserve Studies in Arizona – Performed numerous reserve studies for many condominium and homeowner associations throughout the Southwest ranging in size from as small as 10 homes to over 12,000 homes. A small sample of the communities include:
    - Homestead North, Maricopa, Arizona
    - Canyon Trails, Goodyear, Arizona
    - La Aldea, Chandler, Arizona
    - Saguaro Estates, Scottsdale, Arizona
    - Fountain of the Sun, Mesa, Arizona
    - Sycamore Farms, Surprise, Arizona
    - Cantilena, Peoria, Arizona
    - Villages of La Paloma, Tucson, Arizona