

# RESERVE ANALYSIS REPORT

## The Overlook at FireRock

Fountain Hills, Arizona

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# The Overlook at FireRock

## Table Of Contents

	<b>Page</b>
Preface	i
Executive Summary	1
Calculation of Percent Funded	2
Projections	4
Projection Charts	5
Annual Expenditures	7
Component Detail	13
Component Detail Index	47

# Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

<b>Introduction to Reserve Budgeting</b> .....	page i
<b>Understanding the Reserve Analysis</b> .....	page i
<b>Reserve Funding Goals / Objectives</b> .....	page ii
<b>Reserve Funding Calculation Methods</b> .....	page ii
<b>Reading the Reserve Analysis</b> .....	page v
<b>Glossary of Key Terms</b> .....	page x
<b>Limitations of Reserve Analysis</b> .....	page xiii

## ◆ ◆ ◆ ◆ INTRODUCTION TO RESERVE BUDGETING ◆ ◆ ◆ ◆

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

## ◆ ◆ ◆ ◆ UNDERSTANDING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

### **Budget**

Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

### **Percent Funded**

Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

## Preface

reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is “100% funded” means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

### **Projections**

Indicate the “level of service” the association will provide the membership as well as a “road map” for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will “catch up” or how a properly funded association will remain fiscally “healthy.”

### **Inventory**

Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst’s comments.

## ◆ ◆ ◆ ◆ RESERVE FUNDING GOALS / OBJECTIVES ◆ ◆ ◆ ◆

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

### **Full Funding**

Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

### **Baseline Funding**

Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association’s percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

### **Threshold Funding**

Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

### **Statutory Funding**

Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

## ◆ ◆ ◆ ◆ RESERVE FUNDING CALCULATION METHODS ◆ ◆ ◆ ◆

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

### **Component Calculation Method**

This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the “straight line”

## Preface

method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

### Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

### Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

### Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate \$100,000 in ten years, \$10,000 could be contributed each year. Alternatively, the association could contribute \$8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

## Preface

	<u>0% Increase</u>	<u>3% Increase</u>	<u>10% Increase</u>
Year 1	\$10,000.00	\$8,723.05	\$6,274.54
Year 2	\$10,000.00	\$8,984.74	\$6,901.99
Year 3	\$10,000.00	\$9,254.28	\$7,592.19
Year 4	\$10,000.00	\$9,531.91	\$8,351.41
Year 5	\$10,000.00	\$9,817.87	\$9,186.55
Year 6	\$10,000.00	\$10,112.41	\$10,105.21
Year 7	\$10,000.00	\$10,415.78	\$11,115.73
Year 8	\$10,000.00	\$10,728.25	\$12,227.30
Year 9	\$10,000.00	\$11,050.10	\$13,450.03
Year 10	\$10,000.00	\$11,381.60	\$14,795.04
TOTAL	\$100,000.00	\$100,000.00	\$100,000.00

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds “in the bank” for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

### **Cash Flow Calculation Method**

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding). Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The **Directed Cash Flow Calculation Method** is our primary calculation method. It allows for several funding strategies to be manually tested until the optimal funding strategy accomplishing three goals is created:

Goal #1: Ensures that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period (typically 30 years)

Goal #2: Uniformly distributes the costs of replacements over time to benefit both current & future members of the association by using consistent, incremental contribution increases

Goal #3: Provides for the lowest reserve funding recommendation as possible over time with the goal of approaching, reaching and/or maintaining a 100% fully funded reserve balance

These very important aspects of the **Directed Cash Flow Calculation Method** will greatly aid the board of directors during the annual budgeting process.

# Preface

## ◆ ◆ ◆ ◆ READING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a “red flag” is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

### Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

**Client Information**  
Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

**Global Parameters**  
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.

**Community Profile**  
Provides brief description of the community, as well as other “global” type comments.

**Budget**  
Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

**Sample Homeowners Association**  
Executive Summary  
Component Calculation Method

Client Information:		Global Parameters:	
Account Number	99999	Inflation Rate	2.00%
Version Number	1	Annual Contribution Increase	2.00%
Analysis Date	3/18/2014	Investment Rate	1.00%
Fiscal Year	6/1/2014 to 5/31/2015	Taxes on Investments	30.00%
Number of Units	187	Contingency	3.00%
Phasing	8 of 8		

**Community Profile:**  
This community consists of 187 attached units with private roadways, pool area and extensive landscaped areas. For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.  
ARS site visits: March 1, 2014; January 2011; February 2008; April 2008; March 2005; March 2003; March 2002; April 2001 and March 2000

Adequacy of Reserves as of June 1, 2014:	
Anticipated Reserve Balance	\$865,450.00
Fully Funded Reserve Balance	\$1,011,228.83
Percent Funded	85.58%

Recommended Funding for the 2014-2015 Fiscal Year:			
	Annual	Monthly	Per Unit Per Month
Member Contribution	\$110,659	\$9,221.58	\$55.22
Interest Contribution	\$5,977	\$498.09	\$2.98
Total Contribution	\$116,636	\$9,719.66	\$58.20

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**Adequacy of Reserves**  
Displays the results of calculations with regard to the “health” of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

# Preface

## Calculation of Percent Funded

Summary displays all reserve components, shown here in “category” order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

**Reserve Components**  
All components are displayed (shown here in “category” order).

**Lifespans**  
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

**Sample Homeowners Association**  
Calculation of Percent Funded  
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<b>010 Streets</b>				
Streets - Asphalt, Overlay / Major Rehab	8	27	\$101,697.50	\$71,564.91
Streets - Asphalt, Repair	0	4	\$3,621.75	\$3,621.75
Streets - Asphalt, Seal Coat	0	4	\$5,926.50	\$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	\$0.00	\$0.00
<b>Sub Total</b>	<b>0-8</b>	<b>4-27</b>	<b>\$111,245.75</b>	<b>\$81,113.16</b>
<b>020 Roofs</b>				
Roofs - Tile				
<b>Sub Total</b>				
<b>030 Painting</b>				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
<b>Sub Total</b>				
<b>040 Fencing</b>				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
<b>Sub Total</b>				
<b>050 Lighting</b>				
Lighting - Buildings				
Lighting - Grounds				
<b>Sub Total</b>				
<b>060 Pool Area</b>				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				
<b>Sub Total</b>				

**Sample Homeowners Association**  
Calculation of Percent Funded  
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	\$8,591.63	\$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Pool Area - Furniture (Refurbish)	0	12	\$9,255.00	\$9,255.00
Pool Area - Furniture (Replace)	6	25	\$17,315.00	\$13,159.40
Pool Area - Mastic	0	4	\$5,131.50	\$5,131.50
Spa - Filter	0	13	\$1,350.00	\$1,350.00
Spa - Heater	0	10	\$3,050.00	\$3,050.00
Spa - Replaster & Tile Replace	3	8	\$5,250.00	\$3,126.40
<b>Sub Total</b>	<b>0-6</b>	<b>4-25</b>	<b>\$91,747.38</b>	<b>\$71,964.53</b>
<b>070 Decks</b>				
Decks - Clean & Top Coat	2	5	\$30,480.00	\$18,288.00
Decks - Resurface	2	13	\$65,227.20	\$54,720.81
<b>Sub Total</b>	<b>2</b>	<b>5-13</b>	<b>\$95,707.20</b>	<b>\$73,008.81</b>
<b>080 Misc (Buildings)</b>				
Fire Extinguisher Cabinets	2	21	\$27,625.00	\$24,904.05
Utility Closet Doors	2	21	\$73,900.00	\$68,881.90
<b>Sub Total</b>	<b>2</b>	<b>21</b>	<b>\$101,525.00</b>	<b>\$93,785.95</b>
<b>090 Misc (Grounds)</b>				
Landscape - Irrigation Controllers	0	12	\$28,000.00	\$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Mailboxes	2	21	\$37,200.00	\$32,657.14
<b>Sub Total</b>	<b>0-2</b>	<b>12-21</b>	<b>\$66,200.00</b>	<b>\$62,657.14</b>
<b>100 Termite Control</b>				
Termite Control	n.a.	n.a.	\$0.00	\$100,000.00
<b>Sub Total</b>	<b>n.a.</b>	<b>n.a.</b>	<b>\$0.00</b>	<b>\$100,000.00</b>
Contingency	n.a.	n.a.	n.a.	\$29,453.27
<b>Total</b>	<b>0-11</b>	<b>2-30</b>	<b>\$1,001,533.70</b>	<b>\$1,011,228.83</b>
<b>Anticipated Reserve Balance</b>				<b>\$865,450.00</b>
<b>Percent Funded</b>				<b>85.58%</b>

**Current Cost**  
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

**Fully Funded Balance**  
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.



# Preface

## Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

**Balance at FYB**  
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

**Sample Homeowners Association**  
Management / Accounting Summary  
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
<b>010 Streets</b>				
Streets - Asphalt, Overlay / Major Rehab	\$17,837.90	\$948.09	\$13.37	\$983.07
Streets - Asphalt, Repair	\$3,021.75	\$78.20	\$0.25	\$78.45
Streets - Asphalt, Seal Coat	\$5,028.50	\$127.96	\$0.41	\$128.37
Streets - Concrete, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sub Total</b>	<b>\$27,186.15</b>	<b>\$1,155.84</b>	<b>\$14.04</b>	<b>\$1,169.88</b>
<b>020 Roofs</b>				
Roofs - Tile				
<b>Sub Total</b>				
<b>030 Painting</b>				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
<b>Sub Total</b>				
<b>040 Fencing</b>				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
<b>Sub Total</b>				
<b>050 Lighting</b>				
Lighting - Buildings				
Lighting - Grounds				
<b>Sub Total</b>				
<b>060 Pool Area</b>				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
<b>Sub Total</b>				
<b>070 Decks</b>				
Decks - Clean & Top Coat	\$18,288.00	\$539.52	\$12.44	\$551.96
Decks - Resurfacing	\$54,720.81	\$506.93	\$33.85	\$540.58
<b>Sub Total</b>	<b>\$73,008.81</b>	<b>\$1,046.45</b>	<b>\$46.09</b>	<b>\$1,092.54</b>
<b>080 Misc (Buildings)</b>				
Fire Extinguisher Cabinets	\$24,994.05	\$139.11	\$15.07	\$154.19
Utility Closet Doors	\$66,861.80	\$372.15	\$40.32	\$412.47
<b>Sub Total</b>	<b>\$91,855.95</b>	<b>\$511.26</b>	<b>\$55.40</b>	<b>\$566.66</b>
<b>090 Misc (Grounds)</b>				
Landscape - Irrigation Controllers	\$28,000.00	\$219.48	\$0.71	\$220.19
Landscape - Renovation, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Mailboxes	\$33,657.14	\$187.33	\$20.30	\$207.63
<b>Sub Total</b>	<b>\$62,657.14</b>	<b>\$406.82</b>	<b>\$21.00</b>	<b>\$427.82</b>
<b>100 Termite Control</b>				
Termite Control	\$100,000.00	\$0.00	\$58.52	\$58.52
<b>Sub Total</b>	<b>\$100,000.00</b>	<b>\$0.00</b>	<b>\$58.52</b>	<b>\$58.52</b>
Contingency	\$25,207.28	\$268.59	\$15.61	\$284.20
<b>Total</b>	<b>\$865,450.00</b>	<b>\$9,221.58</b>	<b>\$498.09</b>	<b>\$9,719.66</b>

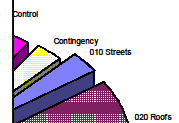
**Monthly Funding**  
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

**Sample Homeowners Association**  
Management / Accounting Summary  
Component Calculation Method; Sorted by Category

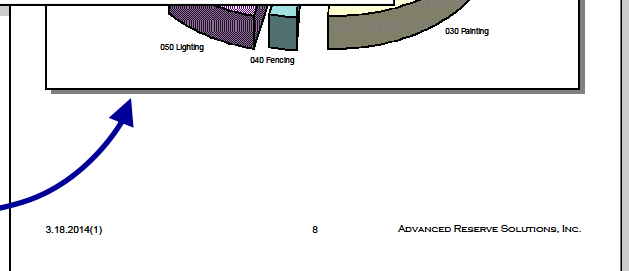
	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	\$3,250.00	\$24.60	\$0.08	\$24.68
Pool - Replaster & Tile Replace	\$7,070.58	\$146.76	\$4.61	\$151.37
Pool Area - Barbecues	\$1,010.00	\$28.98	\$0.69	\$30.67
Pool Area - Ceramic Tile	\$7,773.38	\$43.27	\$4.69	\$47.95
Pool Area - Concrete Deck, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Pool Area - Furniture (Refurbish)	\$8,255.00	\$70.05	\$0.23	\$70.27
Pool Area - Furniture (Replace)	\$13,159.40	\$74.76	\$7.94	\$82.70
Pool Area - Mastic	\$5,131.50	\$110.79	\$0.36	\$111.15
Spa - Filter	\$1,350.00	\$12.11	\$0.04	\$12.15
Spa - Heater	\$2,000.00	\$27.36	\$0.09	\$27.44
Spa - Replaster & Tile Replace	\$3,128.40	\$64.12	\$2.04	\$66.15
<b>Sub Total</b>	<b>\$71,964.53</b>	<b>\$710.19</b>	<b>\$30.10</b>	<b>\$740.28</b>
<b>070 Decks</b>				
Decks - Clean & Top Coat	\$18,288.00	\$539.52	\$12.44	\$551.96
Decks - Resurfacing	\$54,720.81	\$506.93	\$33.85	\$540.58
<b>Sub Total</b>	<b>\$73,008.81</b>	<b>\$1,046.45</b>	<b>\$46.09</b>	<b>\$1,092.54</b>
<b>080 Misc (Buildings)</b>				
Fire Extinguisher Cabinets	\$24,994.05	\$139.11	\$15.07	\$154.19
Utility Closet Doors	\$66,861.80	\$372.15	\$40.32	\$412.47
<b>Sub Total</b>	<b>\$91,855.95</b>	<b>\$511.26</b>	<b>\$55.40</b>	<b>\$566.66</b>
<b>090 Misc (Grounds)</b>				
Landscape - Irrigation Controllers	\$28,000.00	\$219.48	\$0.71	\$220.19
Landscape - Renovation, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Mailboxes	\$33,657.14	\$187.33	\$20.30	\$207.63
<b>Sub Total</b>	<b>\$62,657.14</b>	<b>\$406.82</b>	<b>\$21.00</b>	<b>\$427.82</b>
<b>100 Termite Control</b>				
Termite Control	\$100,000.00	\$0.00	\$58.52	\$58.52
<b>Sub Total</b>	<b>\$100,000.00</b>	<b>\$0.00</b>	<b>\$58.52</b>	<b>\$58.52</b>
Contingency	\$25,207.28	\$268.59	\$15.61	\$284.20
<b>Total</b>	<b>\$865,450.00</b>	<b>\$9,221.58</b>	<b>\$498.09</b>	<b>\$9,719.66</b>

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**Pie Charts**  
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.



# Preface

## Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.

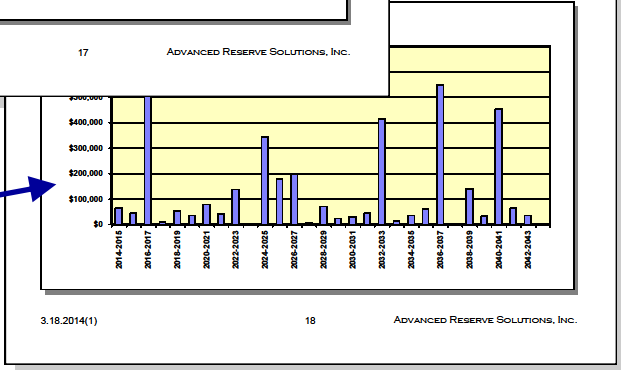
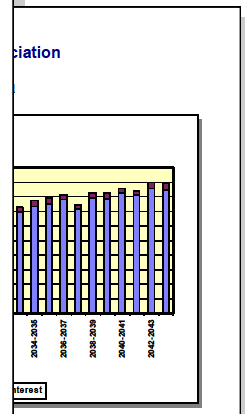
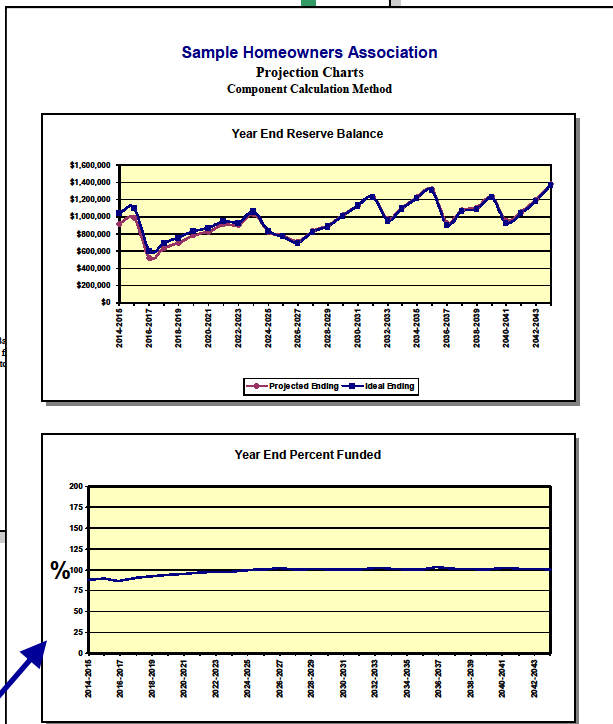
**Sample Homeowners Association  
Projections**  
Component Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2014-2015	\$865,450	\$110,659	\$5,977	\$54,980	\$917,106	\$1,046,139	88%
2015-2016	\$917,106	\$111,857	\$6,482	\$45,317	\$990,127	\$1,104,068	90%
2016-2017	\$990,127	\$118,806	\$3,175	\$591,549	\$518,559	\$568,939	87%
2017-2018	\$518,559	\$115,807	\$3,960	\$7,715	\$630,610	\$686,915	79%
2018-2019	\$630,610	\$116,508	\$4,431	\$52,973	\$998,577	\$755,512	94%
2019-2020	\$998,577	\$116,723	\$5,037	\$34,701	\$785,576	\$834,243	94%
2020-2021	\$785,576	\$118,645	\$5,331	\$80,731	\$828,821	\$886,179	95%
2021-2022	\$828,821	\$121,026	\$5,925	\$40,530	\$915,241	\$948,147	96%
2022-2023	\$915,241	\$123,506					
2023-2024	\$907,080	\$125,898					
2024-2025	\$1,037,322	\$128,436					
2025-2026	\$825,894	\$127,755					
2026-2027	\$780,089	\$125,648					
2027-2028	\$713,358	\$119,373					
2028-2029	\$631,867	\$131,699					
2029-2030	\$699,194	\$131,038					
2030-2031	\$1,013,798	\$137,575					
2031-2032	\$1,130,618	\$141,510					
2032-2033	\$1,237,543	\$143,182					
2033-2034	\$973,396	\$138,581					
2034-2035	\$1,104,489	\$147,134					
2035-2036	\$1,222,996	\$149,242					
2036-2037	\$1,317,743	\$155,898					
2037-2038	\$929,828	\$142,179					
2038-2039	\$1,078,962	\$157,613					
2039-2040	\$1,102,377	\$157,111					
2040-2041	\$1,234,892	\$165,390					
2041-2042	\$852,393	\$161,588					
2042-2043	\$1,056,301	\$171,747					
2043-2044	\$1,200,105	\$169,289					

NOTE: In some cases, the projected Ending Balance Expenditures. This is a result of the provision of contingency is continually adjusted according to

Improved format makes the numbers as easy to read and understand as possible. The color-coded bar indicates the reserve fund status:

Green: Good  
Yellow: Fair  
Red: Poor



**Charts**  
Show graphically the reserve funding plan through time.

# Preface

## Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.

**Streets - Asphalt, Seal Coat**

Category	010 Streets	Quantity	65,850 sq. ft.
Photo Date	January 2011	Unit Cost	\$0.090
		% of Replacement	100.00%
		Current Cost	\$5,626.50
		Future Cost	\$8,415.03
Placed In Service	11/09	Assigned Reserves at FYB	\$5,626.50
Useful Life	4	Monthly Member Contribution	\$127.96
Remaining Life	0	Monthly Interest Contribution	\$0.41
Replacement Year	2014-2015	Total Monthly Contribution	\$128.37

**Painting - Woodwork & Trim**

Category	030 Painting	Quantity	31,575 sq. ft.
Photo Date	January 2011	Unit Cost	\$0.920
		% of Replacement	100.00%
		Current Cost	\$29,049.00
		Future Cost	\$30,222.58
Placed In Service	06/12	Assigned Reserves at FYB	\$14,524.50
Useful Life	4	Monthly Member Contribution	\$634.91
Remaining Life	2	Monthly Interest Contribution	\$10.54
Replacement Year	2016-2017	Total Monthly Contribution	\$645.45

**Pool - Replaster & Tile Replace**

Category	060 Pool Area	Quantity	1 pool
Photo Date	January 2011	Unit Cost	\$15,075.000
		% of Replacement	100.00%
		Current Cost	\$15,075.00
		Future Cost	\$16,844.02
Placed In Service	01/10	Assigned Reserves at FYB	\$7,070.58
Useful Life	10	Monthly Member Contribution	\$146.76
Remaining Life	5	Monthly Interest Contribution	\$4.61
Replacement Year	2019-2020	Total Monthly Contribution	\$151.37

**Comments:**

The association seal coated and restriped for a total cost of \$5,075. The association seal coated and restriped for a total cost of \$6,000.

The current cost used for this component is adjusted for inflation where applicable.

Asphalt surfaces should be seal coated on

3.18.2014(1)

The association painted the woodwork and between July and November 2000 for a total cost of \$29,049. The association was in the process of painting the cabana interior (excluded) for a total cost of \$11,173.50 throughout the community by the end of the year.

The current cost used for this component is adjusted for inflation where applicable.

For budgeting purposes, we have used the current cost for this component.

The inventory for this component has been as of the March 2000 site visit, we believe this inventory is accurate.

3.18.2014(1)

1,020 sq. ft. of replastering @ \$12.50 = \$12,750.00  
 135 lin. ft. of trim tile @ \$15.00 = \$2,025.00  
 25 lin. ft. of step tile @ \$12.00 = \$300.00  
**TOTAL = \$15,075.00**

The pool and spa were replastered in March 2000 for a total cost of approximately \$8,700. The association acid washed the pool in June 2002 for a total cost of \$675. The association replastered the pool and spa (including replacement of the mastic directly adjacent to the pool and spa) in January 2010 for a total cost of \$16,900.

3.18.2014(1) 42 ADVANCED RESERVE SOLUTIONS, INC.

**Lifespan Information**  
Displays placed-in-service date, useful life, remaining life and replacement year.

**Cost Information**  
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

**Calculation Results**  
Displays assigned reserves and funding requirements.

**Comments**  
Useful information from site observations and historical expenses included here.

**Photos**  
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

## Preface

### ◆ ◆ ◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆ ◆ ◆

#### **Annual Contribution Increase Parameter**

The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the “time value of money,” this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of “reserve funding calculation methods” in this preface for more detail on this parameter.

#### **Anticipated Reserve Balance (or Reserve Funds)**

The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is “anticipated” because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

#### **Assigned Funds (and “Fixed” Assigned Funds)**

The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered “fixed” when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns \$10,000 to the roofs, but the association would like to show \$20,000 assigned to roofs, “fixed” funds of \$20,000 can be assigned.

#### **Cash Flow Calculation Method**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the “reserve funding calculation methods” section of the preface.

#### **Component Calculation Method**

Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the “reserve funding calculation methods” section of the preface.

#### **Contingency Parameter**

The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

#### **Current Replacement Cost**

The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

#### **Fiscal Year**

Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

#### **Fully Funded Reserve Balance (or Ideal Reserves)**

The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life.

## Preface

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

### **Future Replacement Cost**

The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

### **Global Parameters**

The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

### **Inflation Parameter**

The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

### **Interest Contribution**

The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

### **Investment Rate Parameter**

The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

### **Membership Contribution**

The amount of money contributed to the reserve fund by the association's membership.

### **Monthly Contribution (and "Fixed" Monthly Contribution)**

The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds \$1,000 to the roofs each month, but the association would like to show \$500 funded to roofs each month, a "fixed" contribution of \$500 can be assigned.

### **Number of Units (or other assessment basis)**

Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

# Preface

## **One-Time Replacement**

Used for components that will be budgeted for only once.

## **Percent Funded**

A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

## **Percentage of Replacement**

The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

## **Phasing**

Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

## **Placed-In-Service Date**

The date (month and year) that the reserve component was originally put into service or last replaced.

## **Remaining Life**

The length of time, in years, until a reserve component is scheduled to be replaced.

## **Remaining Life Adjustment**

The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

## **Replacement Year**

The fiscal year that a reserve component is scheduled to be replaced.

## **Reserve Components**

Line items included in the reserve analysis.

## **Taxes on Investments Parameter**

The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

# Preface

## Total Contribution

The sum of the membership contribution and interest contribution.

## Useful Life

The length of time, in years, that a reserve component is expected to last each time it is replaced. See also “remaining life adjustment.”

## ◆ ◆ ◆ ◆ LIMITATIONS OF RESERVE ANALYSIS ◆ ◆ ◆ ◆

This reserve analysis is intended as a tool for the association’s Board of Directors to be used in evaluating the association’s current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association’s obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

# The Overlook at FireRock

## Executive Summary

### Directed Cash Flow Method

#### Client Information

Account Number	5594
Version Number	002 (revised)
Analysis Date	1/6/2025
Fiscal Year	1/1/2025 to 12/31/2025
Number of units	64

#### Global Parameters

Inflation Rate	3.00%
Annual Contribution Increase	0.00%
Investment Rate	3.00%
Taxes on Investments	0.00%
Contingency	0.00%

#### Community Profile


This community was built between late 2016 & 2021. Refer to the Component Detail section for the dates used to age the components examined in this analysis.

The January 1, 2025 reserve balance is \$1,213,941.

The client's 2025 budgeted reserve contribution is \$44,083. Please see the Projections page for information on funds that have been added to the 2025 budgeted reserve contribution amount due to the reserves being significantly overfunded.

REPORTS: 2023. Updated 2024 (no site inspection).

#### Adequacy of Reserves as of January 1, 2025

Anticipated Reserve Balance		<b>\$1,213,941.00</b>
Fully Funded Reserve Balance		<b>\$570,188.72</b>
Percent Funded	0      25      50      75      100	<b>212.90%</b>

**\*\*\* SEE THE PROJECTIONS PAGE FOR INFORMATION ON THE FUNDING STRATEGY**



# The Overlook at FireRock

## Calculation of Percent Funded

### Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<b><u>010 Streets</u></b>				
Streets: Crack Seal	6	7	\$2,750.00	\$0.00
Streets: Crack Seal & HA5 Application	2	7	\$24,182.00	\$11,284.93
Streets: Patching/Repairs/Replacement	23	21	\$20,092.50	\$1,420.68
<b>Sub Total</b>	<b>2-23</b>	<b>7-21</b>	<b>\$47,024.50</b>	<b>\$12,705.62</b>
<b><u>020 Roofing</u></b>				
Roofs: Group 1 Buildings (Torchdown, Recoat)	10	10	\$101,325.00	\$0.00
Roofs: Group 2 Buildings (Torchdown, Recoat)	12	10	\$104,250.00	\$0.00
Roofs: Group 3 Buildings (Foam, Recoat)	5	10	\$119,625.00	\$56,664.47
Roofs: Metal (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Roofs: Torchdown, Repair/Recoat (2025)	0	7	\$52,000.00	\$52,000.00
Roofs: Torchdown, Repair/Recoat (2026)	1	8	\$39,000.00	\$34,125.00
Roofs: Torchdown, Repair/Recoat (2027)	2	9	\$39,000.00	\$30,333.33
Roofs: Torchdown, Repair/Recoat (2028)	3	10	\$52,000.00	\$36,400.00
<b>Sub Total</b>	<b>0-12</b>	<b>7-10</b>	<b>\$507,200.00</b>	<b>\$209,522.81</b>
<b><u>030 Painting</u></b>				
Paint: Group 1 Buildings	0	9	\$118,000.00	\$118,000.00
Paint: Group 2 Buildings	1	9	\$90,000.00	\$77,142.86
Paint: Group 3 Buildings	2	9	\$82,000.00	\$58,571.43
Paint: Group 4 Buildings	3	9	\$90,000.00	\$51,428.57
<b>Sub Total</b>	<b>0-3</b>	<b>9</b>	<b>\$380,000.00</b>	<b>\$305,142.86</b>
<b><u>041 Buildings Group 1</u></b>				
Buildings: Termite Treatment (Group 1)	2	5	\$14,875.00	\$8,925.00
Buildings: Termite Treatment Ext. Warranty (Group 1) (A)	0	5	\$1,955.00	\$1,955.00
Buildings: Termite Treatment Ext. Warranty (Group 1) (B)	1	5	\$1,955.00	\$1,466.25
<b>Sub Total</b>	<b>0-2</b>	<b>5</b>	<b>\$18,785.00</b>	<b>\$12,346.25</b>
<b><u>042 Buildings Group 2</u></b>				
Buildings: Termite Treatment (Group 2)	4	5	\$7,000.00	\$660.38
Buildings: Termite Treatment Ext. Warranty (Group 2) (A)	2	5	\$920.00	\$158.62
Buildings: Termite Treatment Ext. Warranty (Group 2) (B)	3	5	\$920.00	\$112.20
<b>Sub Total</b>	<b>2-4</b>	<b>5</b>	<b>\$8,840.00</b>	<b>\$931.19</b>
<b><u>043 Buildings Group 3</u></b>				
Buildings: Termite Treatment (Group 3)	1	5	\$6,125.00	\$4,900.00
Buildings: Termite Treatment Ext. Warranty (Group 3) (A)	4	5	\$805.00	\$0.00

# The Overlook at FireRock

## Calculation of Percent Funded

### Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Buildings: Termite Treatment Ext. Warranty (Group 3) (B)	5	5	\$805.00	\$0.00
<b>Sub Total</b>	<b>1-5</b>	<b>5</b>	<b>\$7,735.00</b>	<b>\$4,900.00</b>
<b>100 Grounds</b>				
Grounds: Irrigation Backflow Rebuild (#1)	0	5	\$1,100.00	\$1,100.00
Grounds: Irrigation Backflow Rebuild (#2)	1	5	\$1,100.00	\$962.50
Grounds: Irrigation Backflow Rebuild (#3)	2	5	\$1,100.00	\$825.00
Grounds: Irrigation Controllers Rebuild (Zone 1)	0	5	\$4,620.00	\$4,620.00
Grounds: Irrigation Controllers Rebuild (Zone 2)	1	5	\$5,005.00	\$4,379.38
Grounds: Irrigation Controllers Rebuild (Zone 3)	2	5	\$4,620.00	\$3,465.00
Grounds: Irrigation Controllers Rebuild (Zone 4)	3	5	\$5,005.00	\$3,128.13
Grounds: Irrigation System Replacement (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Grounds: Mailboxes (Wall Mounted)	17	25	\$13,000.00	\$4,160.00
Grounds: Miscellaneous Items	1	2	\$4,000.00	\$2,000.00
<b>Sub Total</b>	<b>0-17</b>	<b>2-25</b>	<b>\$39,550.00</b>	<b>\$24,640.00</b>
Contingency	n.a.	n.a.	n.a.	\$0.00
<b>Total</b>	<b>0-23</b>	<b>2-25</b>	<b>\$1,009,134.50</b>	<b>\$570,188.72</b>
Anticipated Reserve Balance				<b>\$1,213,941.00</b>
Percent Funded				<b>212.90%</b>

# The Overlook at FireRock

## Projections

### Directed Cash Flow Method

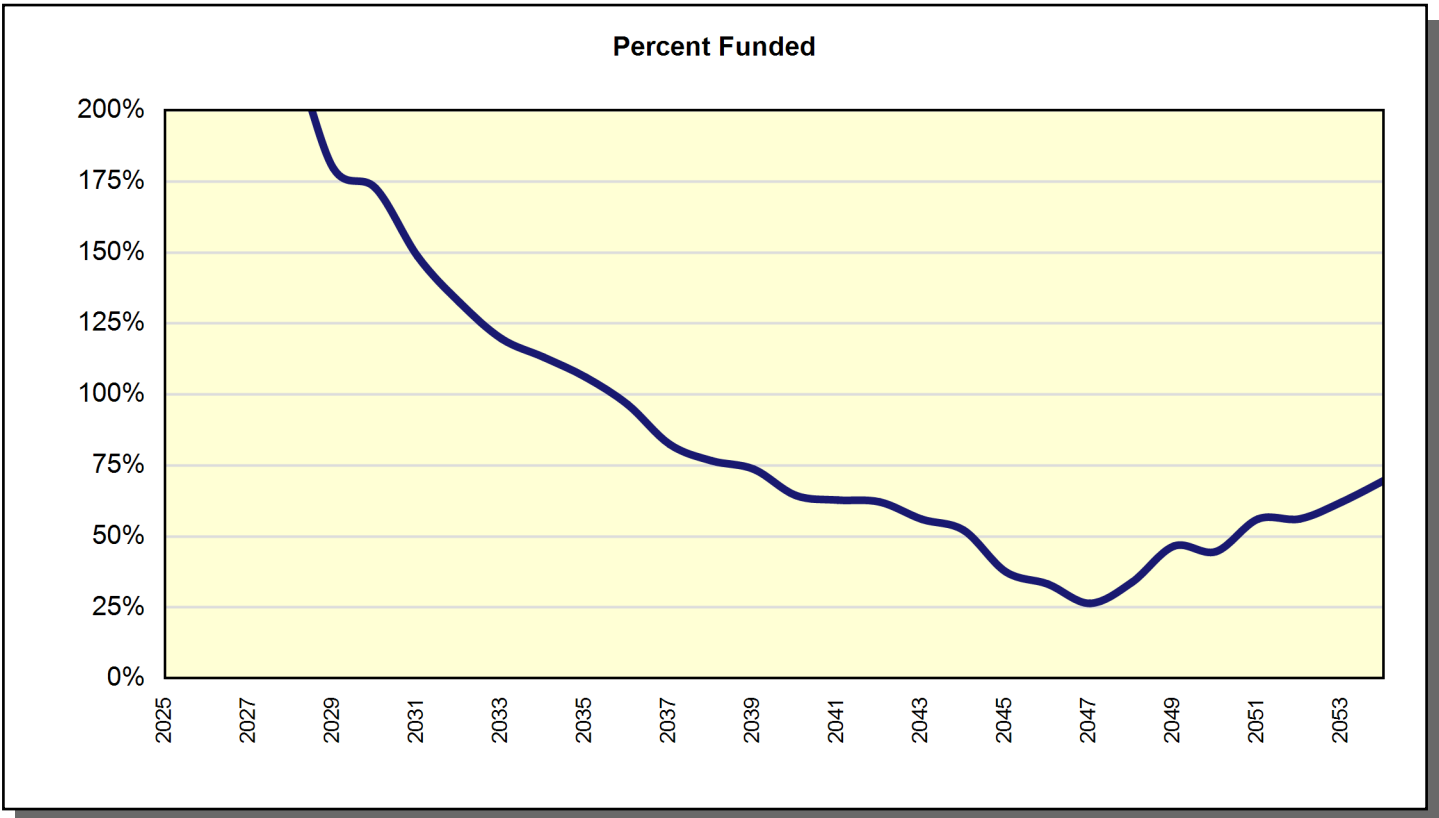
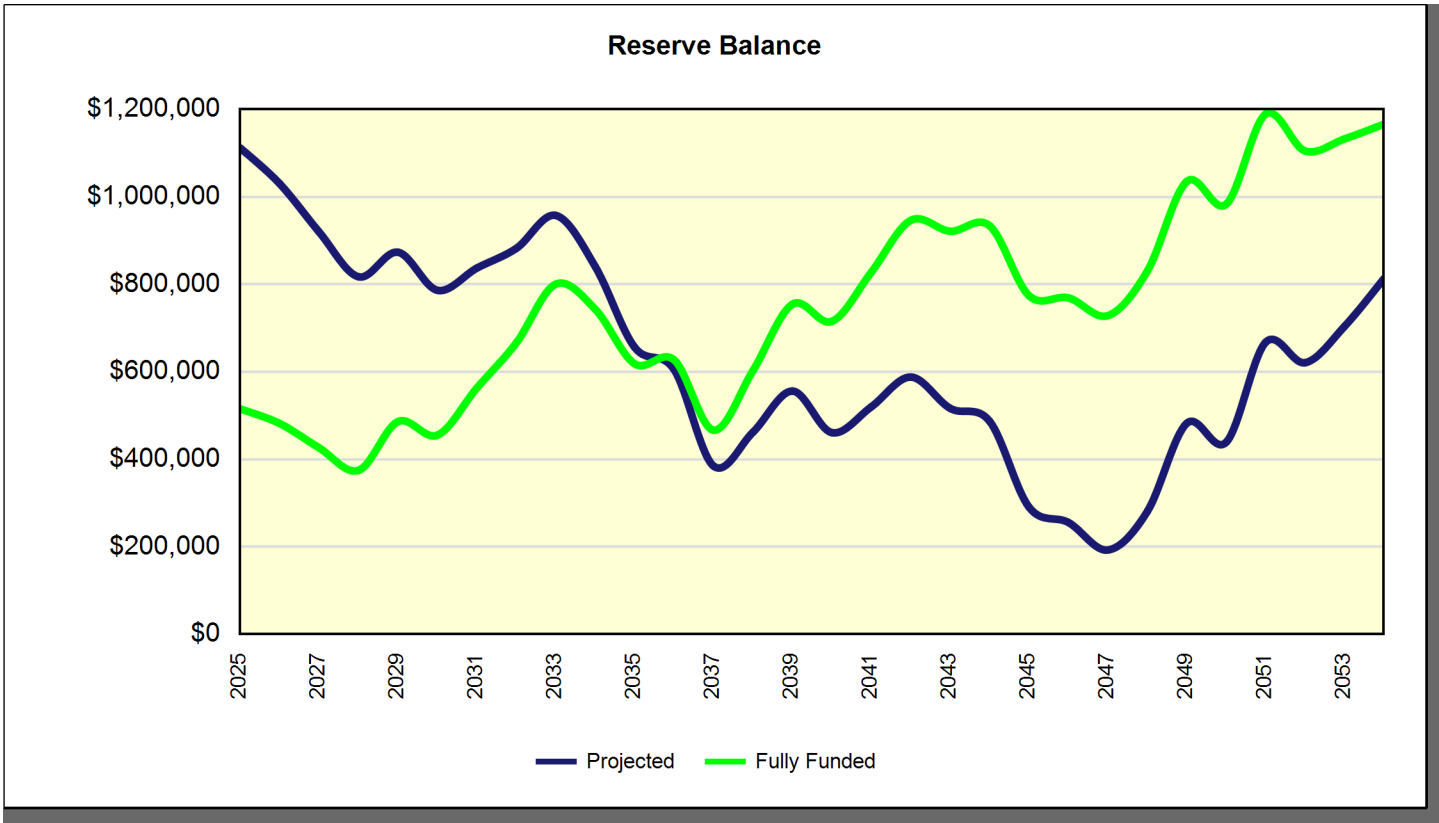
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2025	\$1,186,810	\$71,214	\$31,681	\$177,675	\$1,112,030	\$515,545	216%
2026	\$1,112,030	\$40,000	\$29,767	\$151,601	\$1,030,196	\$482,133	214%
2027	\$1,030,196	\$40,000	\$26,510	\$176,849	\$919,857	\$426,477	216%
2028	\$919,857	\$40,000	\$23,484	\$166,013	\$817,328	\$374,932	218%
2029	\$817,328	\$40,000	\$25,147	\$8,785	\$873,691	\$486,646	180%
2030	\$873,691	\$43,420	\$22,518	\$153,146	\$786,483	\$455,505	173%
2031	\$786,483	\$47,132	\$23,960	\$20,221	\$837,354	\$563,340	149%
2032	\$837,354	\$51,162	\$25,224	\$31,380	\$882,360	\$666,366	132%
2033	\$882,360	\$55,537	\$27,380	\$7,506	\$957,771	\$800,627	120%
2034	\$957,771	\$60,285	\$23,856	\$200,918	\$840,994	\$743,361	113%
2035	\$840,994	\$65,439	\$18,320	\$268,521	\$656,232	\$618,516	106%
2036	\$656,232	\$71,034	\$16,727	\$138,679	\$605,313	\$627,545	96%
2037	\$605,313	\$77,108	\$10,123	\$307,629	\$384,915	\$466,826	82%
2038	\$384,915	\$83,701	\$12,302	\$18,614	\$462,304	\$603,091	77%
2039	\$462,304	\$90,857	\$14,962	\$11,806	\$556,317	\$754,699	74%
2040	\$556,317	\$98,625	\$12,028	\$205,815	\$461,156	\$715,396	64%
2041	\$461,156	\$107,058	\$13,638	\$61,568	\$520,284	\$827,990	63%
2042	\$520,284	\$116,211	\$15,500	\$63,659	\$588,336	\$946,444	62%
2043	\$588,336	\$126,147	\$13,227	\$210,974	\$516,736	\$921,493	56%
2044	\$516,736	\$136,933	\$12,186	\$178,516	\$487,339	\$934,144	52%
2045	\$487,339	\$148,641	\$6,196	\$351,388	\$290,787	\$774,183	38%
2046	\$290,787	\$161,349	\$4,960	\$201,256	\$255,841	\$769,277	33%
2047	\$255,841	\$175,145	\$2,880	\$240,979	\$192,887	\$728,685	26%
2048	\$192,887	\$190,120	\$5,249	\$106,967	\$281,289	\$830,737	34%
2049	\$281,289	\$206,375	\$10,935	\$15,866	\$482,732	\$1,035,396	47%
2050	\$482,732	\$224,020	\$9,376	\$276,599	\$439,529	\$983,523	45%
2051	\$439,529	\$243,173	\$15,810	\$30,591	\$667,921	\$1,189,540	56%
2052	\$667,921	\$263,965	\$14,093	\$324,897	\$621,082	\$1,104,843	56%
2053	\$621,082	\$286,534	\$16,188	\$219,469	\$704,335	\$1,132,623	62%
2054	\$704,335	\$311,032	\$19,012	\$221,058	\$813,322	\$1,166,222	70%

The 1/1/2025 reserve balance is \$1,213,941. Due to the reserves being significantly overfunded, our software only recognizes \$1,186,810 of the \$1,213,941 (see 2nd column above). To counteract this, we have added the withheld amount of \$27,131 to the 2025 reserve contribution amount of \$44,083, so that all of the reserve funds are accounted for in this projection. For 2026 - 2029, the client advised us to use a \$40,000 contribution amount. After 2029, we have incorporated an 8.55% annual reserve contribution increase to reach a 70% funded level in the 30th year.

# The Overlook at FireRock

## Projection Charts

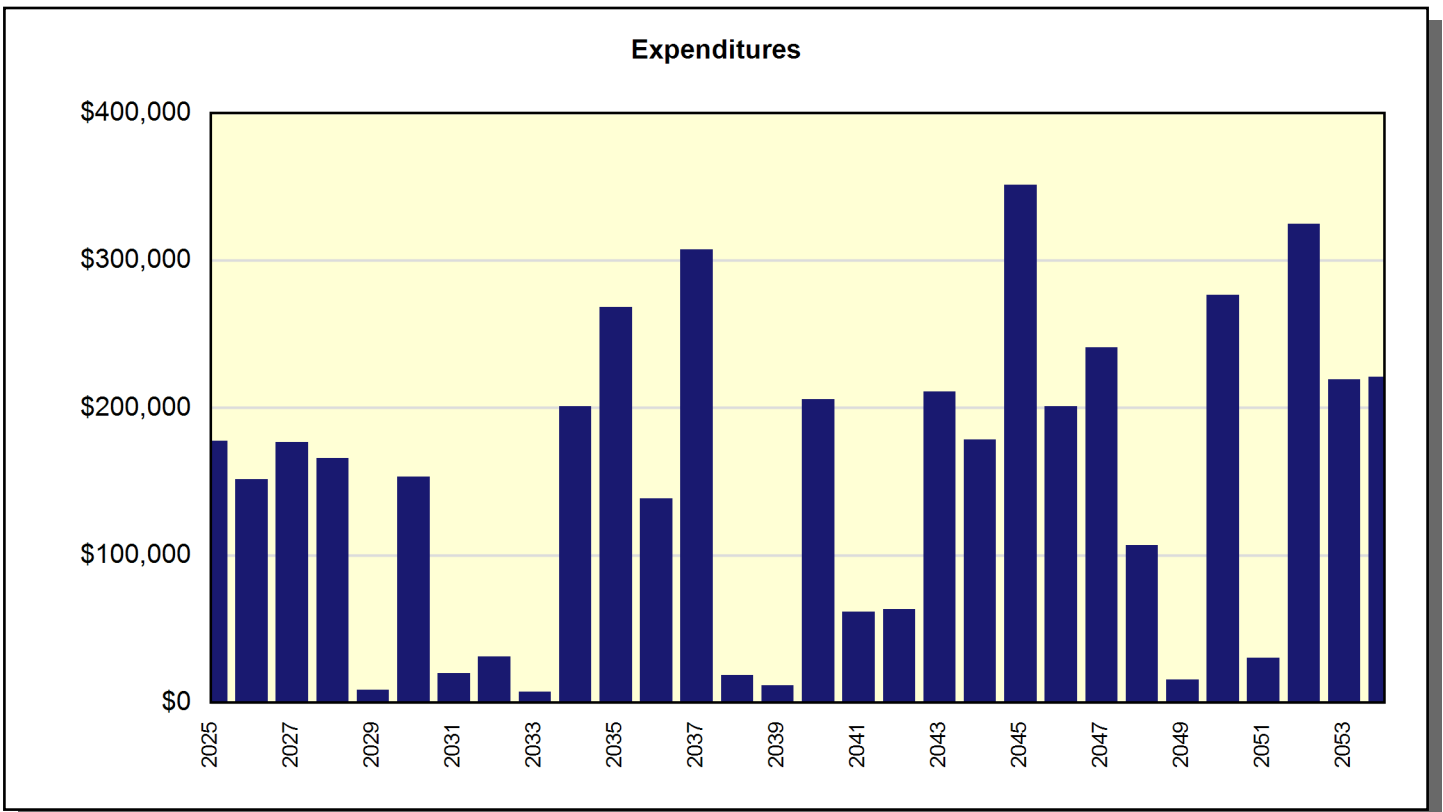
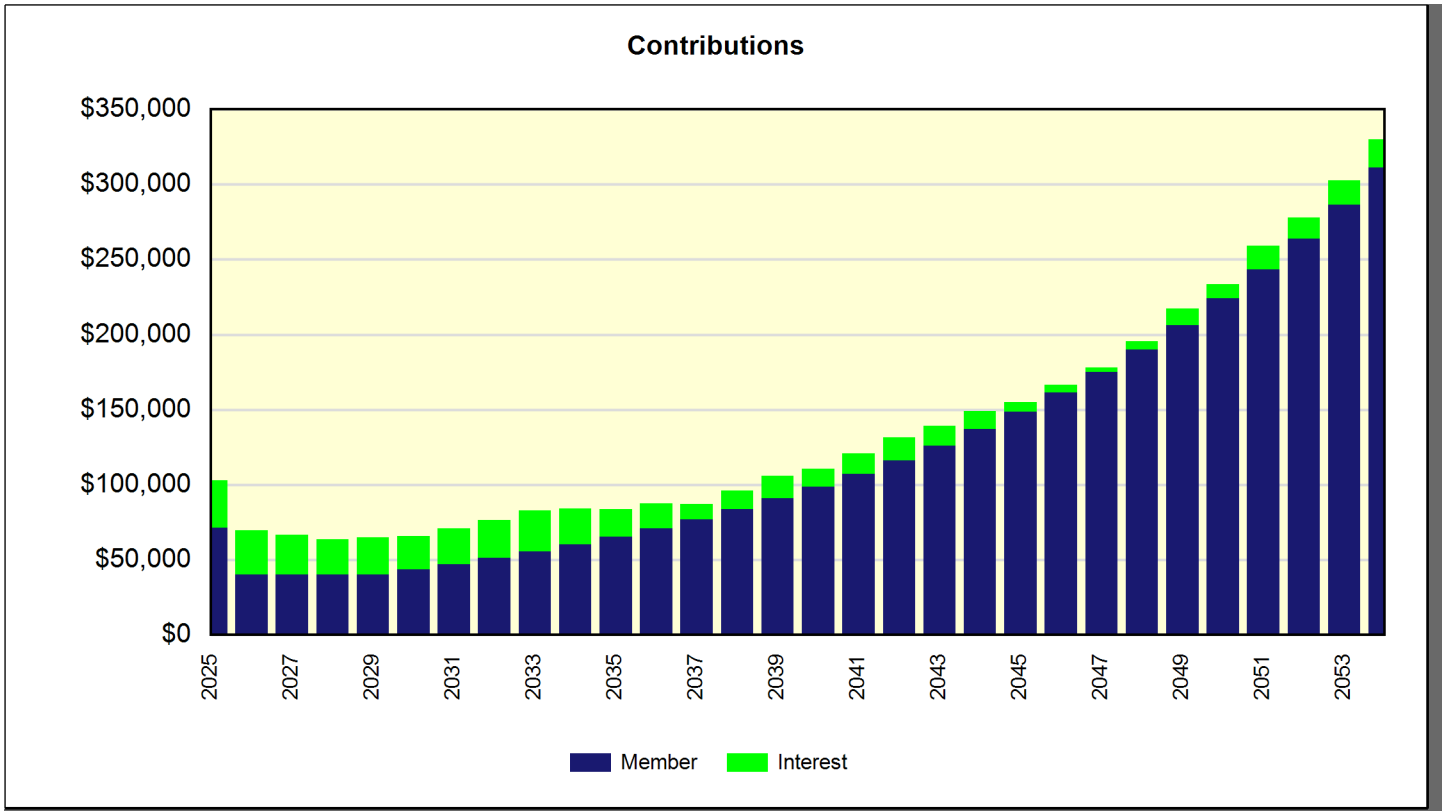
### Directed Cash Flow Method



# The Overlook at FireRock

## Projection Charts

### Directed Cash Flow Method



# The Overlook at FireRock

## Annual Expenditures

### Sorted by Alphabetical

#### 2025 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 1) (A)	\$1,955.00
Grounds: Irrigation Backflow Rebuild (#1)	\$1,100.00
Grounds: Irrigation Controllers Rebuild (Zone 1)	\$4,620.00
Paint: Group 1 Buildings	\$118,000.00
Roofs: Torchdown, Repair/Recoat (2025)	\$52,000.00
<b>Sub Total</b>	<b>\$177,675.00</b>

#### 2026 Fiscal Year

Buildings: Termite Treatment (Group 3)	\$6,308.75
Buildings: Termite Treatment Ext. Warranty (Group 1) (B)	\$2,013.65
Grounds: Irrigation Backflow Rebuild (#2)	\$1,133.00
Grounds: Irrigation Controllers Rebuild (Zone 2)	\$5,155.15
Grounds: Miscellaneous Items	\$4,120.00
Paint: Group 2 Buildings	\$92,700.00
Roofs: Torchdown, Repair/Recoat (2026)	\$40,170.00
<b>Sub Total</b>	<b>\$151,600.55</b>

#### 2027 Fiscal Year

Buildings: Termite Treatment (Group 1)	\$15,780.89
Buildings: Termite Treatment Ext. Warranty (Group 2) (A)	\$976.03
Grounds: Irrigation Backflow Rebuild (#3)	\$1,166.99
Grounds: Irrigation Controllers Rebuild (Zone 3)	\$4,901.36
Paint: Group 3 Buildings	\$86,993.80
Roofs: Torchdown, Repair/Recoat (2027)	\$41,375.10
Streets: Crack Seal & HA5 Application	\$25,654.68
<b>Sub Total</b>	<b>\$176,848.85</b>

#### 2028 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 2) (B)	\$1,005.31
Grounds: Irrigation Controllers Rebuild (Zone 4)	\$5,469.10
Grounds: Miscellaneous Items	\$4,370.91
Paint: Group 4 Buildings	\$98,345.43
Roofs: Torchdown, Repair/Recoat (2028)	\$56,821.80
<b>Sub Total</b>	<b>\$166,012.55</b>

#### 2029 Fiscal Year

Buildings: Termite Treatment (Group 2)	\$7,878.56
Buildings: Termite Treatment Ext. Warranty (Group 3) (A)	\$906.03
<b>Sub Total</b>	<b>\$8,784.60</b>

#### 2030 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 1) (A)	\$2,266.38
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# The Overlook at FireRock

## Annual Expenditures

### Sorted by Alphabetical

Buildings: Termite Treatment Ext. Warranty (Group 3) (B)	\$933.22
Grounds: Irrigation Backflow Rebuild (#1)	\$1,275.20
Grounds: Irrigation Controllers Rebuild (Zone 1)	\$5,355.85
Grounds: Miscellaneous Items	\$4,637.10
Roofs: Group 3 Buildings (Foam, Recoat)	\$138,678.16
<b>Sub Total</b>	<b>\$153,145.90</b>

#### 2031 Fiscal Year

Buildings: Termite Treatment (Group 3)	\$7,313.57
Buildings: Termite Treatment Ext. Warranty (Group 1) (B)	\$2,334.37
Grounds: Irrigation Backflow Rebuild (#2)	\$1,313.46
Grounds: Irrigation Controllers Rebuild (Zone 2)	\$5,976.23
Streets: Crack Seal	\$3,283.64
<b>Sub Total</b>	<b>\$20,221.28</b>

#### 2032 Fiscal Year

Buildings: Termite Treatment (Group 1)	\$18,294.37
Buildings: Termite Treatment Ext. Warranty (Group 2) (A)	\$1,131.48
Grounds: Irrigation Backflow Rebuild (#3)	\$1,352.86
Grounds: Irrigation Controllers Rebuild (Zone 3)	\$5,682.02
Grounds: Miscellaneous Items	\$4,919.50
<b>Sub Total</b>	<b>\$31,380.23</b>

#### 2033 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 2) (B)	\$1,165.43
Grounds: Irrigation Controllers Rebuild (Zone 4)	\$6,340.18
<b>Sub Total</b>	<b>\$7,505.61</b>

#### 2034 Fiscal Year

Buildings: Termite Treatment (Group 2)	\$9,133.41
Buildings: Termite Treatment Ext. Warranty (Group 3) (A)	\$1,050.34
Grounds: Miscellaneous Items	\$5,219.09
Paint: Group 1 Buildings	\$153,963.24
Streets: Crack Seal & HA5 Application	\$31,552.03
<b>Sub Total</b>	<b>\$200,918.11</b>

#### 2035 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 1) (A)	\$2,627.36
Buildings: Termite Treatment Ext. Warranty (Group 3) (B)	\$1,081.85
Grounds: Irrigation Backflow Rebuild (#1)	\$1,478.31
Grounds: Irrigation Controllers Rebuild (Zone 1)	\$6,208.89
Paint: Group 2 Buildings	\$120,952.47
Roofs: Group 1 Buildings (Torchdown, Recoat)	\$136,172.33

# The Overlook at FireRock

## Annual Expenditures

### Sorted by Alphabetical

<b>Sub Total</b>	<b>\$268,521.21</b>
<b><u>2036 Fiscal Year</u></b>	
Buildings: Termite Treatment (Group 3)	\$8,478.43
Buildings: Termite Treatment Ext. Warranty (Group 1) (B)	\$2,706.18
Grounds: Irrigation Backflow Rebuild (#2)	\$1,522.66
Grounds: Irrigation Controllers Rebuild (Zone 2)	\$6,928.09
Grounds: Miscellaneous Items	\$5,536.94
Paint: Group 3 Buildings	\$113,507.18
<b>Sub Total</b>	<b>\$138,679.47</b>
<b><u>2037 Fiscal Year</u></b>	
Buildings: Termite Treatment (Group 1)	\$21,208.19
Buildings: Termite Treatment Ext. Warranty (Group 2) (A)	\$1,311.70
Grounds: Irrigation Backflow Rebuild (#3)	\$1,568.34
Grounds: Irrigation Controllers Rebuild (Zone 3)	\$6,587.02
Paint: Group 4 Buildings	\$128,318.48
Roofs: Group 2 Buildings (Torchdown, Recoat)	\$148,635.57
<b>Sub Total</b>	<b>\$307,629.30</b>
<b><u>2038 Fiscal Year</u></b>	
Buildings: Termite Treatment Ext. Warranty (Group 2) (B)	\$1,351.05
Grounds: Irrigation Controllers Rebuild (Zone 4)	\$7,350.01
Grounds: Miscellaneous Items	\$5,874.13
Streets: Crack Seal	\$4,038.47
<b>Sub Total</b>	<b>\$18,613.66</b>
<b><u>2039 Fiscal Year</u></b>	
Buildings: Termite Treatment (Group 2)	\$10,588.13
Buildings: Termite Treatment Ext. Warranty (Group 3) (A)	\$1,217.63
<b>Sub Total</b>	<b>\$11,805.76</b>
<b><u>2040 Fiscal Year</u></b>	
Buildings: Termite Treatment Ext. Warranty (Group 1) (A)	\$3,045.83
Buildings: Termite Treatment Ext. Warranty (Group 3) (B)	\$1,254.16
Grounds: Irrigation Backflow Rebuild (#1)	\$1,713.76
Grounds: Irrigation Controllers Rebuild (Zone 1)	\$7,197.81
Grounds: Miscellaneous Items	\$6,231.87
Roofs: Group 3 Buildings (Foam, Recoat)	\$186,371.85
<b>Sub Total</b>	<b>\$205,815.29</b>
<b><u>2041 Fiscal Year</u></b>	
Buildings: Termite Treatment (Group 3)	\$9,828.83



# The Overlook at FireRock

## Annual Expenditures

### Sorted by Alphabetical

Buildings: Termite Treatment Ext. Warranty (Group 1) (B)	\$3,137.20
Grounds: Irrigation Backflow Rebuild (#2)	\$1,765.18
Grounds: Irrigation Controllers Rebuild (Zone 2)	\$8,031.56
Streets: Crack Seal & HA5 Application	\$38,805.01
<b>Sub Total</b>	<b>\$61,567.77</b>

#### 2042 Fiscal Year

Buildings: Termite Treatment (Group 1)	\$24,586.11
Buildings: Termite Treatment Ext. Warranty (Group 2) (A)	\$1,520.62
Grounds: Irrigation Backflow Rebuild (#3)	\$1,818.13
Grounds: Irrigation Controllers Rebuild (Zone 3)	\$7,636.16
Grounds: Mailboxes (Wall Mounted)	\$21,487.02
Grounds: Miscellaneous Items	\$6,611.39
<b>Sub Total</b>	<b>\$63,659.43</b>

#### 2043 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 2) (B)	\$1,566.24
Grounds: Irrigation Controllers Rebuild (Zone 4)	\$8,520.68
Paint: Group 1 Buildings	\$200,887.10
<b>Sub Total</b>	<b>\$210,974.02</b>

#### 2044 Fiscal Year

Buildings: Termite Treatment (Group 2)	\$12,274.54
Buildings: Termite Treatment Ext. Warranty (Group 3) (A)	\$1,411.57
Grounds: Miscellaneous Items	\$7,014.02
Paint: Group 2 Buildings	\$157,815.54
<b>Sub Total</b>	<b>\$178,515.68</b>

#### 2045 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 1) (A)	\$3,530.95
Buildings: Termite Treatment Ext. Warranty (Group 3) (B)	\$1,453.92
Grounds: Irrigation Backflow Rebuild (#1)	\$1,986.72
Grounds: Irrigation Controllers Rebuild (Zone 1)	\$8,344.23
Paint: Group 3 Buildings	\$148,101.12
Roofs: Group 1 Buildings (Torchdown, Recoat)	\$183,004.22
Streets: Crack Seal	\$4,966.81
<b>Sub Total</b>	<b>\$351,387.97</b>

#### 2046 Fiscal Year

Buildings: Termite Treatment (Group 3)	\$11,394.30
Buildings: Termite Treatment Ext. Warranty (Group 1) (B)	\$3,636.88
Grounds: Irrigation Backflow Rebuild (#2)	\$2,046.32
Grounds: Irrigation Controllers Rebuild (Zone 2)	\$9,310.77

# The Overlook at FireRock

## Annual Expenditures

### Sorted by Alphabetical

Grounds: Miscellaneous Items	\$7,441.18
Paint: Group 4 Buildings	\$167,426.51
<b>Sub Total</b>	<b>\$201,255.97</b>

#### 2047 Fiscal Year

Buildings: Termite Treatment (Group 1)	\$28,502.04
Buildings: Termite Treatment Ext. Warranty (Group 2) (A)	\$1,762.82
Grounds: Irrigation Backflow Rebuild (#3)	\$2,107.71
Grounds: Irrigation Controllers Rebuild (Zone 3)	\$8,852.40
Roofs: Group 2 Buildings (Torchdown, Recoat)	\$199,753.78
<b>Sub Total</b>	<b>\$240,978.75</b>

#### 2048 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 2) (B)	\$1,815.70
Grounds: Irrigation Controllers Rebuild (Zone 4)	\$9,877.80
Grounds: Miscellaneous Items	\$7,894.35
Streets: Crack Seal & HA5 Application	\$47,725.27
Streets: Patching/Repairs/Replacement	\$39,654.29
<b>Sub Total</b>	<b>\$106,967.40</b>

#### 2049 Fiscal Year

Buildings: Termite Treatment (Group 2)	\$14,229.56
Buildings: Termite Treatment Ext. Warranty (Group 3) (A)	\$1,636.40
<b>Sub Total</b>	<b>\$15,865.96</b>

#### 2050 Fiscal Year

Buildings: Termite Treatment Ext. Warranty (Group 1) (A)	\$4,093.34
Buildings: Termite Treatment Ext. Warranty (Group 3) (B)	\$1,685.49
Grounds: Irrigation Backflow Rebuild (#1)	\$2,303.16
Grounds: Irrigation Controllers Rebuild (Zone 1)	\$9,673.25
Grounds: Miscellaneous Items	\$8,375.11
Roofs: Group 3 Buildings (Foam, Recoat)	\$250,468.18
<b>Sub Total</b>	<b>\$276,598.53</b>

#### 2051 Fiscal Year

Buildings: Termite Treatment (Group 3)	\$13,209.12
Buildings: Termite Treatment Ext. Warranty (Group 1) (B)	\$4,216.14
Grounds: Irrigation Backflow Rebuild (#2)	\$2,372.25
Grounds: Irrigation Controllers Rebuild (Zone 2)	\$10,793.74
<b>Sub Total</b>	<b>\$30,591.25</b>

#### 2052 Fiscal Year

Buildings: Termite Treatment (Group 1)	\$33,041.67
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# The Overlook at FireRock

## Annual Expenditures

### Sorted by Alphabetical

Buildings: Termite Treatment Ext. Warranty (Group 2) (A)	\$2,043.59
Grounds: Irrigation Backflow Rebuild (#3)	\$2,443.42
Grounds: Irrigation Controllers Rebuild (Zone 3)	\$10,262.36
Grounds: Miscellaneous Items	\$8,885.16
Paint: Group 1 Buildings	\$262,112.10
Streets: Crack Seal	\$6,108.54
<b>Sub Total</b>	<b>\$324,896.84</b>

#### **2053 Fiscal Year**

Buildings: Termite Treatment Ext. Warranty (Group 2) (B)	\$2,104.89
Grounds: Irrigation Controllers Rebuild (Zone 4)	\$11,451.08
Paint: Group 2 Buildings	\$205,913.49
<b>Sub Total</b>	<b>\$219,469.46</b>

#### **2054 Fiscal Year**

Buildings: Termite Treatment (Group 2)	\$16,495.96
Buildings: Termite Treatment Ext. Warranty (Group 3) (A)	\$1,897.04
Grounds: Miscellaneous Items	\$9,426.26
Paint: Group 3 Buildings	\$193,238.37
<b>Sub Total</b>	<b>\$221,057.63</b>

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Streets: Crack Seal**

Category	010 Streets	Quantity	1 total
		Unit Cost	\$2,750.00
		% of Replacement	100.00%
		Current Cost	\$2,750.00
Placed In Service	01/2027	Future Cost	\$3,283.64
Useful Life	7		
Adjustment	-3	Assigned Reserves at FYB	\$2,750.00
Remaining Life	6	Monthly Member Contribution	\$0.00
Replacement Year	2031	Monthly Interest Contribution	\$8.15
		Total Monthly Contribution	\$8.15

This component includes a provision for crack sealing every 4th year after each crack sealing & HA5 application cycle.

# The Overlook at FireRock

## Component Detail

### Directed Cash Flow Calculation Method; Sorted By Category

#### Streets: Crack Seal & HA5 Application

Category	010 Streets	Quantity	1 total
		Unit Cost	\$24,182.00
		% of Replacement	100.00%
		Current Cost	\$24,182.00
Placed In Service	04/2023	Future Cost	\$25,654.68
Useful Life	7		
Adjustment	-3	Assigned Reserves at FYB	\$24,182.00
Remaining Life	2	Monthly Member Contribution	\$0.00
Replacement Year	2027	Monthly Interest Contribution	\$71.65
		Total Monthly Contribution	\$71.65

Historical Expenditures:

2018: streets were seal coated

2023: streets were repaired, crack sealed & seal coated (PMM) by Sunland Asphalt (\$19,167)

As directed by the client, this component budgets to crack seal & apply Holbrook Asphalt's High Density Mineral Bond (HA5) product in 2027, and then on a seven (7) year cycle.

1 crack seal provision	@	\$2,750.00	=	\$2,750.00
66,975 sq. ft. of HA5 application	@	\$0.32	=	\$21,432.00
		TOTAL	=	\$24,182.00

NOTE: We have not budgeted for a future slurry seal application at this time. The condition of the asphalt will need to be monitored over time, and should a slurry seal application be recommended by Holbrook Asphalt, we will include a provision for such at the time of a future update of this report.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Streets: Patching/Repairs/Replacement**

Category	010 Streets	Quantity	66,975 sq. ft.
		Unit Cost	\$6.00
		% of Replacement	5.00%
		Current Cost	\$20,092.50
Placed In Service	04/2023	Future Cost	\$39,654.29
Useful Life	21		
Adjustment	+4	Assigned Reserves at FYB	\$20,092.50
Remaining Life	23	Monthly Member Contribution	\$0.00
Replacement Year	2048	Monthly Interest Contribution	\$59.53
		Total Monthly Contribution	\$59.53

The application of the "HA5" High Density Mineral Bond advanced performance pavement preservation treatment in 2027, and then on a continuous seven (7) year cycle, will have a significant impact on the longevity of the asphalt due to its ability to preserve the existing asphalt binder, and to limit oxidative damage from moisture & UV rays. Therefore, there should be no need to budget for the complete removal & replacement of the asphalt at a single point time. Instead, this component includes a provision to patch/repair/replace a small percentage of the asphalt in conjunction with every third HA5 application cycle, beginning in 2048 (adjustments to this cycle can be made at the time of an update of this report based on the future condition of the asphalt). Please note that the accumulated funds can/should be used prior to 2048, if necessary.

The patching/repairs/replacement could be needed in areas with accelerated pavement deterioration due to:

- water ponding (settled areas)
- constant exposure to water due to sprinkler overspray or drip system runoff (excessive watering)
- high friction areas (intersections, etc.)

# The Overlook at FireRock

## Component Detail

### Directed Cash Flow Calculation Method; Sorted By Category

#### Roofs: Group 1 Buildings (Torchdown, Recoat)

Category	020 Roofing	Quantity	40,530 sq. ft.
		Unit Cost	\$2.50
		% of Replacement	100.00%
		Current Cost	\$101,325.00
Placed In Service	01/2025	Future Cost	\$136,172.33
Useful Life	10		
		Assigned Reserves at FYB	\$101,325.00
Remaining Life	10	Monthly Member Contribution	\$0.00
Replacement Year	2035	Monthly Interest Contribution	\$300.23
		Total Monthly Contribution	\$300.23

This component budgets to recoat (apply elastomeric coating) the flat, torchdown roofs atop the Group 1 units every 10 years. The Group 1 units were last recoated in 2024/2025:

- Units 1, 2 (4,130 sq. ft.)
- Units 15, 16 (3,900 sq. ft.)
- Units 21, 22 (4,750 sq. ft.)
- Units 29, 30 (4,000 sq. ft.)
- Units 33, 34 (3,350 sq. ft.)
- Units 37, 38 (4,500 sq. ft.)
- Units 41, 42 (4,400 sq. ft.)
- Units 43, 44 (3,850 sq. ft.)
- Units 45, 45 (3,300 sq. ft.)
- Units 49, 50 (4,350 sq. ft.)

The current cost of \$2.50/sq. ft. was provided by the client.

NOTE: The useful life of the torchdown roofs is unknown. The client has chosen to budget to coat/recoat the torchdown roofs on a 10 year cycle. At the time of each recoat, they will have the roofing vendor review/inspect the torchdown roofs to advise them if another recoat should be accounted for in 10 years, or if replacement (foaming) will be necessary in 10 years. If replacement is advised, they will have 10 years to fund for the foaming (replacement) of the roofs. The current cost to install foam roofs with a 10 year elastomeric coating is approximately \$6.00/sq. ft.

# The Overlook at FireRock

## Component Detail

### Directed Cash Flow Calculation Method; Sorted By Category

#### Roofs: Group 2 Buildings (Torchdown, Recoat)

Category	020 Roofing	Quantity	41,700 sq. ft.
		Unit Cost	\$2.50
		% of Replacement	100.00%
		Current Cost	\$104,250.00
Placed In Service	01/2027	Future Cost	\$148,635.57
Useful Life	10		
		Assigned Reserves at FYB	\$104,250.00
Remaining Life	12	Monthly Member Contribution	\$0.00
Replacement Year	2037	Monthly Interest Contribution	\$308.90
		Total Monthly Contribution	\$308.90

This component budgets to recoat (apply elastomeric coating) the flat, torchdown roofs atop the Group 2 units every 10 years. The Group 2 units were last recoated from 2026 - 2028 (average placed in service date of 2027):

- Units 3, 4 (4,700 sq. ft.)
- Units 9, 10 (3,950 sq. ft.)
- Units 11, 12 (3,950 sq. ft.)
- Units 13, 14 (3,450 sq. ft.)
- Units 17, 18 (4,450 sq. ft.)
- Units 19, 20 (3,300 sq. ft.)
- Units 35, 36 (4,650 sq. ft.)
- Units 47, 48 (3,350 sq. ft.)
- Units 51, 52 (5,100 sq. ft.)
- Units 55, 56 (4,800 sq. ft.)

The current cost of \$2.50/sq. ft. was provided by the client.

NOTE: The useful life of the torchdown roofs is unknown. The client has chosen to budget to coat/recoat the torchdown roofs on a 10 year cycle. At the time of each recoat, they will have the roofing vendor review/inspect the torchdown roofs to advise them if another recoat should be accounted for in 10 years, or if replacement (foaming) will be necessary in 10 years. If replacement is advised, they will have 10 years to fund for the foaming (replacement) of the roofs. The current cost to install foam roofs with a 10 year elastomeric coating is approximately \$6.00/sq. ft.



**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Roofs: Group 3 Buildings (Foam, Recoat)**

Category	020 Roofing	Quantity	47,850 sq. ft.
		Unit Cost	\$2.50
		% of Replacement	100.00%
		Current Cost	\$119,625.00
Placed In Service	07/2020	Future Cost	\$138,678.16
Useful Life	10		
		Assigned Reserves at FYB	\$119,625.00
Remaining Life	5	Monthly Member Contribution	\$0.00
Replacement Year	2030	Monthly Interest Contribution	\$354.45
		Total Monthly Contribution	\$354.45

This component budgets to recoat (apply elastomeric coating) the flat, foam roofs atop the Group 3 units every 10 years. The Group 3 units were built in 2020/2021:

- Units 5, 6 (4,600 sq. ft.)
- Units 7, 8 (4,400 sq. ft.)
- Units 23, 24 (3,350 sq. ft.)
- Units 25, 26 (3,900 sq. ft.)
- Units 27, 28 (4,200 sq. ft.)
- Units 31, 32 (4,100 sq. ft.)
- Units 39, 40 (3,250 sq. ft.)
- Units 53, 54 (4,400 sq. ft.)
- Units 57, 58 (4,000 sq. ft.)
- Units 59, 60 (3,250 sq. ft.)
- Units 61, 62 (3,650 sq. ft.)
- Units 63, 64 (4,750 sq. ft.)

The current cost of \$2.50/sq. ft. was provided by the client.

No provision has been included to replace the foam roofs. If inspected annually, repaired as needed, and recoated as recommended, the foam roofs should last indefinitely under normal circumstances.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Roofs: Metal (Unfunded)**

Category	020 Roofing	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2017	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

The client has advised us that the metal roofs atop 38 units were replaced under warranty by the developer , and the remainder of the metal roofs receive repairs, as necessary. At this time, there is no provision in this reserve study to replace the metal roofs (underlayment) given that the useful life is unknown, but is likely greater than 30 years. Going forward, it will be important to have annual roof inspections performed (metal & flat roofs), and any necessary repairs made on an "as needed" basis. The replacement of the metal roofs (underlayment) can be added to a future update of this reserve study when the client's roofer indicates that replacement will likely be required in the next 25 - 30 year horizon from the date of the inspection.

NOTE: The 38 units that received new metal roofs are: Units 1 - 4, 9 - 22, 29 - 30, 33 - 38, 41 - 44, 47- 52 & 55 - 56

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Roofs: Torchdown, Repair/Recoat (2025)**

Category	020 Roofing	Quantity	1 total
		Unit Cost	\$52,000.00
		% of Replacement	100.00%
		Current Cost	\$52,000.00
Placed In Service	01/2018	Future Cost	
Useful Life	7		
		Assigned Reserves at FYB	\$104,000.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2025	Monthly Interest Contribution	\$154.08
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$154.08

The client has advised us to budget a one time expense of \$52,000 in 2025 for the repair/recoat of the torchdown roofs at the following units:

Units 15, 16, 33, 34, 41, 42, 45, 46

NOTE: The future recoating of these roofs is accounted for in a separate component.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Roofs: Torchdown, Repair/Recoat (2026)**

Category	020 Roofing	Quantity	1 total
		Unit Cost	\$39,000.00
		% of Replacement	100.00%
		Current Cost	\$39,000.00
Placed In Service	01/2018	Future Cost	\$40,170.00
Useful Life	8		
		Assigned Reserves at FYB	\$39,000.00
Remaining Life	1	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$115.56
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$115.56

The client has advised us to budget a one time expense of \$39,000 (2025 cost basis) in 2026 for the repair/recoat of the torchdown roofs atop six (6) of the following 20 units (client will determine which six units will be done):

Units 3, 4, 9, 10, 11, 12, 13, 14, 17, 18, 19, 20, 35, 36, 47, 48, 51, 52, 55, 56

NOTE: The future recoating of these roofs is accounted for in a separate component.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Roofs: Torchdown, Repair/Recoat (2027)**

Category	020 Roofing	Quantity	1 total
		Unit Cost	\$39,000.00
		% of Replacement	100.00%
		Current Cost	\$39,000.00
Placed In Service	01/2018	Future Cost	\$41,375.10
Useful Life	9		
		Assigned Reserves at FYB	\$39,000.00
Remaining Life	2	Monthly Member Contribution	\$0.00
Replacement Year	2027	Monthly Interest Contribution	\$115.56
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$115.56

The client has advised us to budget a one time expense of \$39,000 (2025 cost basis) in 2027 for the repair/recoat of the torchdown roofs atop six (6) of the following 20 units (client will determine which six units will be done):

Units 3, 4, 9, 10, 11, 12, 13, 14, 17, 18, 19, 20, 35, 36, 47, 48, 51, 52, 55, 56

NOTE: The future recoating of these roofs is accounted for in a separate component.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Roofs: Torchdown, Repair/Recoat (2028)**

Category	020 Roofing	Quantity	1 total
		Unit Cost	\$52,000.00
		% of Replacement	100.00%
		Current Cost	\$52,000.00
Placed In Service	01/2018	Future Cost	\$56,821.80
Useful Life	10		
		Assigned Reserves at FYB	\$52,000.00
Remaining Life	3	Monthly Member Contribution	\$0.00
Replacement Year	2028	Monthly Interest Contribution	\$154.08
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$154.08

The client has advised us to budget a one time expense of \$52,000 (2025 cost basis) in 2028 for the repair/recoat of the torchdown roofs atop the remaining 8 (eight) of the following 20 units that weren't done in 2026 or 2027:

Units 3, 4, 9, 10, 11, 12, 13, 14, 17, 18, 19, 20, 35, 36, 47, 48, 51, 52, 55, 56

NOTE: The future recoating of these roofs is accounted for in a separate component.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Paint: Group 1 Buildings**

Category	030 Painting	Quantity	1 total
		Unit Cost	\$118,000.00
		% of Replacement	100.00%
		Current Cost	\$118,000.00
Placed In Service	01/2018	Future Cost	\$153,963.24
Useful Life	9		
Adjustment	-2	Assigned Reserves at FYB	\$236,000.00
Remaining Life	0	Monthly Member Contribution	\$5,343.14
Replacement Year	2025	Monthly Interest Contribution	\$20.16
		Total Monthly Contribution	\$5,363.30

This component budgets to repaint the Group 1 units in 2025, and then every nine (9) years as directed by the client (includes adjacent view fencing, retaining walls & enclosures). The Group 1 units include:

- Units 1, 2 (1 story)
- Units 3, 4 (2 story)
- Units 9, 10 (2 story)
- Units 13, 14 (2 story)
- Units 15, 16 (2 story)
- Units 17, 18 (2 story)
- Units 21, 22 (1 story)
- Units 43, 44 (2 story)
- Units 49, 50 (1 story)

The client provided current estimated repaint costs of \$3,700 - \$4,400 for the one story buildings, and \$8,000 - \$8,250 for the two story buildings.

NOTE: No provision has been included in this reserve study for the replacement of the metal view fencing. The condition of this fencing should be monitored over time, and replacement included at the time of a future update of this report, if necessary.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Paint: Group 2 Buildings**

Category	030 Painting	Quantity	1 total
		Unit Cost	\$90,000.00
		% of Replacement	100.00%
		Current Cost	\$90,000.00
Placed In Service	01/2019	Future Cost	\$92,700.00
Useful Life	9		
Adjustment	-2	Assigned Reserves at FYB	\$90,000.00
Remaining Life	1	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$266.67
		Total Monthly Contribution	\$266.67

This component budgets to repaint the Group 2 units in 2026, and then every nine (9) years as directed by the client (includes adjacent view fencing, retaining walls & enclosures). The Group 2 units include:

- Units 11, 12 (2 story)
- Units 19, 20 (2 story)
- Units 29, 30 (1 story)
- Units 33, 34 (1 story)
- Units 35, 36 (1 story)
- Units 37, 38 (1 story)
- Units 45, 46 (2 story)
- Units 51, 52 (1 story)

The client provided current estimated repaint costs of \$3,700 - \$4,400 for the one story buildings, and \$8,000 - \$8,250 for the two story buildings.

NOTE: No provision has been included in this reserve study for the replacement of the metal view fencing. The condition of this fencing should be monitored over time, and replacement included at the time of a future update of this report, if necessary.



**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Paint: Group 3 Buildings**

Category	030 Painting	Quantity	1 total
		Unit Cost	\$82,000.00
		% of Replacement	100.00%
		Current Cost	\$82,000.00
Placed In Service	01/2020	Future Cost	\$86,993.80
Useful Life	9		
Adjustment	-2	Assigned Reserves at FYB	\$82,000.00
Remaining Life	2	Monthly Member Contribution	\$0.00
Replacement Year	2027	Monthly Interest Contribution	\$242.97
		Total Monthly Contribution	\$242.97

This component budgets to repaint the Group 3 units in 2027, and then every nine (9) years as directed by the client (includes adjacent view fencing, retaining walls & enclosures). The Group 3 units include:

- Units 5, 6 (2 story)
- Units 27, 28 (1 story)
- Units 31, 32 (1 story)
- Units 41, 42 (2 story)
- Units 47, 48 (2 story)
- Units 55, 56 (1 story)
- Units 63, 64 (1 story)

The client provided current estimated repaint costs of \$3,700 - \$4,400 for the one story buildings, and \$8,000 - \$8,250 for the two story buildings.

NOTE: No provision has been included in this reserve study for the replacement of the metal view fencing. The condition of this fencing should be monitored over time, and replacement included at the time of a future update of this report, if necessary.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Paint: Group 4 Buildings**

Category	030 Painting	Quantity	1 total
		Unit Cost	\$90,000.00
		% of Replacement	100.00%
		Current Cost	\$90,000.00
Placed In Service	01/2021	Future Cost	\$98,345.43
Useful Life	9		
Adjustment	-2	Assigned Reserves at FYB	\$90,000.00
Remaining Life	3	Monthly Member Contribution	\$0.00
Replacement Year	2028	Monthly Interest Contribution	\$266.67
		Total Monthly Contribution	\$266.67

This component budgets to repaint the Group 4 units in 2028, and then every nine (9) years as directed by the client (includes adjacent view fencing, retaining walls & enclosures). The Group 4 units include:

- Units 7, 8 (1 story)
- Units 23, 24 (1 story)
- Units 25, 26 (1 story)
- Units 39, 40 (2 story)
- Units 53, 54 (1 story)
- Units 57, 58 (1 story)
- Units 59, 60 (2 story)
- Units 61, 62 (2 story)

The client provided current estimated repaint costs of \$3,700 - \$4,400 for the one story buildings, and \$8,000 - \$8,250 for the two story buildings.

NOTE: No provision has been included in this reserve study for the replacement of the metal view fencing. The condition of this fencing should be monitored over time, and replacement included at the time of a future update of this report, if necessary.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment (Group 1)**

Category	041 Buildings Group 1	Quantity	17 buildings
		Unit Cost	\$875.00
		% of Replacement	100.00%
		Current Cost	\$14,875.00
Placed In Service	01/2022	Future Cost	\$15,780.89
Useful Life	5		
		Assigned Reserves at FYB	\$14,875.00
Remaining Life	2	Monthly Member Contribution	\$0.00
Replacement Year	2027	Monthly Interest Contribution	\$44.07
		Total Monthly Contribution	\$44.07

In 2022, 17 buildings received termite treatment at a cost of \$850 per building. As directed by the client, this component budgets for termite treatment for these buildings every five (5) years.

- Units 1, 2
- Units 3, 4
- Units 9, 10
- Units 11, 12
- Units 13, 14
- Units 15, 16
- Units 17, 18
- Units 19, 20
- Units 21, 22
- Units 29, 30
- Units 33, 34
- Units 35, 36
- Units 37, 38
- Units 43, 44
- Units 45, 46
- Units 49, 50
- Units 51, 52

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment Ext. Warranty (Group 1) (A)**

Category	041 Buildings Group 1	Quantity	17 buildings
		Unit Cost	\$115.00
		% of Replacement	100.00%
		Current Cost	\$1,955.00
Placed In Service	01/2022	Future Cost	\$2,266.38
Useful Life	5		
Adjustment	-2	Assigned Reserves at FYB	\$3,910.00
Remaining Life	0	Monthly Member Contribution	\$150.63
Replacement Year	2025	Monthly Interest Contribution	\$0.57
		Total Monthly Contribution	\$151.20

In 2022, 17 buildings received termite treatment (3 year warranty, 5 year anticipated useful life). As directed by the client, this component budgets for the termite treatment extended warranty for the 4th year after each five year application cycle:

- Units 1, 2
- Units 3, 4
- Units 9, 10
- Units 11, 12
- Units 13, 14
- Units 15, 16
- Units 17, 18
- Units 19, 20
- Units 21, 22
- Units 29, 30
- Units 33, 34
- Units 35, 36
- Units 37, 38
- Units 43, 44
- Units 45, 46
- Units 49, 50
- Units 51, 52

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment Ext. Warranty (Group 1) (B)**

Category	041 Buildings Group 1	Quantity	17 buildings
		Unit Cost	\$115.00
		% of Replacement	100.00%
		Current Cost	\$1,955.00
Placed In Service	01/2022	Future Cost	\$2,013.65
Useful Life	5		
Adjustment	-1	Assigned Reserves at FYB	\$1,955.00
Remaining Life	1	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$5.79
		Total Monthly Contribution	\$5.79

In 2022, 17 buildings received termite treatment (3 year warranty, 5 year anticipated useful life). As directed by the client, this component budgets for the termite treatment extended warranty for the 5th year after each five year application cycle:

- Units 1, 2
- Units 3, 4
- Units 9, 10
- Units 11, 12
- Units 13, 14
- Units 15, 16
- Units 17, 18
- Units 19, 20
- Units 21, 22
- Units 29, 30
- Units 33, 34
- Units 35, 36
- Units 37, 38
- Units 43, 44
- Units 45, 46
- Units 49, 50
- Units 51, 52

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment (Group 2)**

Category	042 Buildings Group 2	Quantity	8 buildings
		Unit Cost	\$875.00
		% of Replacement	100.00%
		Current Cost	\$7,000.00
Placed In Service	08/2024	Future Cost	\$7,878.56
Useful Life	5		
		Assigned Reserves at FYB	\$7,000.00
Remaining Life	4	Monthly Member Contribution	\$0.00
Replacement Year	2029	Monthly Interest Contribution	\$20.74
		Total Monthly Contribution	\$20.74

In August 2024, the following eight buildings received termite treatment at a cost of \$875 per building. As directed by the client, this component budgets for termite treatment for these buildings every five (5) years.

- Units 5, 6
- Units 23, 24
- Units 27, 28
- Units 41, 42
- Units 47, 48
- Units 53, 54
- Units 55, 56
- Units 63, 64

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment Ext. Warranty (Group 2) (A)**

Category	042 Buildings Group 2	Quantity	8 buildings
		Unit Cost	\$115.00
		% of Replacement	100.00%
		Current Cost	\$920.00
Placed In Service	08/2024	Future Cost	\$976.03
Useful Life	5		
Adjustment	-2	Assigned Reserves at FYB	\$920.00
Remaining Life	2	Monthly Member Contribution	\$0.00
Replacement Year	2027	Monthly Interest Contribution	\$2.73
		Total Monthly Contribution	\$2.73

In August 2024, the following eight buildings received termite treatment (3 year warranty, 5 year anticipated useful life). As directed by the client, this component budgets for the termite treatment extended warranty for the 4th year after each five year application cycle:

- Units 5, 6
- Units 23, 24
- Units 27, 28
- Units 41, 42
- Units 47, 48
- Units 53, 54
- Units 55, 56
- Units 63, 64

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment Ext. Warranty (Group 2) (B)**

Category	042 Buildings Group 2	Quantity	8 buildings
		Unit Cost	\$115.00
		% of Replacement	100.00%
		Current Cost	\$920.00
Placed In Service	08/2024	Future Cost	\$1,005.31
Useful Life	5		
Adjustment	-1	Assigned Reserves at FYB	\$920.00
Remaining Life	3	Monthly Member Contribution	\$0.00
Replacement Year	2028	Monthly Interest Contribution	\$2.73
		Total Monthly Contribution	\$2.73

In August 2024, the following eight buildings received termite treatment (3 year warranty, 5 year anticipated useful life). As directed by the client, this component budgets for the termite treatment extended warranty for the 5th year after each five year application cycle:

- Units 5, 6
- Units 23, 24
- Units 27, 28
- Units 41, 42
- Units 47, 48
- Units 53, 54
- Units 55, 56
- Units 63, 64



**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment (Group 3)**

Category	043 Buildings Group 3	Quantity	7 buildings
		Unit Cost	\$875.00
		% of Replacement	100.00%
		Current Cost	\$6,125.00
Placed In Service	01/2021	Future Cost	\$6,308.75
Useful Life	5		
		Assigned Reserves at FYB	\$6,125.00
Remaining Life	1	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$18.15
		Total Monthly Contribution	\$18.15

As directed by the client, this component budgets for termite treatment for the following seven (7) buildings in 2026, and then every five years:

- Units 7, 8
- Units 25, 26
- Units 31, 32
- Units 39, 40
- Units 57, 58
- Units 59, 60
- Units 61, 62

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment Ext. Warranty (Group 3) (A)**

Category	043 Buildings Group 3	Quantity	7 buildings
		Unit Cost	\$115.00
		% of Replacement	100.00%
		Current Cost	\$805.00
Placed In Service	01/2026	Future Cost	\$906.03
Useful Life	5		
Adjustment	-2	Assigned Reserves at FYB	\$805.00
Remaining Life	4	Monthly Member Contribution	\$0.00
Replacement Year	2029	Monthly Interest Contribution	\$2.39
		Total Monthly Contribution	\$2.39

The following seven (7) buildings will receive termite treatment in 2026 (3 year warranty, 5 year anticipated useful life. As directed by the client, this component budgets for the termite treatment extended warranty for the 4th year after each five year application cycle:

- Units 7, 8
- Units 25, 26
- Units 31, 32
- Units 39, 40
- Units 57, 58
- Units 59, 60
- Units 61, 62

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings: Termite Treatment Ext. Warranty (Group 3) (B)**

Category	043 Buildings Group 3	Quantity	7 buildings
		Unit Cost	\$115.00
		% of Replacement	100.00%
		Current Cost	\$805.00
Placed In Service	01/2026	Future Cost	\$933.22
Useful Life	5		
Adjustment	-1	Assigned Reserves at FYB	\$805.00
Remaining Life	5	Monthly Member Contribution	\$0.00
Replacement Year	2030	Monthly Interest Contribution	\$2.39
		Total Monthly Contribution	\$2.39

The following seven (7) buildings will receive termite treatment in 2026 (3 year warranty, 5 year anticipated useful life. As directed by the client, this component budgets for the termite treatment extended warranty for the 5th year after each five year application cycle:

- Units 7, 8
- Units 25, 26
- Units 31, 32
- Units 39, 40
- Units 57, 58
- Units 59, 60
- Units 61, 62

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation Backflow Rebuild (#1)**

Category	100 Grounds	Quantity	1 backflow preventer
		Unit Cost	\$1,100.00
		% of Replacement	100.00%
		Current Cost	\$1,100.00
Placed In Service	01/2017	Future Cost	\$1,275.20
Useful Life	5		
Adjustment	+3	Assigned Reserves at FYB	\$2,200.00
Remaining Life	0	Monthly Member Contribution	\$84.75
Replacement Year	2025	Monthly Interest Contribution	\$0.32
		Total Monthly Contribution	\$85.07

Per Client: 3 backflow preventers (rebuild @ \$1,000 on a five year cycle) (2023 cost has been adjusted for inflation)

Backflow Preventer #1: rebuild in 2025, and then on a five year cycle

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation Backflow Rebuild (#2)**

Category	100 Grounds	Quantity	1 backflow preventer
		Unit Cost	\$1,100.00
		% of Replacement	100.00%
		Current Cost	\$1,100.00
Placed In Service	01/2018	Future Cost	\$1,133.00
Useful Life	5		
Adjustment	+3	Assigned Reserves at FYB	\$1,100.00
Remaining Life	1	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$3.26
		Total Monthly Contribution	\$3.26

Per Client: 3 backflow preventers (rebuild @ \$1,000 on a five year cycle) (2023 cost has been adjusted for inflation)

Backflow Preventer #2: rebuild in 2026, and then on a five year cycle

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation Backflow Rebuild (#3)**

Category	100 Grounds	Quantity	1 backflow preventer
		Unit Cost	\$1,100.00
		% of Replacement	100.00%
		Current Cost	\$1,100.00
Placed In Service	01/2019	Future Cost	\$1,166.99
Useful Life	5		
Adjustment	+3	Assigned Reserves at FYB	\$1,100.00
Remaining Life	2	Monthly Member Contribution	\$0.00
Replacement Year	2027	Monthly Interest Contribution	\$3.26
		Total Monthly Contribution	\$3.26

Per Client: 3 backflow preventers (rebuild @ \$1,000 on a five year cycle) (2023 cost has been adjusted for inflation)

Backflow Preventer #3: rebuild in 2027, and then on a five year cycle

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation Controllers Rebuild (Zone 1)**

Category	100 Grounds	Quantity	12 controllers
		Unit Cost	\$385.00
		% of Replacement	100.00%
		Current Cost	\$4,620.00
Placed In Service	01/2017	Future Cost	\$5,355.85
Useful Life	5		
Adjustment	+3	Assigned Reserves at FYB	\$9,240.00
Remaining Life	0	Monthly Member Contribution	\$355.97
Replacement Year	2025	Monthly Interest Contribution	\$1.34
		Total Monthly Contribution	\$357.31

Per Client: \$350 per rebuild (total of 50 controllers - will be done by zones over a four year period) (2023 cost has been adjusted for inflation)

Zone 1: rebuild 12 controllers in 2025, and then on a five year cycle

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation Controllers Rebuild (Zone 2)**

Category	100 Grounds	Quantity	13 controllers
		Unit Cost	\$385.00
		% of Replacement	100.00%
		Current Cost	\$5,005.00
Placed In Service	01/2018	Future Cost	\$5,155.15
Useful Life	5		
Adjustment	+3	Assigned Reserves at FYB	\$5,005.00
Remaining Life	1	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$14.83
		Total Monthly Contribution	\$14.83

Per Client: \$350 per rebuild (total of 50 controllers - will be done by zones over a four year period) (2023 cost has been adjusted for inflation)

Zone 2: rebuild 13 controllers in 2026, and then on a five year cycle



**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation Controllers Rebuild (Zone 3)**

Category	100 Grounds	Quantity	12 controllers
		Unit Cost	\$385.00
		% of Replacement	100.00%
		Current Cost	\$4,620.00
Placed In Service	01/2019	Future Cost	\$4,901.36
Useful Life	5		
Adjustment	+3	Assigned Reserves at FYB	\$4,620.00
Remaining Life	2	Monthly Member Contribution	\$0.00
Replacement Year	2027	Monthly Interest Contribution	\$13.69
		Total Monthly Contribution	\$13.69

Per Client: \$350 per rebuild (total of 50 controllers - will be done by zones over a four year period) (2023 cost has been adjusted for inflation)

Zone 3: rebuild 12 controllers in 2027, and then on a five year cycle

# The Overlook at FireRock

## Component Detail

### Directed Cash Flow Calculation Method; Sorted By Category

#### Grounds: Irrigation Controllers Rebuild (Zone 4)

Category	100 Grounds	Quantity	13 controllers
		Unit Cost	\$385.00
		% of Replacement	100.00%
		Current Cost	\$5,005.00
Placed In Service	01/2020	Future Cost	\$5,469.10
Useful Life	5		
Adjustment	+3	Assigned Reserves at FYB	\$5,005.00
Remaining Life	3	Monthly Member Contribution	\$0.00
Replacement Year	2028	Monthly Interest Contribution	\$14.83
		Total Monthly Contribution	\$14.83

Per Client: \$350 per rebuild (total of 50 controllers - will be done by zones over a four year period) (2023 cost has been adjusted for inflation)

Zone 4: rebuild 13 controllers in 2028, and then on a five year cycle

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation System Replacement (Unfunded)**

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2017	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

Irrigation systems are one of the most difficult items to budget for without specific information provided by an expert who is familiar with the system inventory and system condition. We have been advised by irrigation system experts that most system components (piping, sprinkler heads, valves, etc) have a useful life of 20+ years. However, budgeting for the replacement of an irrigation system requires evaluation of the present condition (to identify remaining useful life) and replacement cost - both of which call for expert evaluation, but fall outside the scope of a reserve study.

NOTE: The client advised us that they previously received a \$400,000 - \$500,000 estimate to replace the irrigation system, but has not requested that we include budgeting for such in this reserve study. At this time, the client intends to budget for ongoing irrigation system repairs as an operating expense. Should the client wish to add irrigation system replacement to the reserve study in the future, we will need to be provided the current estimated cost, the projected replacement year, and the useful life cycle to be used following replacement.

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Mailboxes (Wall Mounted)**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$13,000.00
		% of Replacement	100.00%
		Current Cost	\$13,000.00
Placed In Service	01/2017	Future Cost	\$21,487.02
Useful Life	25		
		Assigned Reserves at FYB	\$13,000.00
Remaining Life	17	Monthly Member Contribution	\$0.00
Replacement Year	2042	Monthly Interest Contribution	\$38.52
		Total Monthly Contribution	\$38.52

This component budgets to replace the following wall mounted mailbox sets (manufactured 11/2016) located in front of Unit 8 along Ridgestone Drive:

4 16 box sets w/2 parcel boxes	@	\$3,250.00	=	<u>\$13,000.00</u>
		TOTAL	=	<u>\$13,000.00</u>

**The Overlook at FireRock**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Miscellaneous Items**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$4,000.00
		% of Replacement	100.00%
		Current Cost	\$4,000.00
Placed In Service	01/2024	Future Cost	\$4,120.00
Useful Life	2		
		Assigned Reserves at FYB	\$4,000.00
Remaining Life	1	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$11.85
		Total Monthly Contribution	\$11.85

As directed by the client, this component budgets \$4,000, every four years, for expenses/projects associated with the following components on an "as needed" basis:

- monument sign/entry wall repairs
- concrete/sidewalk repairs
- cobblestone repairs
- driveway pavers (powerwashing, repairs, replacements)
- landscape lighting
- exterior lights
- paint touch-ups for back patio metal view fencing/gates & courtyard gates

# The Overlook at FireRock

## Component Detail Index

	<b>Page</b>
Buildings: Termite Treatment (Group 1)	28
Buildings: Termite Treatment (Group 2)	31
Buildings: Termite Treatment (Group 3)	34
Buildings: Termite Treatment Ext. Warranty (Group 1) (A)	29
Buildings: Termite Treatment Ext. Warranty (Group 1) (B)	30
Buildings: Termite Treatment Ext. Warranty (Group 3) (A)	35
Buildings: Termite Treatment Ext. Warranty (Group 3) (B)	36
Buildings: Termite Treatment Ext. Warranty (Group 2) (A)	32
Buildings: Termite Treatment Ext. Warranty (Group 2) (B)	33
Grounds: Irrigation Backflow Rebuild (#1)	37
Grounds: Irrigation Backflow Rebuild (#2)	38
Grounds: Irrigation Backflow Rebuild (#3)	39
Grounds: Irrigation Controllers Rebuild (Zone 1)	40
Grounds: Irrigation Controllers Rebuild (Zone 2)	41
Grounds: Irrigation Controllers Rebuild (Zone 3)	42
Grounds: Irrigation Controllers Rebuild (Zone 4)	43
Grounds: Irrigation System Replacement (Unfunded)	44
Grounds: Mailboxes (Wall Mounted)	45
Grounds: Miscellaneous Items	46
Paint: Group 1 Buildings	24
Paint: Group 2 Buildings	25
Paint: Group 3 Buildings	26
Paint: Group 4 Buildings	27
Roofs: Group 1 Buildings (Torchdown, Recoat)	16
Roofs: Group 2 Buildings (Torchdown, Recoat)	17
Roofs: Group 3 Buildings (Foam, Recoat)	18
Roofs: Metal (Unfunded)	19
Roofs: Torchdown, Repair/Recoat (2025)	20
Roofs: Torchdown, Repair/Recoat (2026)	21
Roofs: Torchdown, Repair/Recoat (2027)	22
Roofs: Torchdown, Repair/Recoat (2028)	23
Streets: Crack Seal	13
Streets: Crack Seal & HA5 Application	14
Streets: Patching/Repairs/Replacement	15

**34 Components**