

RESERVE STUDY

Full Study

Sample for California

Final

Published - January 23, 2023

Prepared for the 2024 Fiscal Year

Browning Reserve Group, Llc

P. O. Box 60125 / Sacramento, California 95860
Phone (916) 393-0600 Fax (916) 393-0610 Toll Free (877) 708-0600
bob@browningrg.com / www.BrowningRG.com

© B&O Reserve Software 2023



Sample for California

Final

Table of Contents

<i>Section</i>	<i>Report</i>	<i>Page</i>
<i>Section I:</i>	Summary of Association Reserves	1
<i>Section II:</i>	30 Year Expense Forecast <i>Detailed</i>	5
<i>Section III:</i>	30 Year Reserve Funding Plan <i>Cash Flow Method {c}</i>	7
<i>Section III-a:</i>	30 Year Reserve Funding Plan <i>Cash Flow Method - Ending Balances Chart</i>	8
<i>Section IV:</i>	30 Year Reserve Funding Plan <i>Fully Funded Balance and % Funded</i>	9
<i>Section IV-a:</i>	30 Year Reserve Funding Plan <i>Cash Flow Method - Percent Funded Chart</i>	10
<i>Section V:</i>	Reserve Fund Balance Forecast <i>Component Method</i>	11
<i>Section VI:</i>	Component Listing <i>Included Components</i>	13
<i>Section VII:</i>	Tabular Component Listing <i>Included Components</i>	22
<i>Section VII-a:</i>	Expenditures by Year <i>- Next 8 Years</i>	23
<i>Section X:</i>	Auditor Notes	24
<i>Section X-a:</i>	Supplementary Information for Auditor <i>Component Method</i>	26
<i>Section XI:</i>	Glossary <i>Reserve Study Terms</i>	27



Sample for California

Final

Member Distribution Materials

The following Reserve Study sections, located at the end of the report, should be provided to each member.

<i>Section</i>	<i>Report</i>	
<i>California:</i>	Member Summary	31
	Assessment and Reserve Funding <i>[Civil Code §5570]</i>	33
	Disclosure Summary	
<i>Section III:</i>	30 Year Reserve Funding Plan	<i>Cash Flow Method {c}</i> 35

Sample for California

Final

Published - January 23, 2023

Prepared for the 2024 Fiscal Year

Reserve Study Summary

A Reserve Study was conducted of Sample for California (the "**Association**"). A **Full Study** includes an on-site review upon where the following tasks are performed:

- development of a reserve component inventory;
- condition assessment based upon on-site visual observation;
- life and valuation estimates;
- fund status;
- and a funding plan.

Sample for California is a Planned Development with a total of 76 Lots.

Physical Inspection

Browning Reserve Group, LLC ("**BRG**") conducted a physical inspection of the Association. The inspection encompassed those major components that the Association is required to maintain. For this study components are determined to be major components if:

1. As of the date of the study, they have a remaining useful life of less than 30 years, and a value greater than \$1,000.
2. Such additional components, if any, determined by the Board of Directors.

During the inspection, BRG utilized the services of our own construction cost estimator. In addition, independent contractors were retained to render opinions on selected components as indicated in Section VI, Included Component Listing.

Supplemental information to the physical inspection may have been obtained from the following sources:

1. Project plans where available.
2. Maintenance records of the reserve components where available.
3. Association board members, management and staff.

Summary of Reserves

For the first year of the Reserve Study, the reserve contribution is based upon the existing budget unless otherwise noted in "Section III, Reserve Funding Plan." In addition BRG relied on the Association to provide an accurate Beginning Reserve Balance.

The status of the Association's reserves, as reflected in the following Reserve Study, is as follows:

1. **The Expenditure Forecast of the following Reserve Study identifies the major components which the Association is obligated to repair, replace, restore or maintain, as determined in accordance with the criteria specified above, and specifies for each such component:**
 - a. **Its current estimated replacement cost;**
 - b. **Its estimated useful life; and**
 - c. **Its estimated remaining useful life.**
2. **It is estimated that the total cash reserves necessary to repair, replace, restore or maintain such major components (in the aggregate) during and at the end of their first remaining useful life is \$1,831,163.**
 - **[For purposes of this calculation, "necessary" is defined as the Fully Funded Balance (FFB) (Component Current Cost X Effective Age / Useful Life, including a provision for interest and inflation in future years.)]**
3. **The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain such major components as of the fiscal year ending December 31, 2024 is estimated to be \$1,832,039, constituting 100.0% of the total expenditures anticipated for all such major components through their first end of useful life replacement.**
4. **Based upon the schedule of annual reserve contributions necessary to defray the cost of repairing, replacing, restoring or maintaining such major components in the years such expenditures are estimated to be required, it is estimated that annual reserve contributions in the initial amount of \$135,703 [*\$148.80 per Lot per month (average)*] for the fiscal year ending December 31, 2024 (the first full fiscal year following first distribution of this report) will be necessary in order to meet all such reserve expenditures when they are projected to come due.**

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Percent Funded Status

Based on paragraphs 1 - 3 above, the Association is 100.0% funded. The following scale can be used as a measure to determine the Association's financial picture whereas the lower the percentage, the higher the likelihood of the Association requiring a special assessment, or other large increases to the reserve contribution in the future.



Methodology

The above recommended reserve contribution for the next fiscal year (and future fiscal years as outlined in *Section III, Reserve Fund Balance Forecast*) was developed using the Cash Flow method. This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Funding Goals

The funding goal employed for Sample for California is

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

Limitations

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Statutory Disclosures

Compliance

The Reserve Study was conducted pursuant to *Sections 5300 and 5550* of the California Civil Code.

Open Meeting

California *Civil Code Section 5560* says (in part):

The (Reserve Funding) plan shall be adopted by the board of directors at an open meeting before the membership of the association as described in *Article 2 (commencing with Section 4900) of Chapter 6*. If the board of directors determines that an assessment increase is necessary to fund the reserve funding plan, any increase shall be approved in a separate action of the board that is consistent with the procedure described in *Section 5605*.

Supplemental Disclosures

General:

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

Personnel Credentials:

BRG is a licensed general building contractor in California, #768851, and the owner, Robert W Browning, holds the Reserve Specialist designation, #46 from the Community Associations Institute.

Completeness:

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

Reliance on Client Data:

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

Scope:

This Reserve Study is a reflection of information provided to BRG and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, health and safety inspection, or background checks of historical records.

Reserve Balance:

The actual beginning reserve fund balance in this Reserve Study is based upon information provided and was not audited.

Reserve Projects:

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



Browning Reserve Group, LLC



Section II
Sample for California
30 Year Expense Forecast - Detailed

Final
Prepared for the 2024 Fiscal Year

Reserve Component	Current		Life	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Replacement Cost	Useful / Remaining																
01000 - Paving																		
100 - Asphalt: Sealing 36,100 sf Streets & Parking	8,350	5	3				8,992					10,174						11,511
200 - Asphalt: Ongoing Repairs 36,100 sf Streets & Parking (2%)	3,775	5	3				4,065					4,599						5,204
300 - Asphalt: Overlay w/ Interlayer 36,100 sf Streets & Parking	90,250	25	8									109,961						
Total 01000 - Paving	102,375						13,057					124,734						16,714
02000 - Concrete																		
200 - Sidewalks, Curbs & Gutters 88,160 sf Street Side (0.5%)	5,675	5	3				6,111					6,914						7,823
Total 02000 - Concrete	5,675						6,111					6,914						7,823
03000 - Painting: Exterior																		
120 - Surface Restoration 182,400 sf [76] Homes	335,540	10	2			352,527												451,264
350 - Touch-Up 76 Homes	49,400	10	7								58,721							
500 - Light Poles 21 Street Lights	3,780	5	2			3,971					4,493							5,084
Total 03000 - Painting: Exterior	388,720					356,498					63,214							456,348
05000 - Roofing																		
440 - Pitched: Dimensional Composition 1,520 Squares- [76] Homes	1,497,200	25	7								1,779,700							
700 - Gutters / Downspouts 18,240 lf [76] Homes	264,480	25	7								314,384							
Total 05000 - Roofing	1,761,680										2,094,084							
18500 - Lakes / Ponds																		
200 - Bulkhead 3,850 lf Concrete (3%)	11,550	10	8									14,073						
240 - Fountain Otterbine	11,275	8	6						13,076									15,931
Total 18500 - Lakes / Ponds	22,825								13,076			14,073						15,931
20000 - Lighting																		
200 - Street Lights 21 Street Lights	93,555	45	27															
Total 20000 - Lighting	93,555																	
Total Expenditures Inflated @ 2.50%				0	0	356,498	19,169	0	0	13,076	2,157,298	145,721	0	0	0	456,348	24,537	15,931
Total Current Replacement Cost	2,374,830																	

Reserve Component	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
01000 - Paving															
100 - Asphalt: Sealing 36,100 sf Streets & Parking				13,023					14,734					16,671	
200 - Asphalt: Ongoing Repairs 36,100 sf Streets & Parking (2%)				5,888					6,661					7,537	
300 - Asphalt: Overlay w/ Interlayer 36,100 sf Streets & Parking															
Total 01000 - Paving				18,911					21,396					24,208	
02000 - Concrete															
200 - Sidewalks, Curbs & Gutters 88,160 sf Street Side (0.5%)				8,851					10,014					11,330	
Total 02000 - Concrete				8,851					10,014					11,330	
03000 - Painting: Exterior															
120 - Surface Restoration 182,400 sf [76] Homes								577,656							
350 - Touch-Up 76 Homes			75,168										96,221		
500 - Light Poles 21 Street Lights			5,752					6,508					7,363		
Total 03000 - Painting: Exterior			80,920					584,164					103,584		
05000 - Roofing															
440 - Pitched: Dimensional Composition 1,520 Squares- [76] Homes															
700 - Gutters / Downspouts 18,240 lf [76] Homes															
Total 05000 - Roofing															
18500 - Lakes / Ponds															
200 - Bulkhead 3,850 lf Concrete (3%)				18,014										23,060	
240 - Fountain Otterbine								19,411							
Total 18500 - Lakes / Ponds				18,014				19,411						23,060	
20000 - Lighting															
200 - Street Lights 21 Street Lights													182,226		
Total 20000 - Lighting													182,226		
Total Expenditures Inflated @ 2.50%	0	0	80,920	45,776	0	0	0	603,574	31,410	0	0	0	285,810	58,597	0

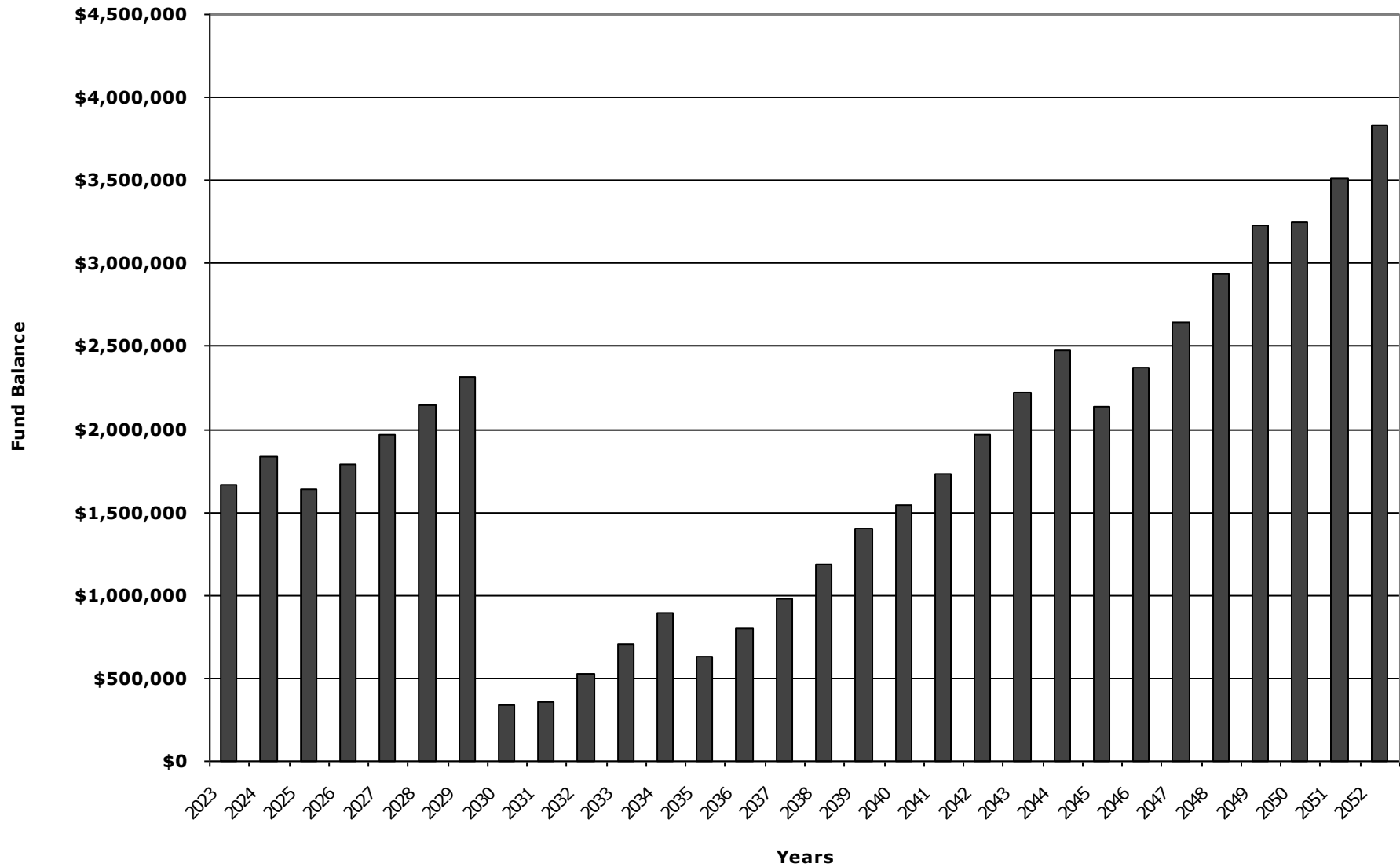
30 Year Reserve Funding Plan Cash Flow Method

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Beginning Balance	1,503,644	1,670,264	1,832,039	1,640,487	1,789,424	1,963,498	2,143,864	2,317,535	337,374	358,137
Inflated Expenditures @ 2.5%	0	0	356,498	19,169	0	0	13,076	2,157,298	145,721	0
Reserve Contribution	132,393	135,703	139,096	142,573	146,137	149,790	153,535	157,373	161,307	165,340
<i>Lots/month @ 76</i>	145.17	148.80	152.52	156.33	160.24	164.24	168.35	172.56	176.87	181.29
<i>Percentage Increase</i>		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other	10,600 ¹	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	23,627	26,072	25,850	25,533	27,937	30,576	33,211	19,764	5,178	6,612
Ending Balance	1,670,264	1,832,039	1,640,487	1,789,424	1,963,498	2,143,864	2,317,535	337,374	358,137	530,089

1) Excess funds transfer from operating to reserve.

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Beginning Balance	530,089	708,785	894,429	627,464	796,027	980,387	1,188,274	1,404,111	1,546,608	1,731,723
Inflated Expenditures @ 2.5%	0	0	456,348	24,537	15,931	0	0	80,920	45,776	0
Reserve Contribution	169,473	173,710	178,053	182,504	187,067	191,744	196,538	201,451	206,487	211,649
<i>Lots/month @ 76</i>	185.83	190.47	195.23	200.11	205.12	210.25	215.50	220.89	226.41	232.07
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	9,222	11,935	11,329	10,597	13,224	16,144	19,298	21,966	24,404	27,563
Ending Balance	708,785	894,429	627,464	796,027	980,387	1,188,274	1,404,111	1,546,608	1,731,723	1,970,935

	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Beginning Balance	1,970,935	2,219,066	2,476,383	2,135,059	2,370,811	2,647,630	2,934,631	3,232,119	3,252,453	3,508,505
Inflated Expenditures @ 2.5%	0	0	603,574	31,410	0	0	0	285,810	58,597	0
Reserve Contribution	216,940	222,363	227,922	233,620	239,460	245,446	251,582	257,872	264,319	270,927
<i>Lots/month @ 76</i>	237.87	243.82	249.91	256.16	262.57	269.13	275.86	282.75	289.82	297.07
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	31,191	34,954	34,328	33,542	37,358	41,555	45,906	48,272	50,330	54,660
Ending Balance	2,219,066	2,476,383	2,135,059	2,370,811	2,647,630	2,934,631	3,232,119	3,252,453	3,508,505	3,834,091

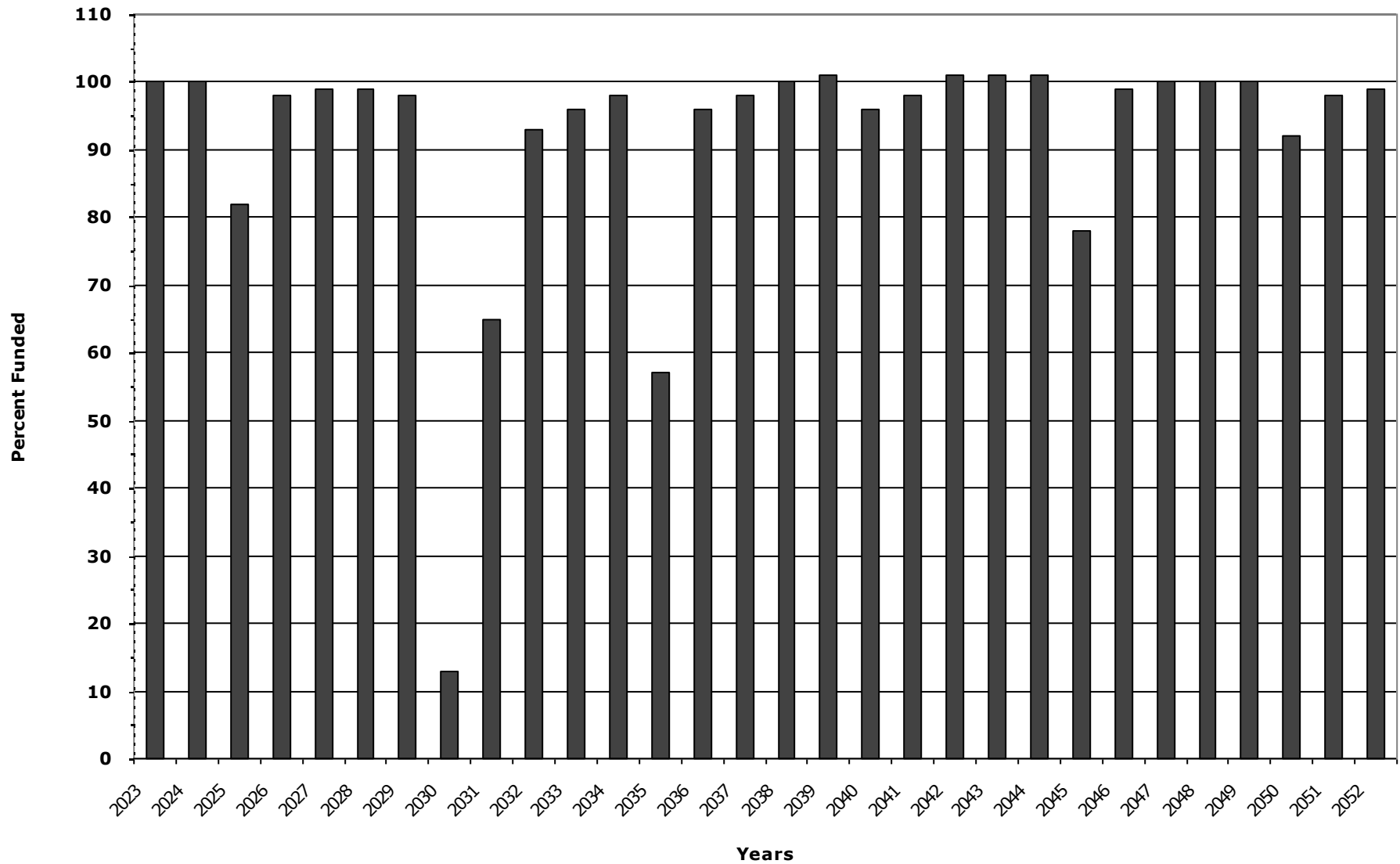


30 Year Reserve Funding Plan Including Fully Funded Balance and % Funded

Final

Prepared for the 2024 Fiscal Year

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2023	1,503,644	1,664,970	100.3%	0	132,393	10,600	23,627	1,670,264
2024	1,670,264	1,831,163	100.0%	0	135,703	0	26,072	1,832,039
2025	1,832,039	2,004,626	81.8%	356,498	139,096	0	25,850	1,640,487
2026	1,640,487	1,820,206	98.3%	19,169	142,573	0	25,533	1,789,424
2027	1,789,424	1,980,210	99.2%	0	146,137	0	27,937	1,963,498
2028	1,963,498	2,167,216	98.9%	0	149,790	0	30,576	2,143,864
2029	2,143,864	2,362,335	98.1%	13,076	153,535	0	33,211	2,317,535
2030	2,317,535	2,552,452	13.2%	2,157,298	157,373	0	19,764	337,374
2031	337,374	553,106	64.8%	145,721	161,307	0	5,178	358,137
2032	358,137	569,345	93.1%	0	165,340	0	6,612	530,089
2033	530,089	739,148	95.9%	0	169,473	0	9,222	708,785
2034	708,785	917,085	97.5%	0	173,710	0	11,935	894,429
2035	894,429	1,103,457	56.9%	456,348	178,053	0	11,329	627,464
2036	627,464	830,819	95.8%	24,537	182,504	0	10,597	796,027
2037	796,027	998,158	98.2%	15,931	187,067	0	13,224	980,387
2038	980,387	1,182,795	100.5%	0	191,744	0	16,144	1,188,274
2039	1,188,274	1,392,777	100.8%	0	196,538	0	19,298	1,404,111
2040	1,404,111	1,612,520	95.9%	80,920	201,451	0	21,966	1,546,608
2041	1,546,608	1,759,437	98.4%	45,776	206,487	0	24,404	1,731,723
2042	1,731,723	1,950,787	101.0%	0	211,649	0	27,563	1,970,935
2043	1,970,935	2,198,699	100.9%	0	216,940	0	31,191	2,219,066
2044	2,219,066	2,457,787	100.8%	0	222,363	0	34,954	2,476,383
2045	2,476,383	2,728,455	78.3%	603,574	227,922	0	34,328	2,135,059
2046	2,135,059	2,392,457	99.1%	31,410	233,620	0	33,542	2,370,811
2047	2,370,811	2,639,888	100.3%	0	239,460	0	37,358	2,647,630
2048	2,647,630	2,931,196	100.1%	0	245,446	0	41,555	2,934,631
2049	2,934,631	3,235,420	99.9%	0	251,582	0	45,906	3,232,119
2050	3,232,119	3,553,023	91.5%	285,810	257,872	0	48,272	3,252,453
2051	3,252,453	3,591,528	97.7%	58,597	264,319	0	50,330	3,508,505
2052	3,508,505	3,869,955	99.1%	0	270,927	0	54,660	3,834,091



Reserve Fund Balance Forecast Component Method

Final

Prepared for the 2024 Fiscal Year

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2023 Fully Funded Balance	2024 Fully Funded Balance	% Per Year Straight Line	2024 Line Item Contribution based on Cash Flow Method
01000 - Paving									
100 - Asphalt: Sealing 36,100 sf Streets & Parking	8,350	5	3	8,992	1,798	3,340	5,135	1.28%	1,731
200 - Asphalt: Ongoing Repairs 36,100 sf Streets & Parking (2%)	3,775	5	3	4,065	813	1,510	2,322	0.58%	782
300 - Asphalt: Overlay w/ Interlayer 36,100 sf Streets & Parking	90,250	25	8	109,961	4,398	61,370	66,605	3.12%	4,233
Sub-total [01000 - Paving]	102,375			123,018	7,010	66,220	74,061	4.97%	6,746
02000 - Concrete									
200 - Sidewalks, Curbs & Gutters 88,160 sf Street Side (0.5%)	5,675	5	3	6,111	1,222	2,270	3,490	0.87%	1,176
03000 - Painting: Exterior									
120 - Surface Restoration 182,400 sf [76] Homes	335,540	10	2	352,527	35,253	268,432	309,536	25.00%	33,927
350 - Touch-Up 76 Homes	49,400	10	7	58,721	5,872	14,820	20,254	4.16%	5,651
500 - Light Poles 21 Street Lights	3,780	5	2	3,971	794	2,268	3,100	0.56%	764
Sub-total [03000 - Painting: Exterior]	388,720			415,219	41,919	285,520	332,889	29.73%	40,343
05000 - Roofing									
440 - Pitched: Dimensional Composition 1,520 Squares- [76] Homes	1,497,200	25	7	1,779,700	71,188	1,077,984	1,166,319	50.49%	68,511
700 - Gutters / Downspouts 18,240 lf [76] Homes	264,480	25	7	314,384	12,575	190,426	206,030	8.92%	12,102
Sub-total [05000 - Roofing]	1,761,680			2,094,084	83,763	1,268,410	1,372,349	59.40%	80,613
18500 - Lakes / Ponds									
200 - Bulkhead 3,850 lf Concrete (3%)	11,550	10	8	14,073	1,407	2,310	3,552	1.00%	1,354
240 - Fountain Otterbine	11,275	8	6	13,076	1,634	2,819	4,334	1.16%	1,573
Sub-total [18500 - Lakes / Ponds]	22,825			27,148	3,042	5,129	7,885	2.16%	2,927

<i>Reserve Component</i>	<i>Current Repl. Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>Estimated Future Replacement Costs</i>	<i>Per Year</i>	<i>2023 Fully Funded Balance</i>	<i>2024 Fully Funded Balance</i>	<i>% Per Year Straight Line</i>	<i>2024 Line Item Contribution based on Cash Flow Method</i>
20000 - Lighting									
200 - Street Lights	93,555	45	27	182,226	4,049	37,422	40,489	2.87%	3,897
21 Street Lights						[A]	[B]		
Totals	2,374,830			2,847,807	141,006	1,664,970	1,831,163	100.00%	135,703
						[EndBal]	[EndBal]		
						[A]	[B]		
Percent Funded						100%	100%		

01000 - Paving

100 - Asphalt: Sealing	Useful Life 5	Remaining Life 3
36,100 sf Streets & Parking	Quantity 36,100	Unit of Measure Square Feet
	Cost /SqFt \$0.231	
	% Included 100.00%	Total Cost/Study \$8,350
Summary	Replacement Year 2026	Future Cost \$8,992

This is to prepare the surface and apply a single coat asphalt emulsion product. If a second coat is desired the cost is generally 10% to 20% higher.

Parking lot- 6,175 square feet
Streets- 29,925 square feet

2021- \$5,957 was expended to seal coat by Blackrock Paving, Inc.
2016- \$4,120 was expended to seal coat by Blackrock Paving, Inc.
2015- Seal coat appeared worn and near replacement.
2011- \$3,975 was expended to seal coat by Biondi Paving.
2006- \$3,133 was expended to seal coat by Blackrock Paving, Inc.
2005- Asphalt placed in service.



Costing provided by Blackrock Paving, Inc.

Asset ID AO-7550

01000 - Paving

200 - Asphalt: Ongoing Repairs	Useful Life 5	Remaining Life 3
36,100 sf Streets & Parking (2%)	Quantity 36,100	Unit of Measure Square Feet
	Cost /SqFt \$5.23	Qty * \$/SqFt \$188,750
	% Included 2.00%	Total Cost/Study \$3,775
Summary	Replacement Year 2026	Future Cost \$4,065

This is for miscellaneous repairs including crackfill, skin patching and minor dig out & fill. Cracks 1/4" or wider should be filled when observed.

2021- \$2,527 was expended to crack fill and R&R entry area by Blackrock Paving, Inc.
 2016- \$1,889 was expended to crack fill and patch 3 areas by Blackrock Paving, Inc.
 2015- 3 small failure areas were observed near the community entry. Unfilled cracks were observed throughout.
 2011- \$1,926 was expended for crack fill and patch.
 2005- Asphalt placed in service.



Asset ID AO-7850

300 - Asphalt: Overlay w/ Interlayer	Useful Life 25	Remaining Life 8
36,100 sf Streets & Parking	Quantity 36,100	Unit of Measure Square Feet
	Cost /SqFt \$2.50	
	% Included 100.00%	Total Cost/Study \$90,250
Summary	Replacement Year 2031	Future Cost \$109,961

This is to apply a geotextile interlayer to the existing asphalt surface and overlay with a minimum of 1.5" of new hot mix asphalt. Generally this includes edge grinding and utility box extensions.

2023- \$2.50/sf estimate per Biondi Paving 1/3/2023 quote.
 2005- Asphalt placed in service.



Costing provided by Biondi Paving

01000 - Paving

Asset ID AO-7950

02000 - Concrete

200 - Sidewalks, Curbs & Gutters	Useful Life 5	Remaining Life 3	
88,160 sf Street Side (0.5%)	Quantity 88,160	Unit of Measure Square Feet	
	Cost /SqFt \$12.87	Qty * \$/SqFt \$1,135,000	
	% Included .50%	Total Cost/Study \$5,675	
Summary	Replacement Year 2026	Future Cost \$6,111	

This is to repair, replace or grind concrete sidewalks, curbs and gutters to remove vertical displacements and to maintain functionality. The concrete useful life exceeds the scope of this study, so this component provides for repair only. Concrete repairs should be performed in conjunction with pavement work when feasible.

2015- Minor cracks were observed, but no elevation shifts were noted.
 2005- Sidewalks placed in service.



Asset ID UT-4220

03000 - Painting: Exterior

120 - Surface Restoration	Useful Life 10	Remaining Life 2
182,400 sf [76] Homes	Quantity 182,400	Unit of Measure Square Feet
	Cost /SqFt \$1.84	
	% Included 100.00%	Total Cost/Study \$335,540
Summary	Replacement Year 2025	Future Cost \$352,527

This is to prepare, power wash, sand, scrape, caulk, and paint with a 100% premium acrylic paint. Mid-cycle touchup is provided for within another component.

2023- \$4,415/home per MasterCraft 1/5/2023 quote.
2015- \$208,792 total was expended to paint all home stucco, wood trim, and attached metal by MasterCraft Painting, Inc. No dry rot repairs were required prior to painting.
2005- Home construction completed.



Costing provided by MasterCraft Painting, Inc.

Asset ID PB-1040

03000 - Painting: Exterior

350 - Touch-Up	Useful Life 10	Remaining Life 7
76 Homes	Quantity 76	Unit of Measure Building
	Cost /Bldg \$650	
	% Included 100.00%	Total Cost/Study \$49,400
Summary	Replacement Year 2030	Future Cost \$58,721

This is to prepare and touchup wood trim and attached metal surfaces including railings, gutters and entry trellises. Full home painting is provided for within another component.

- 2023- \$565/home per MasterCraft Painting 1/5/2023 quote.
- 2020- \$35,220 was expended to touchup paint by MasterCraft Painting, Inc.
- 2018- Rain gutter and downspout paint is faded.
- 2010- \$31,029 total was expended to touchup paint by MasterCraft Painting, Inc.
- 2005- Home construction completed.



Costing provided by MasterCraft Painting, Inc.
 Asset ID PB-1190

03000 - Painting: Exterior

500 - Light Poles	Useful Life 5	Remaining Life 2	
21 Street Lights	Quantity 21	Unit of Measure Items	
	Cost /Itm \$180		
	% Included 100.00%	Total Cost/Study \$3,780	
Summary	Replacement Year 2025	Future Cost \$3,971	

This is to prepare and paint the light standards.

2020- \$3,073 was expended to paint light standards.
 2015- \$2,081 was expended to paint light standards.
 2012- Light standards exhibit rust and need paint.
 2005- Lights placed in service.



Asset ID PB-1760

05000 - Roofing

440 - Pitched: Dimensional Composition	Useful Life 25	Remaining Life 7	
1,520 Squares- [76] Homes	Quantity 1,520	Unit of Measure Squares	
	Cost /Sqrs \$985		
	% Included 100.00%	Total Cost/Study \$1,497,200	
Summary	Replacement Year 2030	Future Cost \$1,779,700	

This is to reroof with a dimensional composition roofing product. Composition roofs should be regularly inspected and repaired as indicated to ensure maximum life.

2021- Roofs were evaluated by client's roofing contractor who reported that roofs are aging well and anticipates a 2030 remaining life at a minimum.
 2005- Roofs placed in service.



05000 - Roofing

Asset ID RW-3330

700 - Gutters / Downspouts	Useful Life 25	Remaining Life 7	
18,240 lf [76] Homes	Quantity 18,240	Unit of Measure	Linear Feet
	Cost /l.f. \$14.50		
	% Included 100.00%	Total Cost/Study	\$264,480
Summary	Replacement Year 2030	Future Cost	\$314,384

This is to replace the gutters and downspouts.

2018- Two missing downspouts were observed at 352 Euclid St.



Asset ID RW-3740

18500 - Lakes / Ponds

200 - Bulkhead	Useful Life 10	Remaining Life 8	
3,850 lf Concrete (3%)	Quantity 3,850	Unit of Measure	Linear Feet
	Cost /l.f. \$120	Qty * \$/l.f.	\$462,000
	% Included 2.50%	Total Cost/Study	\$11,550
Summary	Replacement Year 2031	Future Cost	\$14,073

This is to repair and replace the concrete lake bulkhead. The concrete useful life exceeds the scope of this study, so this component provides for repair only.

2021- \$8,663 was expended to repair two failed sections. No other repairs are anticipated in the near term.

2015- No bulkhead or lake issues were reported per Lake Restoration Engineering Inc's comprehensive evaluation.

2005- Lake construction completed.



18500 - Lakes / Ponds

Asset ID LP-6350

240 - Fountain	Useful Life 8	Remaining Life 6
Otterbine	Quantity 1	Unit of Measure Items
	Cost /Itm \$11,275	
	% Included 100.00%	Total Cost/Study \$11,275
Summary	Replacement Year 2029	Future Cost \$13,076

This is to repair or replace fountain components including controller, ground fault circuit interrupter (GFCI), submerged power line, pump, nozzle, and anchor line.

2021- \$8,930 was expended for miscellaneous repairs and pump motor rebuild.
2013- \$5,621 was expended to replace power line and rebuild fountain pump and motor.
2005- Fountain placed in service.



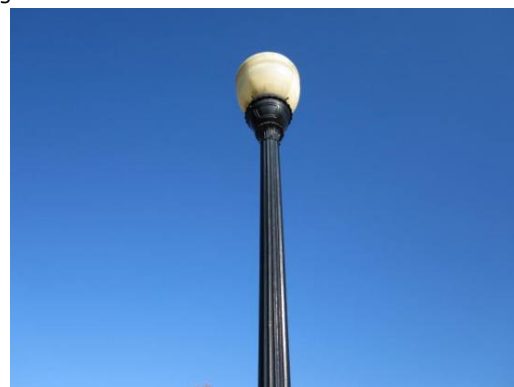
Asset ID LP-6780

20000 - Lighting

200 - Street Lights	Useful Life 45	Remaining Life 27
21 Street Lights	Quantity 21	Unit of Measure Items
	Cost /Itm \$4,455	
	% Included 100.00%	Total Cost/Study \$93,555
Summary	Replacement Year 2050	Future Cost \$182,226

This is to replace the street lights. Light standard painting is provided for within another component. Lamp replacement is from operating.

2017- Motor vehicle insurance paid to replace one street light.



20000 - Lighting

Asset ID SL-2100

<i>Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>Quantity</i>	<i>Cost/ U of M</i>	<i>Treatment</i>	<i>Location</i>	<i>Asset ID</i>
01000 - Paving								
100 - Asphalt: Sealing	\$8,350	5	3	36,100	\$.23/SqFt		Streets & Parking	AO-7550
200 - Asphalt: Ongoing Repairs	\$3,775	5	3	36,100	\$5.23/SqFt (2%)		Streets & Parking	AO-7850
300 - Asphalt: Overlay w/ Interlayer	\$90,250	25	8	36,100	\$2.50/SqFt		Streets & Parking	AO-7950
02000 - Concrete								
200 - Sidewalks, Curbs & Gutters	\$5,675	5	3	88,160	\$12.87/SqFt (0.5%)		Street Side	UT-4220
03000 - Painting: Exterior								
120 - Surface Restoration	\$335,540	10	2	182,400	\$1.84/SqFt		[76] Homes	PB-1040
350 - Touch-Up	\$49,400	10	7	76	\$650/Bldg		Homes	PB-1190
500 - Light Poles	\$3,780	5	2	21	\$180/Itm		Street Lights	PB-1760
05000 - Roofing								
440 - Pitched: Dimensional Composition	\$1,497,200	25	7	1,520	\$985/Sqrs		[76] Homes	RW-3330
700 - Gutters / Downspouts	\$264,480	25	7	18,240	\$14.50/l.f.		[76] Homes	RW-3740
18500 - Lakes / Ponds								
200 - Bulkhead	\$11,550	10	8	3,850	\$120/l.f. (3%)		Concrete	LP-6350
240 - Fountain	\$11,275	8	6	1	\$11,275/Itm		Otterbine	LP-6780
20000 - Lighting								
200 - Street Lights	\$93,555	45	27	21	\$4,455/Itm		Street Lights	SL-2100

<i>Reserve Component</i>	<i>Life Useful</i>	<i>Current Replacement Cost</i>	<i>Forecast Inflated Cost @ 2.50%</i>
2025			
03000 - Painting: Exterior			
120 - Surface Restoration 182,400 sf [76] Homes	10	335,540	352,527
500 - Light Poles 21 Street Lights	5	3,780	3,971
Total 2025:		339,320	356,498
2026			
01000 - Paving			
100 - Asphalt: Sealing 36,100 sf Streets & Parking	5	8,350	8,992
200 - Asphalt: Ongoing Repairs 36,100 sf Streets & Parking (2%)	5	3,775	4,065
Total 01000 - Paving:		12,125	13,057
02000 - Concrete			
200 - Sidewalks, Curbs & Gutters 88,160 sf Street Side (0.5%)	5	5,675	6,111
Total 2026:		17,800	19,168
2029			
18500 - Lakes / Ponds			
240 - Fountain Otterbine	8	11,275	13,076
Total 2029:		11,275	13,076
2030			
03000 - Painting: Exterior			
350 - Touch-Up 76 Homes	10	49,400	58,721
500 - Light Poles 21 Street Lights	5	3,780	4,493
Total 03000 - Painting: Exterior:		53,180	63,214
05000 - Roofing			
440 - Pitched: Dimensional Composition 1,520 Squares- [76] Homes	25	1,497,200	1,779,700
700 - Gutters / Downspouts 18,240 lf [76] Homes	25	264,480	314,384
Total 05000 - Roofing:		1,761,680	2,094,084
Total 2030:		1,814,860	2,157,298

This report is intended to assist the auditor while preparing the audit, review or compilation of Sample for California's (the "Association") financial documents.

Browning Reserve Group, LLC ("BRG") prepared a reserve study for the Association during the 2023 fiscal year. This was done to help determine the Association's reserve contribution for the next fiscal year (2024) and future fiscal years. In addition, BRG prepared the proper statutory disclosures for distribution to the Association members.

This Reserve Study is a Full Study. A **Full Study** includes an on-site review upon where the following tasks are performed:

- development of a reserve component inventory;
- condition assessment based upon on-site visual observation;
- life and valuation estimates;
- fund status;
- and a funding plan. Please note, in order to complete these study tasks, one or more visits were conducted by BRG to Sample for California.

For BRG reserve studies, the year in which the study is being conducted, is the first year of the study. For example, this study is being prepared during 2023 and is the Association's first year in the study. This enables BRG to use a starting point which ties to the last audited financial statement, December 31, 2022. You will notice in Section III, Reserve Fund Balance Forecast, a Beginning Reserve Balance of \$1,503,644 is being used which ties to the last completed audit or review of the Association's financial statements. BRG then re-builds the first year of the study, in this case 2023, and estimates an ending reserve fund balance. Again, see Section III and the 2023 ending reserve balance estimate of \$1,670,264.

"Re-building" the first year of the study as mentioned above simply means using the 2023 adopted budget for the 2023 reserve contribution. Finally, the 2023 reserve expenses both actual and projected are estimated.

We find by using the above method a more accurate reserve study is possible because the beginning reserve fund balance ties directly to the Association's audited financial statement or, in the absence of an audit or review, the year end balance sheet. There is no need to rely on others for determining mid year reserve balances or estimating current year ending reserve balances. This approach forces all involved, to look at the current year's reserve fund activities so a more accurate ending reserve fund balance can be estimated.

With respect to the reserve component Percent Funded values on the next page(s), here are the calculations:

$$\text{FFB} = \text{Year Cost} \times \text{Year Effective Age} / \text{Useful Life}$$
$$\% \text{ Funded} = \text{Year Estimated Ending Reserve Balance} / \text{Year FFB}$$

Please see Section V - Reserve Fund Balance Forecast.

Browning Reserve Group, LLC

<i>Reserve Component</i>	<i>Current Repl. Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2023 Fully Funded Balance</i>	<i>2024 Fully Funded Balance</i>	<i>2024 Line Item Contribution based on Cash Flow Method</i>
01000 - Paving						
100 - Asphalt: Sealing 36,100 sf Streets & Parking	8,350	5	3	3,340	5,135	1,731
200 - Asphalt: Ongoing Repairs 36,100 sf Streets & Parking (2%)	3,775	5	3	1,510	2,322	782
300 - Asphalt: Overlay w/ Interlayer 36,100 sf Streets & Parking	90,250	25	8	61,370	66,605	4,233
02000 - Concrete						
200 - Sidewalks, Curbs & Gutters 88,160 sf Street Side (0.5%)	5,675	5	3	2,270	3,490	1,176
03000 - Painting: Exterior						
120 - Surface Restoration 182,400 sf [76] Homes	335,540	10	2	268,432	309,536	33,927
350 - Touch-Up 76 Homes	49,400	10	7	14,820	20,254	5,651
500 - Light Poles 21 Street Lights	3,780	5	2	2,268	3,100	764
05000 - Roofing						
440 - Pitched: Dimensional Composition 1,520 Squares- [76] Homes	1,497,200	25	7	1,077,984	1,166,319	68,511
700 - Gutters / Downspouts 18,240 lf [76] Homes	264,480	25	7	190,426	206,030	12,102
18500 - Lakes / Ponds						
200 - Bulkhead 3,850 lf Concrete (3%)	11,550	10	8	2,310	3,552	1,354
240 - Fountain Otterbine	11,275	8	6	2,819	4,334	1,573
20000 - Lighting						
200 - Street Lights 21 Street Lights	93,555	45	27	37,422	40,489	3,897
Totals	2,374,830			1,664,970	1,831,163	135,703
				[A]	[B]	
				[EndBal]	[EndBal]	
				[A]	[B]	
Percent Funded				100.32%	100%	

Terms & Definitions CAI

CASH FLOW METHOD: A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

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

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

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

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

CURRENT REPLACEMENT COST: See "Replacement Cost."

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

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

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

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

or

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + \\ [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate}) ^ \text{Remaining Life}] - \\ [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate}) ^ \text{Remaining Life}]$$

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

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

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

- Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- Full Funding:** Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.
- Statutory Funding:** Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.
- Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

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

FUNDING PRINCIPLES:

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

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

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

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

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

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

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

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis.

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

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

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

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

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

The above terms and definitions are from the Community Associations Institute (CAI) national standards.

Terms & Definitions BRG

Browning Reserve Group, LLC reserve studies use several terms that are unique to our reports. Our specialized systems have been developed to offer flexibility in many areas of our reporting. Please see below for definitions of abbreviations and symbols used in many of our reserve studies.

NR-1 (LIMITED RECURRENCE, 1 TIME): This signifies a major reserve component recurs for only a fixed number of cycles. Most often used to display a cost in a specific year only, NR-1 signifies the component only occurs one time. An NR-2 means the component will display for two cycles and so on. This makes it easy to enter one-time costs that pop up from time to time, or to display a cost that may be unique at one replacement date only.

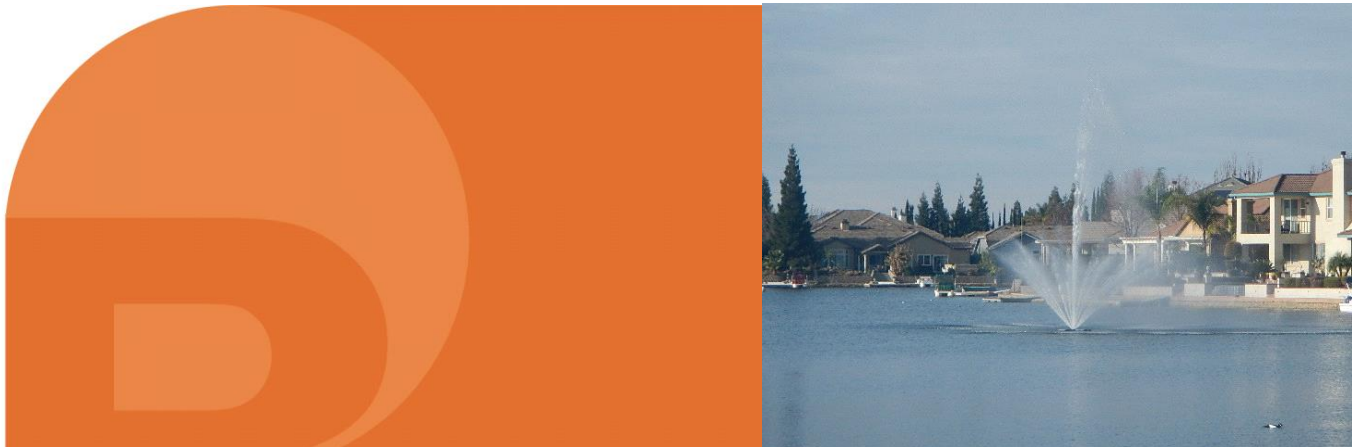
SE-2 (SPREAD EVENLY OVER 2 YEARS): This signifies the major component, when replaced is spread evenly over 2 or more years. For example if a component will be replaced in year 8 of the study, and there is a SE-2, then the component will be replaced over 2 years, year 8 and year 9. Although the component is split over 2 or more years, each subsequent year will increase by the study's inflation factor. An SE-3 signifies the component is split over three years and so on.

NSE-2 (SPREAD NON-EVENLY OVER 2 YEARS): Similar to above, but the spread is not equal in each year. The spread is entered at a different amount for each year in the spread. The total of the spread will always equal 100% of the total replacement cost, excluding inflation.

% (PERCENT TO INCLUDE): This signifies that the component is being replaced at less than 100 percent of its replacement cost or quantity. Perhaps a component is replaced partially at each replacement year. Another example would be to do a small portion of the work at each replacement year. Oftentimes wood fencing is replaced over several cycles, and the study will display a percentage of the fence at each replacement cycle.

DELAYED START (REMAINING LIFE GREATER THAN USEFUL): In many instances a component's replacement cycle may not begin immediately, so the replacement cycle start is delayed. Delay is accomplished by setting the remaining life greater than the useful life.

ZERO REMAINING LIFE: Zero remaining life signifies that the component is replaced in the year which the study is prepared. All replacements are reflected in their replacement year, and the year in which the study is prepared is no different than any other year.



RESERVE STUDY

Member Distribution Materials

Sample for California

Full Study

Final

Published - January 23, 2023

Prepared for the 2024 Fiscal Year

Section	Report	Page
California:	Member Summary	1
	Assessment and Reserve Funding Disclosure Summary	[Civil Code §5570] 3
Section III:	30 Year Reserve Funding Plan	Cash Flow Method {c} 5

Professionally managed by
ABC Management
(916) 555-1234



Browning Reserve Group, LLC
www.BrowningRG.com

January 23, 2023

This is a summary of the Reserve Study that has been performed for Sample for California, (the "Association"). This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group, LLC prepared this Full Study for the January 1, 2024 - December 31, 2024 fiscal year.

Sample for California is a Planned Development with a total of 76 Lots.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Sample for California
California Member Summary
Final
Prepared for the 2024 Fiscal Year

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2023 Fully Funded Balance</i>	<i>2024 Fully Funded Balance</i>	<i>2024 Line Item Contribution based on Cash Flow Method</i>
01000 - Paving	102,375	5-25	3-8	66,220	74,061	6,746
02000 - Concrete	5,675	5-5	3-3	2,270	3,490	1,176
03000 - Painting: Exterior	388,720	5-10	2-7	285,520	332,889	40,343
05000 - Roofing	1,761,680	25-25	7-7	1,268,410	1,372,349	80,613
18500 - Lakes / Ponds	22,825	8-10	6-8	5,129	7,885	2,927
20000 - Lighting	93,555	45-45	27-27	37,422	40,489	3,897
Totals	\$2,374,830			\$1,664,970	\$1,831,163	\$135,703
Estimated Ending Balance				\$1,670,264	\$1,832,039	\$148.80
Percent Funded				100.3%	100.0%	/Lot/month @ 76

January 23, 2023

(1) The regular assessment per ownership interest is \$315.00 per month for the fiscal year beginning January 1, 2024.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ___ of the attached summary.

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

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
N/A	\$0.00	N/A
Total:	\$0.00	

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ___ of the attached report.

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

Yes No

This disclosure has been prepared by Browning Reserve Group, LLC and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.

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

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	N/A

(5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

(6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$1,664,970, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, LLC as of January, 2023. The projected reserve fund cash balance at the end of the current fiscal year is \$1,670,264 resulting in reserves being 100% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2024	\$1,831,163	\$1,832,039	100.0%
2025	\$2,004,626	\$1,640,487	81.8%
2026	\$1,820,206	\$1,789,424	98.3%
2027	\$1,980,210	\$1,963,498	99.2%
2028	\$2,167,216	\$2,143,864	98.9%

If the reserve funding plan approved by the association is implemented, the projected fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, 2.50% per year was the assumed long-term inflation rate, and 1.50% per year was the assumed long-term interest rate.

Additional Disclosures

§5565(d) The current deficiency in reserve funding as of December 31, 2024 is zero dollars per ownership interest (average).

This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.

$$\text{Deficiency} = \frac{\text{2024 Fully Funded Balance} - \text{2024 Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

§5300(b)(4) The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years, unless noted below:

Major Component:	Justification for Deferral:
N/A	N/A

§5300(b)(5) The board of directors as of the date of the study does not anticipate the levy of a special assessment for the repair, replacement, or restoration of the major components.

30 Year Reserve Funding Plan Cash Flow Method

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Beginning Balance	1,503,644	1,670,264	1,832,039	1,640,487	1,789,424	1,963,498	2,143,864	2,317,535	337,374	358,137
Inflated Expenditures @ 2.5%	0	0	356,498	19,169	0	0	13,076	2,157,298	145,721	0
Reserve Contribution	132,393	135,703	139,096	142,573	146,137	149,790	153,535	157,373	161,307	165,340
<i>Lots/month @ 76</i>	145.17	148.80	152.52	156.33	160.24	164.24	168.35	172.56	176.87	181.29
<i>Percentage Increase</i>		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other	10,600 ¹	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	23,627	26,072	25,850	25,533	27,937	30,576	33,211	19,764	5,178	6,612
Ending Balance	1,670,264	1,832,039	1,640,487	1,789,424	1,963,498	2,143,864	2,317,535	337,374	358,137	530,089

1) Excess funds transfer from operating to reserve.

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Beginning Balance	530,089	708,785	894,429	627,464	796,027	980,387	1,188,274	1,404,111	1,546,608	1,731,723
Inflated Expenditures @ 2.5%	0	0	456,348	24,537	15,931	0	0	80,920	45,776	0
Reserve Contribution	169,473	173,710	178,053	182,504	187,067	191,744	196,538	201,451	206,487	211,649
<i>Lots/month @ 76</i>	185.83	190.47	195.23	200.11	205.12	210.25	215.50	220.89	226.41	232.07
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	9,222	11,935	11,329	10,597	13,224	16,144	19,298	21,966	24,404	27,563
Ending Balance	708,785	894,429	627,464	796,027	980,387	1,188,274	1,404,111	1,546,608	1,731,723	1,970,935

	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Beginning Balance	1,970,935	2,219,066	2,476,383	2,135,059	2,370,811	2,647,630	2,934,631	3,232,119	3,252,453	3,508,505
Inflated Expenditures @ 2.5%	0	0	603,574	31,410	0	0	0	285,810	58,597	0
Reserve Contribution	216,940	222,363	227,922	233,620	239,460	245,446	251,582	257,872	264,319	270,927
<i>Lots/month @ 76</i>	237.87	243.82	249.91	256.16	262.57	269.13	275.86	282.75	289.82	297.07
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	31,191	34,954	34,328	33,542	37,358	41,555	45,906	48,272	50,330	54,660
Ending Balance	2,219,066	2,476,383	2,135,059	2,370,811	2,647,630	2,934,631	3,232,119	3,252,453	3,508,505	3,834,091