

## Reserve Study Transmittal Letter

Date: August 29, 2025  
To: Christina Allmon, Hignell Incorporated Chico  
From: Browning Reserve Group, a division of Reserve Advisors, LLC (BRG)

**Re: Merry Mountain Owner's Association; Full Study**  
First Draft

Attached, please find the reserve study for Merry Mountain Owner's Association. To assist in your understanding of the study, and to highlight key information you may need quickly, we have listed below some of the important information contained in the study. At BRG our goal is to bring clarity from complexity, so should you have any questions, please do not hesitate to contact us anytime.

1. Where do I find the recommended reserve contribution for the 2025/2026 budget?

This is found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* **\$117,012** is the annual amount. Directly under the annual amount is the amount per ownership interest, per month, or other period, as applicable. **\$61.33 /Lot/month @ 159**. For any other funding related issues, if any, see *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."*

2. Where do I find the status of the reserve fund, based on the Percent Funded calculation?

This is found for the 30-year term of the study in *Section IV, "30 Year Reserve Funding Plan, Including Fully Funded Balance and % Funded."* For the year for which the study was prepared, 2025/2026, the Association is **3.2%** funded.

Based on the 30 year cash flow projection, the Association's reserves are **inadequately funded** as the reserve fund ending balances may fail to remain positive throughout the replacement of all major components during the next 30 years. **Additional reserve funding including some combination of increased contributions, special assessments and loans may be necessary to meet all reserve obligations.**

California statute imposes no reserve funding level requirements.

Large recommended reserve contribution increases are needed to complete reserve projects and to maintain positive reserve fund balances. All ending balance and percent funded values are dependent upon these additional funds being fully collected when indicated. Failure to adopt the recommended reserve contribution increases will result in costly deferred maintenance and funding shortfalls.

3. Where do I find the assumptions for interest and inflation factors?

While this information is in various places in the study, it can always be found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* For this study the assumption is **2.50%** for the interest rate and **2.50%** for the inflation factor. Please be advised these rates estimate the values that will stand the test of time over the 30-year term of the study, not simply only next year.

4. What pages from the reserve study get mailed to the members (homeowners)?

Please see the last section of the reserve study, "Member Distribution Materials." These are the last six pages (or more) of the study which can be removed, and copied, for distribution to the membership with the budget packet. This packet includes all state mandated disclosures related to the reserves and the reserve study. **This section of the study is a stand-alone packet with its own cover and table of contents.**

5. What are the next steps?

This study meets the CA Civil Code Requirements for a site visit study every three years. The next site visit study will be due in three years. For the intervening two years, BRG proposes doing an Update Without Site Visit Study during the next two years at a nominal cost which will include the preparation of a reserve study and required disclosures including the "California Assessment and Reserve Funding Disclosure Summary," which under law, must be presented to the association members each year.

Please read the two helpful sections entitled "Glossary" and "Notes to the Auditor." The glossary explains common reserve study terms as well as BRG specific terminology. The Notes to the Auditor while intended to assist the auditor, has useful information for the casual reader on how year zero, (2024/2025) the current fiscal year is dealt with in the study.

Thank you for the opportunity to work with the Merry Mountain Owner's Association on this study.



## RESERVE STUDY

Full Study

### **Merry Mountain Owner's Association**

First Draft

Published - August 29, 2025

Prepared for the 2025/2026 Fiscal Year

**Browning Reserve Group, A Division Of Reserve Advisors, 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 2025



## Merry Mountain Owner's Association

First Draft

### 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>	13
<i>Section III-a:</i>	30 Year Reserve Funding Plan <i>Cash Flow Method - Ending Balances Chart</i>	15
<i>Section IV:</i>	30 Year Reserve Funding Plan <i>Fully Funded Balance and % Funded</i>	16
<i>Section IV-a:</i>	30 Year Reserve Funding Plan <i>Cash Flow Method - Percent Funded Chart</i>	17
<i>Section V:</i>	Reserve Fund Balance Forecast <i>Component Method</i>	18
<i>Section VI:</i>	Component Listing <i>Included Components</i>	23
<i>Section VII:</i>	Tabular Component Listing <i>Included Components</i>	52
<i>Section VII-a:</i>	Expenditures by Year <i>- Next 3 Years</i>	56
<i>Section X:</i>	Auditor Notes	58
<i>Section X-a:</i>	Supplementary Information for Auditor <i>Component Method</i>	60
<i>Section XI:</i>	Glossary <i>Reserve Study Terms</i>	63



## **Merry Mountain Owner's Association**

First Draft

### **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>	<b>Member Summary</b>	<b>71</b>
	<b>Assessment and Reserve Funding</b> <i>[Civil Code §5570]</i>	<b>73</b>
	<b>Disclosure Summary</b>	
<i>Section III:</i>	<b>30 Year Reserve Funding Plan</b> <i>Cash Flow Method {c}</i>	<b>75</b>

## Merry Mountain Owner's Association

First Draft

Published - August 29, 2025

Prepared for the 2025/2026 Fiscal Year

### Reserve Study Summary

A Reserve Study was conducted of Merry Mountain Owner's Association (the "**Association**") which is a Planned Development with a total of 159 Lots. 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.

### Physical Inspection

Browning Reserve Group, a division of Reserve Advisors, 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 \$3,075,874.**
  - **[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 July 31, 2026 is estimated to be \$97,514, constituting 3.2% 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 \$117,012 [*\$61.33 per Lot per month (average)*] for the fiscal year ending July 31, 2026 (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**

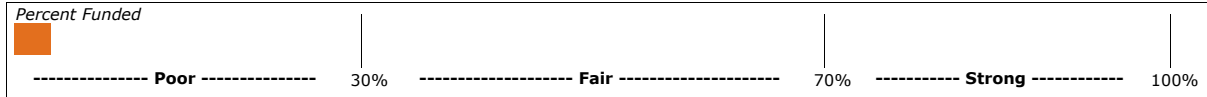
Based on the 30 year cash flow projection, the Association's reserves are **inadequately funded** as the reserve fund ending balances may fail to remain positive throughout the replacement of all major components during the next 30 years. **Additional reserve funding including some combination of increased contributions, special assessments and loans may be necessary to meet all reserve obligations.**

California statute imposes no reserve funding level requirements.

Large recommended reserve contribution increases are needed to complete reserve projects and to maintain positive reserve fund balances. All ending balance and percent funded values are dependent upon these additional funds being fully collected when indicated. Failure to adopt the recommended reserve contribution increases will result in costly deferred maintenance and funding shortfalls.

### **Percent Funded Status**

Based on paragraphs 1 - 3 above, the Association is 3.2% 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 Merry Mountain Owner's Association 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 California licensed general building contractor (CSLB #768851), and BRG's founder, Robert Browning, holds the Reserve Specialist (RS #46) and Professional Community Association Manager (PCAM #723) designations from the Community Associations Institute (CAI).

**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, a division of Reserve Advisors, LLC*



**Section II**  
 Merry Mountain Owner's Association  
**30 Year Expense Forecast - Detailed**  
 First Draft  
 Prepared for the 2025/2026 Fiscal Year

Reserve Component	Current		Life																
	Replacement	Useful /		Cost	Remaining	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
<b>01000 - Paving</b>																			
120 - Asphalt: State Spec. Slurry 275,000 sf Streets	96,250	7	1		98,656								117,271						
200 - Asphalt: Ongoing Repairs 275,000 sf Streets (3%)	24,063	7	1		24,664								29,318						
400 - Asphalt: Major Repairs 275,000 sf Asphalt Repair Fund	825,000	21	13																1,137,272
Total 01000 - Paving	945,313				123,320								146,589						1,137,272
<b>02000 - Concrete</b>																			
400 - Pool Deck 3,822 sf Repairs (5%)	3,822	5	1		3,918						4,432					5,015			
404 - Pool Deck 3,822 sf Full Replacement	76,440	30	25																
Total 02000 - Concrete	80,262				3,918						4,432					5,015			
<b>03000 - Painting: Exterior</b>																			
150 - Stain 2,516 sf Office/Pool/Pump 1 & 2 Bldg's	5,284	5	3				5,690						6,438						7,284
910 - Miscellaneous 2 Monument Sign Painting	2,100	5	1		2,153						2,435					2,755			
Total 03000 - Painting: Exterior	7,384				2,153		5,690				2,435		6,438			2,755			7,284
<b>04000 - Structural Repairs</b>																			
908 - Shed Metal Shed	5,000	15	9																6,244
910 - Building Maintenance Office Building	7,500	25	5							8,486									
914 - Building Maintenance Pool Building	7,500	25	5							8,486									
918 - Building Maintenance Pump 1 Building	5,000	25	5							5,657									
922 - Building Maintenance Pump 2 Building	5,000	25	5							5,657									
Total 04000 - Structural Repairs	30,000									28,285						6,244			
<b>04500 - Decking/Balconies</b>																			
100 - Wood 117 sf Office Front & Rear Decks	6,728	20	5																7,612
Total 04500 - Decking/Balconies	6,728																		7,612
<b>05000 - Roofing</b>																			
300 - Low Slope: Metal 2 Squares- Pump 1	2,000	40	25																
304 - Low Slope: Metal 2 Squares- Pump 2	2,000	40	31																

Reserve Component	Current Life			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39
	Replacement	Useful /	Cost Remaining															
440 - Pitched: Dimensional Composition 19 Squares- Office & Pool Building Roofs	19,000	25	3				20,461											
Total 05000 - Roofing	23,000						20,461											
<b>08000 - Rehab</b>																		
220 - Bathrooms 2 Pool Building Bathrooms	5,000	20	10											6,400				
226 - Restrooms Office Restroom	1,500	20	10											1,920				
Total 08000 - Rehab	6,500													8,321				
<b>12000 - Pool</b>																		
110 - Re-plaster 1,512 sf Pool	39,312	15	10											50,323				
114 - Re-plaster 293 sf Wading Pool	7,618	15	10											9,752				
180 - Repairs 2 Pool Plumbing	37,400	30	25															
600 - Deck: Re-Surface Pool Deck- Re-caulking	4,000	5	2		4,203					4,755								5,380
700 - Equipment: Replacement Pool (50%)	2,500	5	2		2,627					2,972								3,362
704 - Equipment: Replacement Wading Pool (50%)	2,500	5	2		2,627					2,972								3,362
720 - Heater Pool Heater	4,500	10	9										5,620					
Total 12000 - Pool	97,830				9,456					10,698			5,620	60,074				12,104
<b>19000 - Fencing</b>																		
110 - Chain Link: 6' 220 lf Pool	5,500	30	5						6,223									
140 - Chain Link: 12' 88 lf Pump 1	3,080	30	8									3,753						
Total 19000 - Fencing	8,580								6,223			3,753						
<b>20000 - Lighting</b>																		
400 - Interior 19 Interior Light Fixtures	1,900	25	16															
Total 20000 - Lighting	1,900																	
<b>21000 - Signage</b>																		
200 - Street Signs 22 Street & Traffic Control Signs	2,090	15	2		2,196													
715 - Entry Signs 2 Entry Signs- Repair/Replace	3,050	20	4				3,367											
Total 21000 - Signage	5,140				2,196		3,367											
<b>22000 - Office Equipment</b>																		
200 - Computers, Misc. Office Equipment	1,500	5	1		1,538					1,740								1,968
Total 22000 - Office Equipment	1,500				1,538					1,740								1,968
<b>23000 - Mechanical Equipment</b>																		
600 - Water Heater Pool Restroom Water Heater	1,200	12	2			1,261												1,696

Reserve Component	Current		Life	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39
	Replacement	Useful /																
710 - Furnace Office Heater	1,950	15	5						2,206									
714 - Furnace 4 Space Heaters	2,500	15	2			2,627												
760 - Wall A/C Medium Office AC Wall Unit	1,000	15	8									1,218						
<b>Total 23000 - Mechanical Equipment</b>	<b>6,650</b>					<b>3,887</b>			<b>2,206</b>			<b>1,218</b>						<b>1,696</b>
<b>24000 - Furnishings</b>																		
900 - Miscellaneous Office & Restroom Furnishings	3,250	20	3				3,500											
<b>Total 24000 - Furnishings</b>	<b>3,250</b>						<b>3,500</b>											
<b>24600 - Safety / Access</b>																		
550 - Video Monitoring System Security System	10,000	8	1		10,250								12,489					
<b>Total 24600 - Safety / Access</b>	<b>10,000</b>				<b>10,250</b>								<b>12,489</b>					
<b>25000 - Flooring</b>																		
990 - Miscellaneous 420 sf Office & Restroom Flooring	2,730	40	13															3,763
994 - Miscellaneous 224 sf Men's & Women's Restroom Floors	1,456	40	2			1,530												
<b>Total 25000 - Flooring</b>	<b>4,186</b>					<b>1,530</b>												<b>3,763</b>
<b>26000 - Outdoor Equipment</b>																		
280 - Picnic Tables 8 Common Area Picnic Tables	7,200	20	2			7,565												
480 - Drinking Fountain Pool Area Drinking Fountain	2,400	20	2			2,522												
900 - Miscellaneous Common Area Outdoor Items	1,500	20	2			1,576												
<b>Total 26000 - Outdoor Equipment</b>	<b>11,100</b>					<b>11,662</b>												
<b>28000 - Water System</b>																		
210 - Well 2 Wells 1 & 2	150,000	55	2			157,594												
214 - Well Well 3	51,500	55	47															
215 - Well Well 4	51,500	55	32															
280 - Pump- Re-build 2 15-HP Pumps- Pump House #2	20,570	5	1		21,084					23,855					26,990			
288 - Pump- Re-build Pump 2, 7.5-HP Pump	4,450	5	3				4,792					5,422						6,134
300 - Water Storage Tank 100,000 Gal. Steel Tank, Pump 2	125,000	50	33															
304 - Water Storage Tank 63,000 Gal. Steel Tank, Pump 1	135,450	50	38															
308 - Water Storage Tank 900 Gal. Pressure Tank Pump 1	8,640	20	10											11,060				
312 - Water Storage Tank 900 Gal. Pressure Tank Pump 2	8,640	20	10											11,060				
730 - Control Panel Control Panel, W/ Unifloat, Pump 1	12,275	25	18															

Reserve Component	Current Replacement Cost	Life Useful /	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39
734 - Control Panel Control Panel, W/ Unifloat, Pump 2	12,275	25 17															
900 - Miscellaneous 4 Well Covers	1,920	20 3				2,068											
900 - Miscellaneous Pump 2, Pump Siren	1,950	20 12													2,623		
904 - Miscellaneous Air Compressor, Pump 1	3,250	30 12														4,371	
908 - Miscellaneous Air Compressor, Pump 2	3,250	30 21															
<b>Total 28000 - Water System</b>	<b>590,670</b>			<b>21,084</b>	<b>157,594</b>	<b>6,860</b>			<b>23,855</b>		<b>5,422</b>		<b>22,120</b>	<b>26,990</b>	<b>6,993</b>	<b>6,134</b>	
<b>29000 - Infrastructure</b>																	
100 - Water Lines 10,000 lf 6" Water Main Line	2,200,000	70 13															3,032,724
104 - Water Lines 600 lf 2" Water Main Line	120,000	70 13															165,421
960 - Consulting/Engineering Water System Report	15,000	15 1		15,375													
<b>Total 29000 - Infrastructure</b>	<b>2,335,000</b>			<b>15,375</b>													<b>3,198,146</b>
<b>30000 - Miscellaneous</b>																	
800 - Maintenance Truck Truck w/ Snow Plow	35,000	10 0	35,000										44,803				
804 - Maintenance Truck Ford F250	40,000	10 5						45,256									
810 - Maintenance Equipment Bobcat	12,000	10 3				12,923											16,542
811 - Maintenance Equipment SnowEx Spreader	4,000	10 5						4,526									
812 - Vehicle Kubota (2007)	43,600	20 3				46,952											
818 - Tractor Kubota- 1995	18,650	20 2			19,594												
820 - Vehicle Truck w/ Snow Plow	35,000	10 0	35,000										44,803				
822 - Maintenance Equipment Sander	3,850	15 3				4,146											
910 - Generator Pump 1	35,500	25 10											45,443				
914 - Generator Pump 2	4,750	25 17															
<b>Total 30000 - Miscellaneous</b>	<b>232,350</b>		<b>70,000</b>		<b>19,594</b>	<b>64,021</b>		<b>49,782</b>					<b>135,049</b>				<b>16,542</b>
<b>31000 - Reserve Study</b>																	
100 - 3 Year Update with Site Visit Reserve Study	2,400	3 0	2,400			2,585			2,783			2,997				3,228	
<b>Total 31000 - Reserve Study</b>	<b>2,400</b>		<b>2,400</b>			<b>2,585</b>			<b>2,783</b>			<b>2,997</b>				<b>3,228</b>	
<b>Total Expenditures Inflated @ 2.50%</b>			<b>72,400</b>	<b>177,637</b>	<b>205,918</b>	<b>103,116</b>	<b>3,367</b>	<b>94,108</b>	<b>35,245</b>	<b>10,698</b>	<b>163,420</b>	<b>27,350</b>	<b>225,564</b>	<b>36,728</b>	<b>22,325</b>	<b>4,369,141</b>	<b>1,696</b>
<b>Total Current Replacement Cost</b>	<b>4,409,742</b>																

Reserve Component	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
<b>01000 - Paving</b>															
120 - Asphalt: State Spec. Slurry 275,000 sf Streets	139,399							165,701							196,967
200 - Asphalt: Ongoing Repairs 275,000 sf Streets (3%)	34,850							41,425							49,242
400 - Asphalt: Major Repairs 275,000 sf Asphalt Repair Fund															
Total 01000 - Paving	174,248							207,127							246,208
<b>02000 - Concrete</b>															
400 - Pool Deck 3,822 sf Repairs (5%)		5,674					6,419						7,263		
404 - Pool Deck 3,822 sf Full Replacement											141,715				
Total 02000 - Concrete		5,674					6,419				141,715		7,263		
<b>03000 - Painting: Exterior</b>															
150 - Stain 2,516 sf Office/Pool/Pump 1 & 2 Bldg's				8,241					9,323						10,549
910 - Miscellaneous 2 Monument Sign Painting		3,117					3,527						3,991		
Total 03000 - Painting: Exterior		3,117		8,241			3,527		9,323				3,991		10,549
<b>04000 - Structural Repairs</b>															
908 - Shed Metal Shed										9,044					
910 - Building Maintenance Office Building															
914 - Building Maintenance Pool Building															
918 - Building Maintenance Pump 1 Building															
922 - Building Maintenance Pump 2 Building															
Total 04000 - Structural Repairs										9,044					
<b>04500 - Decking/Balconies</b>															
100 - Wood 117 sf Office Front & Rear Decks												12,472			
Total 04500 - Decking/Balconies												12,472			
<b>05000 - Roofing</b>															
300 - Low Slope: Metal 2 Squares- Pump 1												3,708			
304 - Low Slope: Metal 2 Squares- Pump 2															
440 - Pitched: Dimensional Composition 19 Squares- Office & Pool Building Roofs															37,933
Total 05000 - Roofing												3,708			37,933
<b>08000 - Rehab</b>															
220 - Bathrooms 2 Pool Building Bathrooms															
226 - Restrooms Office Restroom															

Reserve Component	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
<b>Total 08000 - Rehab</b>															
<b>12000 - Pool</b>															
110 - Re-plaster 1,512 sf Pool											72,882				
114 - Re-plaster 293 sf Wading Pool											14,123				
180 - Repairs 2 Pool Plumbing											69,338				
600 - Deck: Re-Surface Pool Deck- Re-caulking			6,086					6,886						7,791	
700 - Equipment: Replacement Pool (50%)			3,804					4,304						4,870	
704 - Equipment: Replacement Wading Pool (50%)			3,804					4,304						4,870	
720 - Heater Pool Heater					7,194										9,209
<b>Total 12000 - Pool</b>			13,695		7,194			15,494			156,343			17,530	9,209
<b>19000 - Fencing</b>															
110 - Chain Link: 6' 220 lf Pool															
140 - Chain Link: 12' 88 lf Pump 1															
<b>Total 19000 - Fencing</b>															
<b>20000 - Lighting</b>															
400 - Interior 19 Interior Light Fixtures			2,821												
<b>Total 20000 - Lighting</b>			2,821												
<b>21000 - Signage</b>															
200 - Street Signs 22 Street & Traffic Control Signs			3,180												
715 - Entry Signs 2 Entry Signs- Repair/Replace										5,517					
<b>Total 21000 - Signage</b>			3,180							5,517					
<b>22000 - Office Equipment</b>															
200 - Computers, Misc. Office Equipment			2,227				2,519						2,850		
<b>Total 22000 - Office Equipment</b>			2,227				2,519						2,850		
<b>23000 - Mechanical Equipment</b>															
600 - Water Heater Pool Restroom Water Heater													2,280		
710 - Furnace Office Heater						3,195									
714 - Furnace 4 Space Heaters			3,804												
760 - Wall A/C Medium Office AC Wall Unit									1,765						
<b>Total 23000 - Mechanical Equipment</b>			3,804			3,195			1,765				2,280		
<b>24000 - Furnishings</b>															

Reserve Component	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
900 - Miscellaneous									5,735						
Office & Restroom Furnishings															
Total 24000 - Furnishings									5,735						
<b>24600 - Safety / Access</b>															
550 - Video Monitoring System			15,216								18,539				
Security System															
Total 24600 - Safety / Access			15,216								18,539				
<b>25000 - Flooring</b>															
990 - Miscellaneous															
420 sf Office & Restroom Flooring															
994 - Miscellaneous															
224 sf Men's & Women's Restroom Floors															
Total 25000 - Flooring															
<b>26000 - Outdoor Equipment</b>															
280 - Picnic Tables								12,395							
8 Common Area Picnic Tables															
480 - Drinking Fountain								4,132							
Pool Area Drinking Fountain															
900 - Miscellaneous								2,582							
Common Area Outdoor Items															
Total 26000 - Outdoor Equipment								19,109							
<b>28000 - Water System</b>															
210 - Well															
2 Wells 1 & 2															
214 - Well															
Well 3															
215 - Well															
Well 4															
280 - Pump- Re-build		30,536					34,549					39,089			
2 15-HP Pumps- Pump House #2															
288 - Pump- Re-build				6,940					7,853					8,884	
Pump 2, 7.5-HP Pump															
300 - Water Storage Tank															
100,000 Gal. Steel Tank, Pump 2															
304 - Water Storage Tank															
63,000 Gal. Steel Tank, Pump 1															
308 - Water Storage Tank															
900 Gal. Pressure Tank Pump 1															
312 - Water Storage Tank															
900 Gal. Pressure Tank Pump 2															
730 - Control Panel					19,145										
Control Panel, W/ Unifloat, Pump 1															
734 - Control Panel				18,678											
Control Panel, W/ Unifloat, Pump 2															
900 - Miscellaneous									3,388						
4 Well Covers															
900 - Miscellaneous															
Pump 2, Pump Siren															
904 - Miscellaneous															
Air Compressor, Pump 1															

Reserve Component	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54	
908 - Miscellaneous							5,459									
Air Compressor, Pump 2																
Total 28000 - Water System		30,536	18,678	26,085			40,008		11,241			39,089		8,884		
<b>29000 - Infrastructure</b>																
100 - Water Lines																
10,000 If 6" Water Main Line																
104 - Water Lines																
600 If 2" Water Main Line																
960 - Consulting/Engineering		22,268														
Water System Report																
Total 29000 - Infrastructure		22,268														
<b>30000 - Miscellaneous</b>																
800 - Maintenance Truck							57,352									
Truck w/ Snow Plow																
804 - Maintenance Truck		57,932										74,158				
Ford F250																
810 - Maintenance Equipment									21,175							
Bobcat																
811 - Maintenance Equipment		5,793										7,416				
SnowEx Spreader																
812 - Vehicle									76,937							
Kubota (2007)																
818 - Tractor								32,107								
Kubota- 1995																
820 - Vehicle							57,352									
Truck w/ Snow Plow																
822 - Maintenance Equipment				6,005												
Sander																
910 - Generator																
Pump 1																
914 - Generator			7,228													
Pump 2																
Total 30000 - Miscellaneous		63,725	7,228	6,005		114,703		32,107	98,112		81,574					
<b>31000 - Reserve Study</b>																
100 - 3 Year Update with Site Visit		3,476		3,743			4,031			4,341			4,675			
Reserve Study																
Total 31000 - Reserve Study		3,476		3,743			4,031			4,341			4,675			
<b>Total Expenditures Inflated @ 2.50%</b>		241,449	66,642	61,801	44,074	7,194	117,898	56,504	273,837	126,176	18,901	414,352	55,473	22,205	57,366	255,417

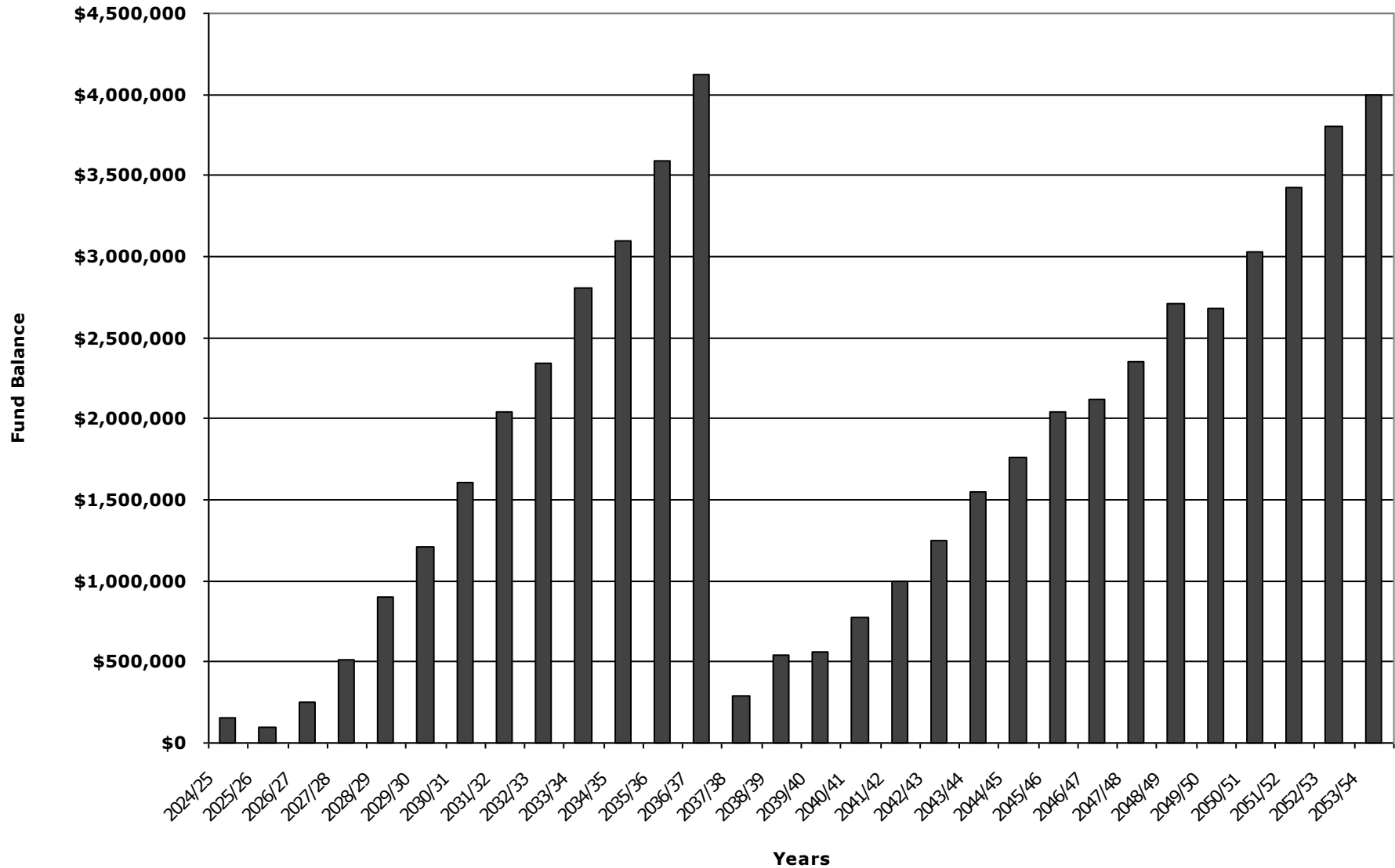
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Beginning Balance</b>	184,229	155,021	97,514	246,883	514,026	899,074	1,212,390	1,603,948	2,041,264	2,346,307
<b>Inflated Expenditures @ 2.5%</b>	72,400	177,637	205,918	103,116	3,367	94,108	35,245	10,698	163,420	27,350
<b>Reserve Contribution<sup>1</sup></b>	39,004	117,012	351,036	360,865	370,969	381,356	392,034	403,011	414,295	425,895
<i>Lots/month @ 159</i>	20.44	61.33	183.98	189.13	194.43	199.87	205.47	211.22	217.14	223.22
<i>Percentage Increase</i>		200.0%	200.0%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	4,188	3,118	4,252	9,394	17,446	26,067	34,770	45,003	54,168	63,639
<b>Ending Balance</b>	155,021	97,514	246,883	514,026	899,074	1,212,390	1,603,948	2,041,264	2,346,307	2,808,491

1) Large recommended reserve contribution increases are needed to complete reserve projects and to maintain positive reserve fund balances. All ending balance and percent funded values are dependent upon these additional funds being fully collected when indicated. Failure to adopt the recommended reserve contribution increases will result in costly deferred maintenance and funding shortfalls.

	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
<b>Beginning Balance</b>	2,808,491	3,093,613	3,589,471	4,125,068	286,021	539,518	562,802	770,017	993,831	1,247,866
<b>Inflated Expenditures @ 2.5%</b>	225,564	36,728	22,325	4,369,141	1,696	241,449	66,642	61,801	44,074	7,194
<b>Reserve Contribution</b>	437,820	450,079	462,681	475,636	245,000	251,125	257,403	263,838	270,434	277,195
<i>Lots/month @ 159</i>	229.47	235.89	242.50	249.29	128.41	131.62	134.91	138.28	141.74	145.28
<i>Percentage Increase</i>	2.8%	2.8%	2.8%	2.8%	-48.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	72,865	82,507	95,241	54,458	10,192	13,609	16,455	21,776	27,675	34,572
<b>Ending Balance</b>	3,093,613	3,589,471	4,125,068	286,021	539,518	562,802	770,017	993,831	1,247,866	1,552,439

	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
<b>Beginning Balance</b>	1,552,439	1,759,554	2,041,201	2,117,211	2,352,184	2,709,393	2,683,077	3,027,604	3,422,770	3,800,762
<b>Inflated Expenditures @ 2.5%</b>	117,898	56,504	273,837	126,176	18,901	414,352	55,473	22,205	57,366	255,417
<b>Reserve Contribution</b>	284,125	291,228	298,509	305,972	313,621	321,462	329,499	337,736	346,179	354,833
<i>Lots/month @ 159</i>	148.91	152.64	156.45	160.36	164.37	168.48	172.69	177.01	181.44	185.97
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	40,889	46,923	51,338	55,178	62,489	66,574	70,502	79,634	89,179	96,262
<b>Ending Balance</b>	1,759,554	2,041,201	2,117,211	2,352,184	2,709,393	2,683,077	3,027,604	3,422,770	3,800,762	3,996,439

30 Year Reserve Funding Plan Cash Flow Method - Ending Balances



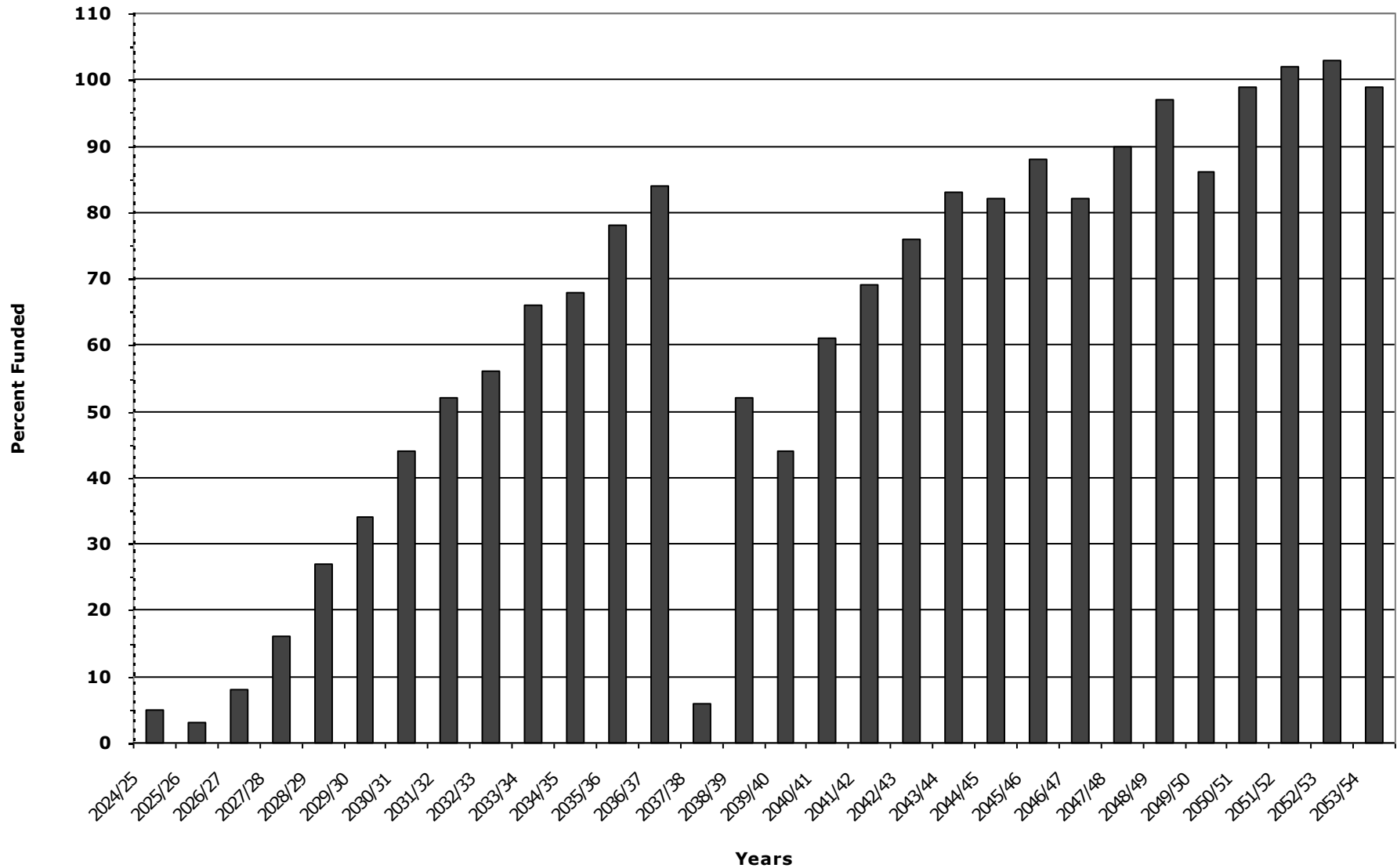
**30 Year Reserve Funding Plan Including Fully Funded Balance and % Funded**

First Draft

Prepared for the 2025/2026 Fiscal Year

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2024/25	184,229	2,929,430	5.3%	72,400	39,004	0	4,188	155,021
2025/26	155,021	3,075,874	3.2%	177,637	117,012	0	3,118	97,514
2026/27	97,514	3,121,797	7.9%	205,918	351,036	0	4,252	246,883
2027/28	246,883	3,143,657	16.4%	103,116	360,865	0	9,394	514,026
2028/29	514,026	3,275,308	27.5%	3,367	370,969	0	17,446	899,074
2029/30	899,074	3,516,462	34.5%	94,108	381,356	0	26,067	1,212,390
2030/31	1,212,390	3,674,704	43.6%	35,245	392,034	0	34,770	1,603,948
2031/32	1,603,948	3,901,405	52.3%	10,698	403,011	0	45,003	2,041,264
2032/33	2,041,264	4,163,209	56.4%	163,420	414,295	0	54,168	2,346,307
2033/34	2,346,307	4,279,399	65.6%	27,350	425,895	0	63,639	2,808,491
2034/35	2,808,491	4,542,455	68.1%	225,564	437,820	0	72,865	3,093,613
2035/36	3,093,613	4,613,522	77.8%	36,728	450,079	0	82,507	3,589,471
2036/37	3,589,471	4,884,640	84.4%	22,325	462,681	0	95,241	4,125,068
2037/38	4,125,068	5,182,134	5.5%	4,369,141	475,636	0	54,458	286,021
2038/39	286,021	1,036,536	52.1%	1,696	245,000	0	10,192	539,518
2039/40	539,518	1,269,010	44.3%	241,449	251,125	0	13,609	562,802
2040/41	562,802	1,266,755	60.8%	66,642	257,403	0	16,455	770,017
2041/42	770,017	1,448,959	68.6%	61,801	263,838	0	21,776	993,831
2042/43	993,831	1,646,152	75.8%	44,074	270,434	0	27,675	1,247,866
2043/44	1,247,866	1,872,053	82.9%	7,194	277,195	0	34,572	1,552,439
2044/45	1,552,439	2,147,151	81.9%	117,898	284,125	0	40,889	1,759,554
2045/46	1,759,554	2,321,546	87.9%	56,504	291,228	0	46,923	2,041,201
2046/47	2,041,201	2,569,269	82.4%	273,837	298,509	0	51,338	2,117,211
2047/48	2,117,211	2,606,609	90.2%	126,176	305,972	0	55,178	2,352,184
2048/49	2,352,184	2,802,580	96.7%	18,901	313,621	0	62,489	2,709,393
2049/50	2,709,393	3,119,910	86.0%	414,352	321,462	0	66,574	2,683,077
2050/51	2,683,077	3,046,503	99.4%	55,473	329,499	0	70,502	3,027,604
2051/52	3,027,604	3,345,944	102.3%	22,205	337,736	0	79,634	3,422,770
2052/53	3,422,770	3,693,974	102.9%	57,366	346,179	0	89,179	3,800,762
2053/54	3,800,762	4,021,843	99.4%	255,417	354,833	0	96,262	3,996,439

**30 Year Reserve Funding Plan Cash Flow Method - Percent Funded**





**Section V**

Merry Mountain Owner's Association

**Reserve Fund Balance Forecast Component Method**

First Draft

Prepared for the 2025/2026 Fiscal Year

<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>2024/2025 Fully Funded Balance</i>	<i>2025/2026 Fully Funded Balance</i>	<i>% Per Year Straight Line</i>	<i>2025/2026 Line Item Contribution based on Cash Flow Method</i>
<b>01000 - Paving</b>									
120 - Asphalt: State Spec. Slurry 275,000 sf Streets	96,250	7	1	98,656	14,094	82,500	98,656	8.18%	9,569
200 - Asphalt: Ongoing Repairs 275,000 sf Streets (3%)	24,063	7	1	24,664	3,523	20,625	24,664	2.04%	2,392
400 - Asphalt: Major Repairs 275,000 sf Asphalt Repair Fund	825,000	21	13	1,137,272	54,156	314,286	362,411	31.42%	36,770
Sub-total [01000 - Paving]	945,313			1,260,592	71,773	417,411	485,731	41.65%	48,732
<b>02000 - Concrete</b>									
400 - Pool Deck 3,822 sf Repairs (5%)	3,822	5	1	3,918	784	3,058	3,918	0.45%	532
404 - Pool Deck 3,822 sf Full Replacement	76,440	30	25	141,715	4,724	12,740	15,670	2.74%	3,207
Sub-total [02000 - Concrete]	80,262			145,633	5,507	15,798	19,588	3.20%	3,739
<b>03000 - Painting: Exterior</b>									
150 - Stain 2,516 sf Office/Pool/Pump 1 & 2 Bldg's	5,284	5	3	5,690	1,138	2,113	3,249	0.66%	773
910 - Miscellaneous 2 Monument Sign Painting	2,100	5	1	2,153	431	1,680	2,153	0.25%	292
Sub-total [03000 - Painting: Exterior]	7,384			7,842	1,568	3,793	5,402	0.91%	1,065
<b>04000 - Structural Repairs</b>									
908 - Shed Metal Shed	5,000	15	9	6,244	416	2,000	2,392	0.24%	283
910 - Building Maintenance Office Building	7,500	25	5	8,486	339	6,000	6,458	0.20%	230
914 - Building Maintenance Pool Building	7,500	25	5	8,486	339	6,000	6,458	0.20%	230
918 - Building Maintenance Pump 1 Building	5,000	25	5	5,657	226	4,000	4,305	0.13%	154
922 - Building Maintenance Pump 2 Building	5,000	25	5	5,657	226	4,000	4,305	0.13%	154
Sub-total [04000 - Structural Repairs]	30,000			34,530	1,548	22,000	23,917	0.90%	1,051

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	% Per Year Straight Line	2025/2026 Line Item Contribution based on Cash Flow Method
<b>04500 - Decking/Balconies</b>									
100 - Wood 117 sf Office Front & Rear Decks	6,728	20	5	7,612	381	5,046	5,517	0.22%	258
<b>05000 - Roofing</b>									
300 - Low Slope: Metal 2 Squares- Pump 1	2,000	40	25	3,708	93	750	820	0.05%	63
304 - Low Slope: Metal 2 Squares- Pump 2	2,000	40	31	0	0	450	513	0.00%	0
440 - Pitched: Dimensional Composition 19 Squares- Office & Pool Building Roofs	19,000	25	3	20,461	818	16,720	17,917	0.47%	556
Sub-total [05000 - Roofing]	23,000			24,169	911	17,920	19,250	0.53%	619
<b>08000 - Rehab</b>									
220 - Bathrooms 2 Pool Building Bathrooms	5,000	20	10	6,400	320	2,500	2,819	0.19%	217
226 - Restrooms Office Restroom	1,500	20	10	1,920	96	750	846	0.06%	65
Sub-total [08000 - Rehab]	6,500			8,321	416	3,250	3,664	0.24%	282
<b>12000 - Pool</b>									
110 - Re-plaster 1,512 sf Pool	39,312	15	10	50,323	3,355	13,104	16,118	1.95%	2,278
114 - Re-plaster 293 sf Wading Pool	7,618	15	10	9,752	650	2,539	3,123	0.38%	441
180 - Repairs 2 Pool Plumbing	37,400	30	25	69,338	2,311	6,233	7,667	1.34%	1,569
600 - Deck: Re-Surface Pool Deck- Re-caulking	4,000	5	2	4,203	841	2,400	3,280	0.49%	571
700 - Equipment: Replacement Pool (50%)	2,500	5	2	2,627	525	1,500	2,050	0.30%	357
704 - Equipment: Replacement Wading Pool (50%)	2,500	5	2	2,627	525	1,500	2,050	0.30%	357
720 - Heater Pool Heater	4,500	10	9	5,620	562	450	923	0.33%	382
Sub-total [12000 - Pool]	97,830			144,487	8,769	27,727	35,211	5.09%	5,954
<b>19000 - Fencing</b>									
110 - Chain Link: 6' 220 lf Pool	5,500	30	5	6,223	207	4,583	4,886	0.12%	141
140 - Chain Link: 12' 88 lf Pump 1	3,080	30	8	3,753	125	2,259	2,420	0.07%	85
Sub-total [19000 - Fencing]	8,580			9,975	333	6,842	7,306	0.19%	226

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	% Per Year Straight Line	2025/2026 Line Item Contribution based on Cash Flow Method
<b>20000 - Lighting</b>									
400 - Interior 19 Interior Light Fixtures	1,900	25	16	2,821	113	684	779	0.07%	77
<b>21000 - Signage</b>									
200 - Street Signs 22 Street & Traffic Control Signs	2,090	15	2	2,196	146	1,811	1,999	0.08%	99
715 - Entry Signs 2 Entry Signs- Repair/Replace	3,050	20	4	3,367	168	2,440	2,657	0.10%	114
Sub-total [21000 - Signage]	5,140			5,562	315	4,251	4,657	0.18%	214
<b>22000 - Office Equipment</b>									
200 - Computers, Misc. Office Equipment	1,500	5	1	1,538	308	1,200	1,538	0.18%	209
<b>23000 - Mechanical Equipment</b>									
600 - Water Heater Pool Restroom Water Heater	1,200	12	2	1,261	105	1,000	1,128	0.06%	71
710 - Furnace Office Heater	1,950	15	5	2,206	147	1,300	1,466	0.09%	100
714 - Furnace 4 Space Heaters	2,500	15	2	2,627	175	2,167	2,392	0.10%	119
760 - Wall A/C Medium Office AC Wall Unit	1,000	15	8	1,218	81	467	547	0.05%	55
Sub-total [23000 - Mechanical Equipment]	6,650			7,312	508	4,933	5,532	0.30%	345
<b>24000 - Furnishings</b>									
900 - Miscellaneous Office & Restroom Furnishings	3,250	20	3	3,500	175	2,763	2,998	0.10%	119
<b>24600 - Safety / Access</b>									
550 - Video Monitoring System Security System	10,000	8	1	10,250	1,281	8,750	10,250	0.74%	870
<b>25000 - Flooring</b>									
990 - Miscellaneous 420 sf Office & Restroom Flooring	2,730	40	13	3,763	94	1,843	1,959	0.05%	64
994 - Miscellaneous 224 sf Men's & Women's Restroom Floors	1,456	40	2	1,530	38	1,383	1,455	0.02%	26
Sub-total [25000 - Flooring]	4,186			5,293	132	3,226	3,414	0.08%	90

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	% Per Year Straight Line	2025/2026 Line Item Contribution based on Cash Flow Method
<b>26000 - Outdoor Equipment</b>									
280 - Picnic Tables 8 Common Area Picnic Tables	7,200	20	2	7,565	378	6,480	7,011	0.22%	257
480 - Drinking Fountain Pool Area Drinking Fountain	2,400	20	2	2,522	126	2,160	2,337	0.07%	86
900 - Miscellaneous Common Area Outdoor Items	1,500	20	2	1,576	79	1,350	1,461	0.05%	54
Sub-total [26000 - Outdoor Equipment]	11,100			11,662	583	9,990	10,809	0.34%	396
<b>28000 - Water System</b>									
210 - Well 2 Wells 1 & 2	150,000	55	2	157,594	2,865	144,545	150,955	1.66%	1,945
214 - Well Well 3	51,500	55	47	0	0	7,491	8,638	0.00%	0
215 - Well Well 4	51,500	55	32	0	0	21,536	23,035	0.00%	0
280 - Pump- Re-build 2 15-HP Pumps- Pump House #2	20,570	5	1	21,084	4,217	16,456	21,084	2.45%	2,863
288 - Pump- Re-build Pump 2, 7.5-HP Pump	4,450	5	3	4,792	958	1,780	2,737	0.56%	651
300 - Water Storage Tank 100,000 Gal. Steel Tank, Pump 2	125,000	50	33	0	0	42,500	46,125	0.00%	0
304 - Water Storage Tank 63,000 Gal. Steel Tank, Pump 1	135,450	50	38	0	0	32,508	36,097	0.00%	0
308 - Water Storage Tank 900 Gal. Pressure Tank Pump 1	8,640	20	10	11,060	553	4,320	4,871	0.32%	375
312 - Water Storage Tank 900 Gal. Pressure Tank Pump 2	8,640	20	10	11,060	553	4,320	4,871	0.32%	375
730 - Control Panel Control Panel, W/ Unifloat, Pump 1	12,275	25	18	19,145	766	3,437	4,026	0.44%	520
734 - Control Panel Control Panel, W/ Unifloat, Pump 2	12,275	25	17	18,678	747	3,928	4,529	0.43%	507
900 - Miscellaneous Pump 2, Pump Siren	1,950	20	12	2,623	131	780	899	0.08%	89
900 - Miscellaneous 4 Well Covers	1,920	20	3	2,068	103	1,632	1,771	0.06%	70
904 - Miscellaneous Air Compressor, Pump 1	3,250	30	12	4,371	146	1,950	2,110	0.08%	99
908 - Miscellaneous Air Compressor, Pump 2	3,250	30	21	5,459	182	975	1,110	0.11%	124
Sub-total [28000 - Water System]	590,670			257,932	11,222	288,159	312,859	6.51%	7,619

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	% Per Year Straight Line	2025/2026 Line Item Contribution based on Cash Flow Method
<b>29000 - Infrastructure</b>									
100 - Water Lines 10,000 lf 6" Water Main Line	2,200,000	70	13	3,032,724	43,325	1,791,429	1,868,429	25.14%	29,416
104 - Water Lines 600 lf 2" Water Main Line	120,000	70	13	165,421	2,363	97,714	101,914	1.37%	1,605
960 - Consulting/Engineering Water System Report	15,000	15	1	15,375	1,025	14,000	15,375	0.59%	696
Sub-total [29000 - Infrastructure]	2,335,000			3,213,521	46,713	1,903,143	1,985,718	27.11%	31,717
<b>30000 - Miscellaneous</b>									
800 - Maintenance Truck Truck w/ Snow Plow	35,000	10	0	35,000	3,500	35,000	3,588	2.03%	2,376
804 - Maintenance Truck Ford F250	40,000	10	5	45,256	4,526	20,000	24,600	2.63%	3,073
810 - Maintenance Equipment Bobcat	12,000	10	3	12,923	1,292	8,400	9,840	0.75%	877
811 - Maintenance Equipment SnowEx Spreader	4,000	10	5	4,526	453	2,000	2,460	0.26%	307
812 - Vehicle Kubota (2007)	43,600	20	3	46,952	2,348	37,060	40,221	1.36%	1,594
818 - Tractor Kubota- 1995	18,650	20	2	19,594	980	16,785	18,160	0.57%	665
820 - Vehicle Truck w/ Snow Plow	35,000	10	0	35,000	3,500	35,000	3,588	2.03%	2,376
822 - Maintenance Equipment Sander	3,850	15	3	4,146	276	3,080	3,420	0.16%	188
910 - Generator Pump 1	35,500	25	10	45,443	1,818	21,300	23,288	1.05%	1,234
914 - Generator Pump 2	4,750	25	17	7,228	289	1,520	1,753	0.17%	196
Sub-total [30000 - Miscellaneous]	232,350			256,068	18,981	180,145	130,917	11.01%	12,888
<b>31000 - Reserve Study</b>									
100 - 3 Year Update with Site Visit Reserve Study	2,400	3	0	2,400	800	2,400	820	0.46%	543
<b>Totals</b>	<b>4,409,742</b>			<b>5,421,019</b>	<b>172,337</b>	[A] <b>2,929,430</b>	[B] <b>3,075,874</b>	<b>100.00%</b>	<b>117,012</b>
						[EndBal] [A]	[EndBal] [B]		
<b>Percent Funded</b>						<b>5.29%</b>	<b>3.17%</b>		

**01000 - Paving**

120 - Asphalt: State Spec. Slurry	Useful Life 7	Remaining Life 1
275,000 sf Streets	Quantity 275,000	Unit of Measure Square Feet
	Cost /SqFt \$0.350	
	% Included 100.00%	Total Cost/Study \$96,250
Summary	Replacement Year 2025/2026	Future Cost \$98,656

This is to prepare the surface and apply a state specification slurry seal.



200 - Asphalt: Ongoing Repairs	Useful Life 7	Remaining Life 1
275,000 sf Streets (3%)	Quantity 275,000	Unit of Measure Square Feet
	Cost /SqFt \$3.50	Qty * \$/SqFt \$962,500
	% Included 2.50%	Total Cost/Study \$24,063
Summary	Replacement Year 2025/2026	Future Cost \$24,664

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

2025- Areas of cracking were observed. These areas should be crack filled in conjunction with the next slurry cycle.



**01000 - Paving**

400 - Asphalt: Major Repairs	Useful Life 21	Remaining Life 13
275,000 sf Asphalt Repair Fund	Quantity 275,000	Unit of Measure Square Feet
	Cost /SqFt \$3.00	
	% Included 100.00%	Total Cost/Study \$825,000
Summary	Replacement Year 2037/2038	Future Cost \$1,137,272

This is a repair fund for major repairs not for full replacement.

2025- As major paving rehabilitation work approaches, the association should solicit bids from qualified paving professionals to determine an accurate cost estimate and scope of work that may then be incorporated into the reserve study. Remaining life aligned with potential main line work.

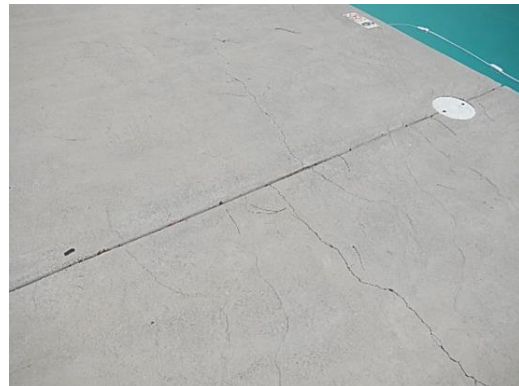


**02000 - Concrete**

400 - Pool Deck	Useful Life 5	Remaining Life 1
3,822 sf Repairs (5%)	Quantity 3,822	Unit of Measure Square Feet
	Cost /SqFt \$20.00	Qty * \$/SqFt \$76,440
	% Included 5.00%	Total Cost/Study \$3,822
Summary	Replacement Year 2025/2026	Future Cost \$3,918

This is to cut, grind or repair concrete flatwork to remove or minimize vertical displacements and to maintain functionality. This is for partial replacement only.

2025- Areas of cracking were observed.



**02000 - Concrete**

404 - Pool Deck	Useful Life 30	Remaining Life 25
3,822 sf Full Replacement	Quantity 3,822	Unit of Measure Square Feet
	Cost /SqFt \$20.00	
	% Included 100.00%	Total Cost/Study \$76,440
Summary	Replacement Year 2049/2050	Future Cost \$141,715

This is to replace the pool deck.

2025- In 2020, \$90,000 total was expended for pool resurfacing & full deck replacement. No cost breakdown was provided.

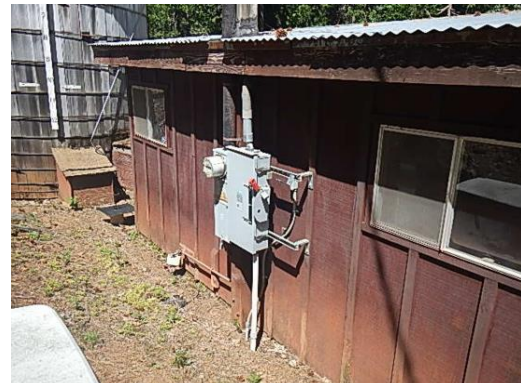


**03000 - Painting: Exterior**

150 - Stain	Useful Life 5	Remaining Life 3
2,516 sf Office/Pool/Pump 1 & 2 Bldg's	Quantity 2,516	Unit of Measure Square Feet
	Cost /SqFt \$2.10	
	% Included 100.00%	Total Cost/Study \$5,284
Summary	Replacement Year 2027/2028	Future Cost \$5,690

This is to prepare, power wash, sand, scrape, caulk and paint with a premium full body stain. Includes preparation and staining/painting of the front and back office wood decks and railings.

- 880 sf- office wood siding
- 560 sf- pump 1 wood siding
- 495 sf- pump 2 wood siding
- 429 sf- pool wood siding
- 152 sf- front and back office wood decks & railings



**03000 - Painting: Exterior**

910 - Miscellaneous	Useful Life 5	Remaining Life 1
2 Monument Sign Painting	Quantity 2	Unit of Measure Items
	Cost /Itm \$1,050	
	% Included 100.00%	Total Cost/Study \$2,100
Summary	Replacement Year 2025/2026	Future Cost \$2,153

This is for preparing and painting the street and entry monument signs.

2025- Peeling paint was observed.



**04000 - Structural Repairs**

908 - Shed	Useful Life 15	Remaining Life 9
Metal Shed	Quantity 1	Unit of Measure Items
	Cost /Itm \$5,000	
	% Included 100.00%	Total Cost/Study \$5,000
Summary	Replacement Year 2033/2034	Future Cost \$6,244

This is to repair, maintain, and replace the metal shed near well #2.

**04000 - Structural Repairs**

910 - Building Maintenance	Useful Life 25	Remaining Life 5	
Office Building	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$7,500		
	% Included 100.00%	Total Cost/Study	\$7,500
Summary	Replacement Year 2029/2030	Future Cost	\$8,486

This is for general building repairs.

- 1- glass sliding door
- 1- exterior wood door
- 880 sf- wood siding



914 - Building Maintenance	Useful Life 25	Remaining Life 5	
Pool Building	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$7,500		
	% Included 100.00%	Total Cost/Study	\$7,500
Summary	Replacement Year 2029/2030	Future Cost	\$8,486

This is for general building repairs.

- 3- exterior wood doors
- 2- exterior door w/window
- 429 sf- wood siding



**04000 - Structural Repairs**

918 - Building Maintenance	Useful Life 25	Remaining Life 5
Pump 1 Building	Quantity 1	Unit of Measure Lump Sum
	Cost /LS \$5,000	
	% Included 100.00%	Total Cost/Study \$5,000
Summary	Replacement Year 2029/2030	Future Cost \$5,657

This is for general building repairs.

- 1- exterior door w/window
- 560 sf- wood siding



922 - Building Maintenance	Useful Life 25	Remaining Life 5
Pump 2 Building	Quantity 1	Unit of Measure Lump Sum
	Cost /LS \$5,000	
	% Included 100.00%	Total Cost/Study \$5,000
Summary	Replacement Year 2029/2030	Future Cost \$5,657

This is for general building repairs.

- 1- exterior door w/window
- 495 sf- wood siding



**04500 - Decking/Balconies**

100 - Wood	Useful Life 20	Remaining Life 5
117 sf Office Front & Rear Decks	Quantity 117	Unit of Measure Square Feet
	Cost /SqFt \$57.50	
	% Included 100.00%	Total Cost/Study \$6,728
Summary	Replacement Year 2029/2030	Future Cost \$7,612

This is to replace the office front and rear decks.

96 sf- front deck, with approximately 24 lf wood handrail  
 21 sf- rear deck, with approximately 10 lf handrail



**05000 - Roofing**

300 - Low Slope: Metal	Useful Life 40	Remaining Life 25
2 Sqaures- Pump 1	Quantity 2	Unit of Measure Squares
	Cost /Sqrs \$1,000	
	% Included 100.00%	Total Cost/Study \$2,000
Summary	Replacement Year 2049/2050	Future Cost \$3,708

This is to replace the low slope metal roofing.



**05000 - Roofing**

304 - Low Slope: Metal	Useful Life 40	Remaining Life 31
2 Squares- Pump 2	Quantity 2	Unit of Measure Squares
	Cost /Sqrs \$1,000	
	% Included 100.00%	Total Cost/Study \$2,000
Summary	Replacement Year 2055/2056	Future Cost \$4,300

This is to replace the low slope metal roofing.



440 - Pitched: Dimensional Composition	Useful Life 25	Remaining Life 3
19 Squares- Office & Pool Building Roofs	Quantity 19	Unit of Measure Squares
	Cost /Sqrs \$1,000	
	% Included 100.00%	Total Cost/Study \$19,000
Summary	Replacement Year 2027/2028	Future Cost \$20,461

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

10 squares- Office  
 9 squares- Pool Building



**08000 - Rehab**

220 - Bathrooms	Useful Life 20	Remaining Life 10
2 Pool Building Bathrooms	Quantity 2	Unit of Measure Room
	Cost /Rm \$2,500	
	% Included 100.00%	Total Cost/Study \$5,000
Summary	Replacement Year 2034/2035	Future Cost \$6,400

This is to rehab the bathrooms including items such as partitions, fixtures, exhaust fans, tile, showers, etc. Client input will further define this component.

- 2- doors
- 650 sf- paint
- 224 sf- FRP



226 - Restrooms	Useful Life 20	Remaining Life 10
Office Restroom	Quantity 1	Unit of Measure Room
	Cost /Rm \$1,500	
	% Included 100.00%	Total Cost/Study \$1,500
Summary	Replacement Year 2034/2035	Future Cost \$1,920

This is to rehab the restrooms including items such as partitions, fixtures, lighting, tile, etc. Client input will further define this component.

**12000 - Pool**

110 - Re-plaster	Useful Life 15	Remaining Life 10
1,512 sf Pool	Quantity 1,512	Unit of Measure Square Feet
	Cost /SqFt \$26.00	
	% Included 100.00%	Total Cost/Study \$39,312
Summary	Replacement Year 2034/2035	Future Cost \$50,323

This is to resurface the pool including start-up costs.

2025- In 2020, \$90,000 total was expended for pool resurfacing & full deck replacement. No cost breakdown was provided.



114 - Re-plaster	Useful Life 15	Remaining Life 10
293 sf Wading Pool	Quantity 293	Unit of Measure Square Feet
	Cost /SqFt \$26.00	
	% Included 100.00%	Total Cost/Study \$7,618
Summary	Replacement Year 2034/2035	Future Cost \$9,752

This is to resurface the pool including start-up costs.



180 - Repairs	Useful Life 30	Remaining Life 25
2 Pool Plumbing	Quantity 2	Unit of Measure Items
	Cost /Itm \$18,700	
	% Included 100.00%	Total Cost/Study \$37,400
Summary	Replacement Year 2049/2050	Future Cost \$69,338

This is to replumb the pools and perform as needed major repairs beyond resurfacing.

**12000 - Pool**

600 - Deck: Re-Surface	Useful Life 5	Remaining Life 2
Pool Deck- Re-caulking	Quantity 1	Unit of Measure Lump Sum
	Cost /LS \$4,000	
	% Included 100.00%	Total Cost/Study \$4,000
Summary	Replacement Year 2026/2027	Future Cost \$4,203

This is to re-caulk the pool deck.



700 - Equipment: Replacement	Useful Life 5	Remaining Life 2
Pool (50%)	Quantity 1	Unit of Measure System
	Cost /Sys \$5,000	Qty * \$/Sys \$5,000
	% Included 50.00%	Total Cost/Study \$2,500
Summary	Replacement Year 2026/2027	Future Cost \$2,627

This is to replace the pool equipment. Since not all equipment will fail simultaneously, this component provides for one half replacement every five years.

- 1- Pentair FNS Plus filter (dated 2020)
- 1- Pentair pump
- 1- Pentair Model 320 Chlorinator



**12000 - Pool**

704 - Equipment: Replacement Wading Pool (50%)	Useful Life 5 Quantity 1 Cost /Sys \$5,000 % Included 50.00%	Remaining Life 2 Unit of Measure System Qty * \$/Sys \$5,000 Total Cost/Study \$2,500
Summary	Replacement Year 2026/2027	Future Cost \$2,627

This is to replace the pool equipment. Since not all equipment will fail simultaneously, this component provides for one half replacement every five years.

- 1- Pentair Quad D.E. filter (dated 2014)
- 1- Pentair pump



720 - Heater Pool Heater	Useful Life 10 Quantity 1 Cost /Itm \$4,500 % Included 100.00%	Remaining Life 9 Unit of Measure Items Total Cost/Study \$4,500
Summary	Replacement Year 2033/2034	Future Cost \$5,620

This is to replace the Pentair Mastertemp pool water heater. Dated 2024.



**19000 - Fencing**

110 - Chain Link: 6'	Useful Life 30	Remaining Life 5
220 lf Pool	Quantity 220	Unit of Measure Linear Feet
	Cost /l.f. \$25.00	
	% Included 100.00%	Total Cost/Study \$5,500
Summary	Replacement Year 2029/2030	Future Cost \$6,223

This is to replace the 6' chain link fencing.



140 - Chain Link: 12'	Useful Life 30	Remaining Life 8
88 lf Pump 1	Quantity 88	Unit of Measure Linear Feet
	Cost /l.f. \$35.00	
	% Included 100.00%	Total Cost/Study \$3,080
Summary	Replacement Year 2032/2033	Future Cost \$3,753

This is to replace the 12' chain link fencing.

**20000 - Lighting**

400 - Interior	Useful Life 25	Remaining Life 16
19 Interior Light Fixtures	Quantity 19	Unit of Measure Items
	Cost /itm \$100	
	% Included 100.00%	Total Cost/Study \$1,900
Summary	Replacement Year 2040/2041	Future Cost \$2,821

This is to replace interior lighting. Includes restrooms, pool area and office.

**21000 - Signage**

200 - Street Signs	Useful Life 15	Remaining Life 2
22 Street & Traffic Control Signs	Quantity 22	Unit of Measure Items
	Cost /Itm \$95.00	
	% Included 100.00%	Total Cost/Study \$2,090
Summary	Replacement Year 2026/2027	Future Cost \$2,196

This is to replace the street name signs and the traffic control signs.



715 - Entry Signs	Useful Life 20	Remaining Life 4
2 Entry Signs- Repair/Replace	Quantity 2	Unit of Measure Items
	Cost /Itm \$1,525	
	% Included 100.00%	Total Cost/Study \$3,050
Summary	Replacement Year 2028/2029	Future Cost \$3,367

This is to replace the entry signs.



**22000 - Office Equipment**

200 - Computers, Misc.	Useful Life 5	Remaining Life 1
Office Equipment	Quantity 1	Unit of Measure System
	Cost /Sys \$1,500	
	% Included 100.00%	Total Cost/Study \$1,500
Summary	Replacement Year 2025/2026	Future Cost \$1,538

This is to replace computers, printers, scanners and networking equipment as needed.

**23000 - Mechanical Equipment**

600 - Water Heater	Useful Life 12	Remaining Life 2
Pool Restroom Water Heater	Quantity 1	Unit of Measure Items
	Cost /Itm \$1,200	
	% Included 100.00%	Total Cost/Study \$1,200
Summary	Replacement Year 2026/2027	Future Cost \$1,261

This is to replace the water heater including discarded unit disposal.

710 - Furnace	Useful Life 15	Remaining Life 5
Office Heater	Quantity 1	Unit of Measure Items
	Cost /Itm \$1,950	
	% Included 100.00%	Total Cost/Study \$1,950
Summary	Replacement Year 2029/2030	Future Cost \$2,206

This is to replace the office heater.

714 - Furnace	Useful Life 15	Remaining Life 2
4 Space Heaters	Quantity 4	Unit of Measure Items
	Cost /Itm \$625	
	% Included 100.00%	Total Cost/Study \$2,500
Summary	Replacement Year 2026/2027	Future Cost \$2,627

This is to replace the space heaters.  
 1 each in: office, pool, pump 1, & pump 2.

760 - Wall A/C Medium	Useful Life 15	Remaining Life 8
Office AC Wall Unit	Quantity 1	Unit of Measure Items
	Cost /Itm \$1,000	
	% Included 100.00%	Total Cost/Study \$1,000
Summary	Replacement Year 2032/2033	Future Cost \$1,218

This is to replace the Frigidaire wall air conditioning unit.



**24000 - Furnishings**

900 - Miscellaneous	Useful Life 20	Remaining Life 3
Office & Restroom Furnishings	Quantity 1	Unit of Measure Set
	Cost /Set \$3,250	
	% Included 100.00%	Total Cost/Study \$3,250
Summary	Replacement Year 2027/2028	Future Cost \$3,500

This is to replace furnishings as needed.



**24600 - Safety / Access**

550 - Video Monitoring System	Useful Life 8	Remaining Life 1
Security System	Quantity 1	Unit of Measure System
	Cost /Sys \$10,000	
	% Included 100.00%	Total Cost/Study \$10,000
Summary	Replacement Year 2025/2026	Future Cost \$10,250

This is to replace the video monitoring system including wiring, cabling, cameras, enclosures, recorders, monitors, etc.



**25000 - Flooring**

990 - Miscellaneous	Useful Life 40	Remaining Life 13
420 sf Office & Restroom Flooring	Quantity 420	Unit of Measure Square Feet
	Cost /SqFt \$6.50	
	% Included 100.00%	Total Cost/Study \$2,730
Summary	Replacement Year 2037/2038	Future Cost \$3,763

This is to replace the office and restroom flooring.

398 sf- office  
 22 sf- restroom

994 - Miscellaneous	Useful Life 40	Remaining Life 2
224 sf Men's & Women's Restroom Floors	Quantity 224	Unit of Measure Square Feet
	Cost /SqFt \$6.50	
	% Included 100.00%	Total Cost/Study \$1,456
Summary	Replacement Year 2026/2027	Future Cost \$1,530

This is to replace the men's & women's restroom flooring.

112 sf- Men's  
 112 sf- Women's



**26000 - Outdoor Equipment**

280 - Picnic Tables	Useful Life 20	Remaining Life 2
8 Common Area Picnic Tables	Quantity 8	Unit of Measure Items
	Cost /Itm \$900	
	% Included 100.00%	Total Cost/Study \$7,200
Summary	Replacement Year 2026/2027	Future Cost \$7,565

This is to replace the picnic tables.



480 - Drinking Fountain	Useful Life 20	Remaining Life 2
Pool Area Drinking Fountain	Quantity 1	Unit of Measure Items
	Cost /Itm \$2,400	
	% Included 100.00%	Total Cost/Study \$2,400
Summary	Replacement Year 2026/2027	Future Cost \$2,522

This is to replace the drinking fountain. The fountain should be inspected, cleaned and sanitized frequently.



**26000 - Outdoor Equipment**

900 - Miscellaneous	Useful Life 20	Remaining Life 2
Common Area Outdoor Items	Quantity 1	Unit of Measure Lump Sum
	Cost /LS \$1,500	
	% Included 100.00%	Total Cost/Study \$1,500
Summary	Replacement Year 2026/2027	Future Cost \$1,576

This is to replace miscellaneous outdoor equipment. May include electrical stands, BBQ stands, and bike racks.



**28000 - Water System**

210 - Well	Useful Life 55	Remaining Life 2
2 Wells 1 & 2	Quantity 2	Unit of Measure Items
	Cost /Itm \$75,000	
	% Included 100.00%	Total Cost/Study \$150,000
Summary	Replacement Year 2026/2027	Future Cost \$157,594

This is to replace the wells.



**28000 - Water System**

214 - Well	Useful Life 55	Remaining Life 47
Well 3	Quantity 1	Unit of Measure Items
	Cost /Itm \$51,500	
	% Included 100.00%	Total Cost/Study \$51,500
Summary	Replacement Year 2071/2072	Future Cost \$164,372

This is to replace the well.



215 - Well	Useful Life 55	Remaining Life 32
Well 4	Quantity 1	Unit of Measure Items
	Cost /Itm \$51,500	
	% Included 100.00%	Total Cost/Study \$51,500
Summary	Replacement Year 2056/2057	Future Cost \$113,493

This is to replace the well.



**28000 - Water System**

280 - Pump- Re-build	Useful Life 5	Remaining Life 1
2 15-HP Pumps- Pump House #2	Quantity 2	Unit of Measure Items
	Cost /Itm \$10,285	
	% Included 100.00%	Total Cost/Study \$20,570
Summary	Replacement Year 2025/2026	Future Cost \$21,084

This is to repair, rebuild, and maintain the 15-hp pump.



288 - Pump- Re-build	Useful Life 5	Remaining Life 3
Pump 2, 7.5-HP Pump	Quantity 1	Unit of Measure Items
	Cost /Itm \$4,450	
	% Included 100.00%	Total Cost/Study \$4,450
Summary	Replacement Year 2027/2028	Future Cost \$4,792

This is to repair, rebuild, and maintain the 7.5-hp pump.

300 - Water Storage Tank	Useful Life 50	Remaining Life 33
100,000 Gal. Steel Tank, Pump 2	Quantity 100,000	Unit of Measure Gallon
	Cost /Gal \$1.25	
	% Included 100.00%	Total Cost/Study \$125,000
Summary	Replacement Year 2057/2058	Future Cost \$282,356

This is to install a new water tank and perform complete water testing.



**28000 - Water System**

304 - Water Storage Tank	Useful Life 50	Remaining Life 38
63,000 Gal. Steel Tank, Pump 1	Quantity 63,000	Unit of Measure Gallon
	Cost /Gal \$2.15	
	% Included 100.00%	Total Cost/Study \$135,450
Summary	Replacement Year 2062/2063	Future Cost \$346,167

This is to install a new water tank and perform complete water testing.



308 - Water Storage Tank	Useful Life 20	Remaining Life 10
900 Gal. Pressure Tank Pump 1	Quantity 900	Unit of Measure Gallon
	Cost /Gal \$9.60	
	% Included 100.00%	Total Cost/Study \$8,640
Summary	Replacement Year 2034/2035	Future Cost \$11,060

This is to replace the pressure tank.



**28000 - Water System**

312 - Water Storage Tank	Useful Life 20	Remaining Life 10
900 Gal. Pressure Tank Pump 2	Quantity 900	Unit of Measure Gallon
	Cost /Gal \$9.60	
	% Included 100.00%	Total Cost/Study \$8,640
Summary	Replacement Year 2034/2035	Future Cost \$11,060

This is to replace the pressure tank.



730 - Control Panel	Useful Life 25	Remaining Life 18
Control Panel, W/ Unifloat, Pump 1	Quantity 1	Unit of Measure Items
	Cost /Itm \$12,275	
	% Included 100.00%	Total Cost/Study \$12,275
Summary	Replacement Year 2042/2043	Future Cost \$19,145

This is to replace the Pump 1 control panel with unifloat.



**28000 - Water System**

734 - Control Panel	Useful Life 25	Remaining Life 17
Control Panel, W/ Unifloat, Pump 2	Quantity 1	Unit of Measure Items
	Cost /Itm \$12,275	
	% Included 100.00%	Total Cost/Study \$12,275
Summary	Replacement Year 2041/2042	Future Cost \$18,678

This is to replace the Pump 2 control panel with unifloat.



900 - Miscellaneous	Useful Life 20	Remaining Life 12
Pump 2, Pump Siren	Quantity 1	Unit of Measure Items
	Cost /Itm \$1,950	
	% Included 100.00%	Total Cost/Study \$1,950
Summary	Replacement Year 2036/2037	Future Cost \$2,623

This is to replace the pump 2 siren.

900 - Miscellaneous	Useful Life 20	Remaining Life 3
4 Well Covers	Quantity 4	Unit of Measure Items
	Cost /Itm \$480	
	% Included 100.00%	Total Cost/Study \$1,920
Summary	Replacement Year 2027/2028	Future Cost \$2,068

This is to replace the well covers.

904 - Miscellaneous	Useful Life 30	Remaining Life 12
Air Compressor, Pump 1	Quantity 1	Unit of Measure Items
	Cost /Itm \$3,250	
	% Included 100.00%	Total Cost/Study \$3,250
Summary	Replacement Year 2036/2037	Future Cost \$4,371

This is to repair and replace the Pump 1 Air Compressor.

**28000 - Water System**

908 - Miscellaneous	Useful Life 30	Remaining Life 21
Air Compressor, Pump 2	Quantity 1	Unit of Measure Items
	Cost /Itm \$3,250	
	% Included 100.00%	Total Cost/Study \$3,250
Summary	Replacement Year 2045/2046	Future Cost \$5,459

This is to repair and replace the Pump 2 Air Compressor.

**29000 - Infrastructure**

100 - Water Lines	Useful Life 70	Remaining Life 13
10,000 If 6" Water Main Line	Quantity 10,000	Unit of Measure Linear Feet
	Cost /l.f. \$220	
	% Included 100.00%	Total Cost/Study \$2,200,000
Summary	Replacement Year 2037/2038	Future Cost \$3,032,724

This is to replace water service lines. Since water system life exceeds the scope of this study, this component does not provide for total system replacement.

Installed 1968

2025- Quantity provided from 2007 NorthStar Engineering report. Cost has been updated to more recent similar water line work. BRG recommends the association get a new water system report to update useful life, cost and scope of work.

104 - Water Lines	Useful Life 70	Remaining Life 13
600 If 2" Water Main Line	Quantity 600	Unit of Measure Linear Feet
	Cost /l.f. \$200	
	% Included 100.00%	Total Cost/Study \$120,000
Summary	Replacement Year 2037/2038	Future Cost \$165,421

This is to replace water service lines. Since water system life exceeds the scope of this study, this component does not provide for total system replacement.

Installed 1968

2025- Quantity provided from 2007 NorthStar Engineering report. Cost has been updated to more recent similar water line work. BRG recommends the association get a new water system report to update useful life, cost and scope of work.

960 - Consulting/Engineering	Useful Life 15	Remaining Life 1
Water System Report	Quantity 1	Unit of Measure Lump Sum
	Cost /LS \$15,000	
	% Included 100.00%	Total Cost/Study \$15,000
Summary	Replacement Year 2025/2026	Future Cost \$15,375

This is for engineering and consulting professional fees and expenses.

2025- BRG recommends the association get a new water system report to update useful life, cost and scope of work.

**30000 - Miscellaneous**

800 - Maintenance Truck	Useful Life 10	Remaining Life 0
Truck w/ Snow Plow	Quantity 1	Unit of Measure Items
	Cost /Itm \$35,000	
	% Included 100.00%	Total Cost/Study \$35,000
Summary	Replacement Year 2024/2025	Future Cost \$35,000

This is to purchase a truck and snow plow.

2025- \$35,000 is anticipated for a truck and snow plow.

804 - Maintenance Truck	Useful Life 10	Remaining Life 5
Ford F250	Quantity 1	Unit of Measure Items
	Cost /Itm \$40,000	
	% Included 100.00%	Total Cost/Study \$40,000
Summary	Replacement Year 2029/2030	Future Cost \$45,256

This is to replace the Ford F250.



810 - Maintenance Equipment	Useful Life 10	Remaining Life 3
Bobcat	Quantity 1	Unit of Measure Items
	Cost /Itm \$12,000	
	% Included 100.00%	Total Cost/Study \$12,000
Summary	Replacement Year 2027/2028	Future Cost \$12,923

This is to replace the Bobcat.



**30000 - Miscellaneous**

811 - Maintenance Equipment	Useful Life 10	Remaining Life 5
SnowEx Spreader	Quantity 1	Unit of Measure Items
	Cost /Itm \$4,000	
	% Included 100.00%	Total Cost/Study \$4,000
Summary	Replacement Year 2029/2030	Future Cost \$4,526

This is to replace the spreader.



812 - Vehicle	Useful Life 20	Remaining Life 3
Kubota (2007)	Quantity 1	Unit of Measure Items
	Cost /Itm \$43,600	
	% Included 100.00%	Total Cost/Study \$43,600
Summary	Replacement Year 2027/2028	Future Cost \$46,952

This is to replace the Kubota tractor.



818 - Tractor	Useful Life 20	Remaining Life 2
Kubota- 1995	Quantity 1	Unit of Measure Items
	Cost /Itm \$18,650	
	% Included 100.00%	Total Cost/Study \$18,650
Summary	Replacement Year 2026/2027	Future Cost \$19,594

This is to replace the Kubota tractor.

2025- This was not visually observed during the site visit.

**30000 - Miscellaneous**

820 - Vehicle	Useful Life 10	Remaining Life 0
Truck w/ Snow Plow	Quantity 1	Unit of Measure Items
	Cost /Itm \$35,000	
	% Included 100.00%	Total Cost/Study \$35,000
Summary	Replacement Year 2024/2025	Future Cost \$35,000

This is to purchase a truck and snow plow.

2025- \$35,000 is anticipated for a truck and snow plow.

822 - Maintenance Equipment	Useful Life 15	Remaining Life 3
Sander	Quantity 1	Unit of Measure Items
	Cost /Itm \$3,850	
	% Included 100.00%	Total Cost/Study \$3,850
Summary	Replacement Year 2027/2028	Future Cost \$4,146

This is to replace the sander.

910 - Generator	Useful Life 25	Remaining Life 10
Pump 1	Quantity 1	Unit of Measure Items
	Cost /Itm \$35,500	
	% Included 100.00%	Total Cost/Study \$35,500
Summary	Replacement Year 2034/2035	Future Cost \$45,443

This is to replace the generator including existing equipment removal.

1- Kohler 45 kW generator



**30000 - Miscellaneous**

914 - Generator	Useful Life 25	Remaining Life 17
Pump 2	Quantity 1	Unit of Measure Items
	Cost /Itm \$4,750	
	% Included 100.00%	Total Cost/Study \$4,750
Summary	Replacement Year 2041/2042	Future Cost \$7,228

This is to replace the generator including existing equipment removal.

- 1- Kohler 20 kW generator



**31000 - Reserve Study**

100 - 3 Year Update with Site Visit	Useful Life 3	Remaining Life 0
Reserve Study	Quantity 1	Unit of Measure Lump Sum
	Cost /LS \$2,400	
	% Included 100.00%	Total Cost/Study \$2,400
Summary	Replacement Year 2024/2025	Future Cost \$2,400

This is to have a reserve study prepared for the association as required by California Civil Code Sections 5550, 5560, 5565 and 5570. This is for the 3-year Update with Site Visit study including a visual observation of accessible areas.

<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>
<b>01000 - Paving</b>							
120 - Asphalt: State Spec. Slurry	\$96,250	7	1	275,000	\$.35/SqFt		Streets
200 - Asphalt: Ongoing Repairs	\$24,063	7	1	275,000	\$3.50/SqFt (3%)		Streets
400 - Asphalt: Major Repairs	\$825,000	21	13	275,000	\$3.00/SqFt		Asphalt Repair Fund
<b>02000 - Concrete</b>							
400 - Pool Deck	\$3,822	5	1	3,822	\$20.00/SqFt (5%)		Repairs
404 - Pool Deck	\$76,440	30	25	3,822	\$20.00/SqFt		Full Replacement
<b>03000 - Painting: Exterior</b>							
150 - Stain	\$5,284	5	3	2,516	\$2.10/SqFt		Office/Pool/Pump 1 & 2 Bldg's
910 - Miscellaneous	\$2,100	5	1	2	\$1,050/Itm		Monument Sign Painting
<b>04000 - Structural Repairs</b>							
908 - Shed	\$5,000	15	9	1	\$5,000/Itm		Metal Shed
910 - Building Maintenance	\$7,500	25	5	1	\$7,500/LS		Office Building
914 - Building Maintenance	\$7,500	25	5	1	\$7,500/LS		Pool Building
918 - Building Maintenance	\$5,000	25	5	1	\$5,000/LS		Pump 1 Building
922 - Building Maintenance	\$5,000	25	5	1	\$5,000/LS		Pump 2 Building
<b>04500 - Decking/Balconies</b>							
100 - Wood	\$6,728	20	5	117	\$57.50/SqFt		Office Front & Rear Decks
<b>05000 - Roofing</b>							
300 - Low Slope: Metal	\$2,000	40	25	2	\$1,000/Sqrs		Pump 1
304 - Low Slope: Metal	\$2,000	40	31	2	\$1,000/Sqrs		Pump 2
440 - Pitched: Dimensional Composition	\$19,000	25	3	19	\$1,000/Sqrs		Office & Pool Building Roofs
<b>08000 - Rehab</b>							
220 - Bathrooms	\$5,000	20	10	2	\$2,500/Rm		Pool Building Bathrooms
226 - Restrooms	\$1,500	20	10	1	\$1,500/Rm		Office Restroom

Component	Current Replacement Cost	Useful Life	Remaining Life	Quantity	Cost/ U of M	Treatment	Location
<b>12000 - Pool</b>							
110 - Re-plaster	\$39,312	15	10	1,512	\$26.00/SqFt		Pool
114 - Re-plaster	\$7,618	15	10	293	\$26.00/SqFt		Wading Pool
180 - Repairs	\$37,400	30	25	2	\$18,700/Itm		Pool Plumbing
600 - Deck: Re-Surface	\$4,000	5	2	1	\$4,000/LS		Pool Deck- Re-caulking
700 - Equipment: Replacement	\$2,500	5	2	1	\$5,000/Sys (50%)		Pool
704 - Equipment: Replacement	\$2,500	5	2	1	\$5,000/Sys (50%)		Wading Pool
720 - Heater	\$4,500	10	9	1	\$4,500/Itm		Pool Heater
<b>19000 - Fencing</b>							
110 - Chain Link: 6'	\$5,500	30	5	220	\$25.00/l.f.		Pool
140 - Chain Link: 12'	\$3,080	30	8	88	\$35.00/l.f.		Pump 1
<b>20000 - Lighting</b>							
400 - Interior	\$1,900	25	16	19	\$100/Itm		Interior Light Fixtures
<b>21000 - Signage</b>							
200 - Street Signs	\$2,090	15	2	22	\$95.00/Itm		Street & Traffic Control Signs
715 - Entry Signs	\$3,050	20	4	2	\$1,525/Itm		Entry Signs- Repair/Replace
<b>22000 - Office Equipment</b>							
200 - Computers, Misc.	\$1,500	5	1	1	\$1,500/Sys		Office Equipment
<b>23000 - Mechanical Equipment</b>							
600 - Water Heater	\$1,200	12	2	1	\$1,200/Itm		Pool Restroom Water Heater
710 - Furnace	\$1,950	15	5	1	\$1,950/Itm		Office Heater
714 - Furnace	\$2,500	15	2	4	\$625/Itm		Space Heaters
760 - Wall A/C Medium	\$1,000	15	8	1	\$1,000/Itm		Office AC Wall Unit
<b>24000 - Furnishings</b>							
900 - Miscellaneous	\$3,250	20	3	1	\$3,250/Set		Office & Restroom Furnishings
<b>24600 - Safety / Access</b>							
550 - Video Monitoring System	\$10,000	8	1	1	\$10,000/Sys		Security System
<b>25000 - Flooring</b>							
990 - Miscellaneous	\$2,730	40	13	420	\$6.50/SqFt		Office & Restroom Flooring
994 - Miscellaneous	\$1,456	40	2	224	\$6.50/SqFt		Men's & Women's Restroom Floors
<b>26000 - Outdoor Equipment</b>							
280 - Picnic Tables	\$7,200	20	2	8	\$900/Itm		Common Area Picnic Tables
480 - Drinking Fountain	\$2,400	20	2	1	\$2,400/Itm		Pool Area Drinking Fountain

Component	Current Replacement Cost	Useful Life	Remaining Life	Quantity	Cost/ U of M	Treatment	Location
<b>26000 - Outdoor Equipment</b>							
900 - Miscellaneous	\$1,500	20	2	1	\$1,500/LS		Common Area Outdoor Items
<b>28000 - Water System</b>							
210 - Well	\$150,000	55	2	2	\$75,000/Itm		Wells 1 & 2
214 - Well	\$51,500	55	47	1	\$51,500/Itm		Well 3
215 - Well	\$51,500	55	32	1	\$51,500/Itm		Well 4
280 - Pump- Re-build	\$20,570	5	1	2	\$10,285/Itm		15-HP Pumps- Pump House #2
288 - Pump- Re-build	\$4,450	5	3	1	\$4,450/Itm		Pump 2, 7.5-HP Pump
300 - Water Storage Tank	\$125,000	50	33	100,000	\$1.25/Gal		Steel Tank, Pump 2
304 - Water Storage Tank	\$135,450	50	38	63,000	\$2.15/Gal		Steel Tank, Pump 1
308 - Water Storage Tank	\$8,640	20	10	900	\$9.60/Gal		Pressure Tank Pump 1
312 - Water Storage Tank	\$8,640	20	10	900	\$9.60/Gal		Pressure Tank Pump 2
730 - Control Panel	\$12,275	25	18	1	\$12,275/Itm		Control Panel, W/ Unifloat, Pump 1
734 - Control Panel	\$12,275	25	17	1	\$12,275/Itm		Control Panel, W/ Unifloat, Pump 2
900 - Miscellaneous	\$1,950	20	12	1	\$1,950/Itm		Pump 2, Pump Siren
900 - Miscellaneous	\$1,920	20	3	4	\$480/Itm		Well Covers
904 - Miscellaneous	\$3,250	30	12	1	\$3,250/Itm		Air Compressor, Pump 1
908 - Miscellaneous	\$3,250	30	21	1	\$3,250/Itm		Air Compressor, Pump 2
<b>29000 - Infrastructure</b>							
100 - Water Lines	\$2,200,000	70	13	10,000	\$220/l.f.		6" Water Main Line
104 - Water Lines	\$120,000	70	13	600	\$200/l.f.		2" Water Main Line
960 - Consulting/Engineering	\$15,000	15	1	1	\$15,000/LS		Water System Report
<b>30000 - Miscellaneous</b>							
800 - Maintenance Truck	\$35,000	10	0	1	\$35,000/Itm		Truck w/ Snow Plow
804 - Maintenance Truck	\$40,000	10	5	1	\$40,000/Itm		Ford F250
810 - Maintenance Equipment	\$12,000	10	3	1	\$12,000/Itm		Bobcat
811 - Maintenance Equipment	\$4,000	10	5	1	\$4,000/Itm		SnowEx Spreader
812 - Vehicle	\$43,600	20	3	1	\$43,600/Itm		Kubota (2007)
818 - Tractor	\$18,650	20	2	1	\$18,650/Itm		Kubota- 1995
820 - Vehicle	\$35,000	10	0	1	\$35,000/Itm		Truck w/ Snow Plow
822 - Maintenance Equipment	\$3,850	15	3	1	\$3,850/Itm		Sander
910 - Generator	\$35,500	25	10	1	\$35,500/Itm		Pump 1
914 - Generator	\$4,750	25	17	1	\$4,750/Itm		Pump 2

<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>
<b>31000 - Reserve Study</b>							
100 - 3 Year Update with Site Visit	\$2,400	3	0	1	\$2,400/LS		Reserve Study

<i>Reserve Component</i>	<i>Life Useful</i>	<i>Current Replacement Cost</i>	<i>Forecast Inflated Cost @ 2.50%</i>
<b>2024/25</b>			
<b>30000 - Miscellaneous</b>			
800 - Maintenance Truck Truck w/ Snow Plow	10	35,000	
820 - Vehicle Truck w/ Snow Plow	10	35,000	
Total 30000 - Miscellaneous:		70,000	70,000
<b>31000 - Reserve Study</b>			
100 - 3 Year Update with Site Visit Reserve Study	3	2,400	
Total 2024/25:		72,400	
<b>2025/26</b>			
<b>01000 - Paving</b>			
120 - Asphalt: State Spec. Slurry 275,000 sf Streets	7	96,250	98,656
200 - Asphalt: Ongoing Repairs 275,000 sf Streets (3%)	7	24,063	24,664
Total 01000 - Paving:		120,313	123,320
<b>02000 - Concrete</b>			
400 - Pool Deck 3,822 sf Repairs (5%)	5	3,822	3,918
<b>03000 - Painting: Exterior</b>			
910 - Miscellaneous 2 Monument Sign Painting	5	2,100	2,153
<b>22000 - Office Equipment</b>			
200 - Computers, Misc. Office Equipment	5	1,500	1,538
<b>24600 - Safety / Access</b>			
550 - Video Monitoring System Security System	8	10,000	10,250
<b>28000 - Water System</b>			
280 - Pump- Re-build 2 15-HP Pumps- Pump House #2	5	20,570	21,084
<b>29000 - Infrastructure</b>			
960 - Consulting/Engineering Water System Report	15	15,000	15,375
Total 2025/26:		173,305	177,638
<b>2026/27</b>			
<b>12000 - Pool</b>			
600 - Deck: Re-Surface Pool Deck- Re-caulking	5	4,000	4,203
700 - Equipment: Replacement Pool (50%)	5	2,500	2,627

<i>Reserve Component</i>	<i>Life Useful</i>	<i>Current Replacement Cost</i>	<i>Forecast Inflated Cost @ 2.50%</i>
<b>2026/27</b>			
<b>12000 - Pool</b>			
704 - Equipment: Replacement Wading Pool (50%)	5	2,500	2,627
Total 12000 - Pool:		9,000	9,457
<b>21000 - Signage</b>			
200 - Street Signs 22 Street & Traffic Control Signs	15	2,090	2,196
<b>23000 - Mechanical Equipment</b>			
600 - Water Heater Pool Restroom Water Heater	12	1,200	1,261
714 - Furnace 4 Space Heaters	15	2,500	2,627
Total 23000 - Mechanical Equipment:		3,700	3,888
<b>25000 - Flooring</b>			
994 - Miscellaneous 224 sf Men's & Women's Restroom Floors	40	1,456	1,530
<b>26000 - Outdoor Equipment</b>			
280 - Picnic Tables 8 Common Area Picnic Tables	20	7,200	7,565
480 - Drinking Fountain Pool Area Drinking Fountain	20	2,400	2,522
900 - Miscellaneous Common Area Outdoor Items	20	1,500	1,576
Total 26000 - Outdoor Equipment:		11,100	11,663
<b>28000 - Water System</b>			
210 - Well 2 Wells 1 & 2	55	150,000	157,594
<b>30000 - Miscellaneous</b>			
818 - Tractor Kubota- 1995	20	18,650	19,594
Total 2026/27:		195,996	205,922

---

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

Browning Reserve Group, a division of Reserve Advisors, LLC ("BRG") prepared a reserve study for the Association during the 2024/2025 fiscal year. This was done to help determine the Association's reserve contribution for the next fiscal year (2025/2026) 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 Merry Mountain Owner's Association.

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 2024/2025 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, July 31, 2024. You will notice in Section III, Reserve Fund Balance Forecast, a Beginning Reserve Balance of \$184,229 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 2024/2025, and estimates an ending reserve fund balance. Again, see Section III and the 2024/2025 ending reserve balance estimate of \$155,021.

"Re-building" the first year of the study as mentioned above simply means using the 2024/2025 adopted budget for the 2024/2025 reserve contribution. Finally, the 2024/2025 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, a division of Reserve Advisors, LLC*



Merry Mountain Owner's Association  
**Schedule of Supplementary Information for Auditor  
 Component Method**

First Draft  
 Prepared for the 2025/2026 Fiscal Year

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	2025/2026 Line Item Contribution based on Cash Flow Method
<b>01000 - Paving</b>						
120 - Asphalt: State Spec. Slurry 275,000 sf Streets	96,250	7	1	82,500	98,656	9,569
200 - Asphalt: Ongoing Repairs 275,000 sf Streets (3%)	24,063	7	1	20,625	24,664	2,392
400 - Asphalt: Major Repairs 275,000 sf Asphalt Repair Fund	825,000	21	13	314,286	362,411	36,770
<b>02000 - Concrete</b>						
400 - Pool Deck 3,822 sf Repairs (5%)	3,822	5	1	3,058	3,918	532
404 - Pool Deck 3,822 sf Full Replacement	76,440	30	25	12,740	15,670	3,207
<b>03000 - Painting: Exterior</b>						
150 - Stain 2,516 sf Office/Pool/Pump 1 & 2 Bldg's	5,284	5	3	2,113	3,249	773
910 - Miscellaneous 2 Monument Sign Painting	2,100	5	1	1,680	2,153	292
<b>04000 - Structural Repairs</b>						
908 - Shed Metal Shed	5,000	15	9	2,000	2,392	283
910 - Building Maintenance Office Building	7,500	25	5	6,000	6,458	230
914 - Building Maintenance Pool Building	7,500	25	5	6,000	6,458	230
918 - Building Maintenance Pump 1 Building	5,000	25	5	4,000	4,305	154
922 - Building Maintenance Pump 2 Building	5,000	25	5	4,000	4,305	154
<b>04500 - Decking/Balconies</b>						
100 - Wood 117 sf Office Front & Rear Decks	6,728	20	5	5,046	5,517	258
<b>05000 - Roofing</b>						
300 - Low Slope: Metal 2 Squares- Pump 1	2,000	40	25	750	820	63
304 - Low Slope: Metal 2 Squares- Pump 2	2,000	40	31	450	513	0
440 - Pitched: Dimensional Composition 19 Squares- Office & Pool Building Roofs	19,000	25	3	16,720	17,917	556
<b>08000 - Rehab</b>						
220 - Bathrooms 2 Pool Building Bathrooms	5,000	20	10	2,500	2,819	217
226 - Restrooms Office Restroom	1,500	20	10	750	846	65
<b>12000 - Pool</b>						
110 - Re-plaster 1,512 sf Pool	39,312	15	10	13,104	16,118	2,278
114 - Re-plaster 293 sf Wading Pool	7,618	15	10	2,539	3,123	441
180 - Repairs 2 Pool Plumbing	37,400	30	25	6,233	7,667	1,569
600 - Deck: Re-Surface Pool Deck- Re-caulking	4,000	5	2	2,400	3,280	571
700 - Equipment: Replacement Pool (50%)	2,500	5	2	1,500	2,050	357

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	2025/2026 Line Item Contribution based on Cash Flow Method
<b>12000 - Pool</b>						
704 - Equipment: Replacement Wading Pool (50%)	2,500	5	2	1,500	2,050	357
720 - Heater Pool Heater	4,500	10	9	450	923	382
<b>19000 - Fencing</b>						
110 - Chain Link: 6' 220 lf Pool	5,500	30	5	4,583	4,886	141
140 - Chain Link: 12' 88 lf Pump 1	3,080	30	8	2,259	2,420	85
<b>20000 - Lighting</b>						
400 - Interior 19 Interior Light Fixtures	1,900	25	16	684	779	77
<b>21000 - Signage</b>						
200 - Street Signs 22 Street & Traffic Control Signs	2,090	15	2	1,811	1,999	99
715 - Entry Signs 2 Entry Signs- Repair/Replace	3,050	20	4	2,440	2,657	114
<b>22000 - Office Equipment</b>						
200 - Computers, Misc. Office Equipment	1,500	5	1	1,200	1,538	209
<b>23000 - Mechanical Equipment</b>						
600 - Water Heater Pool Restroom Water Heater	1,200	12	2	1,000	1,128	71
710 - Furnace Office Heater	1,950	15	5	1,300	1,466	100
714 - Furnace 4 Space Heaters	2,500	15	2	2,167	2,392	119
760 - Wall A/C Medium Office AC Wall Unit	1,000	15	8	467	547	55
<b>24000 - Furnishings</b>						
900 - Miscellaneous Office & Restroom Furnishings	3,250	20	3	2,763	2,998	119
<b>24600 - Safety / Access</b>						
550 - Video Monitoring System Security System	10,000	8	1	8,750	10,250	870
<b>25000 - Flooring</b>						
990 - Miscellaneous 420 sf Office & Restroom Flooring	2,730	40	13	1,843	1,959	64
994 - Miscellaneous 224 sf Men's & Women's Restroom Floors	1,456	40	2	1,383	1,455	26
<b>26000 - Outdoor Equipment</b>						
280 - Picnic Tables 8 Common Area Picnic Tables	7,200	20	2	6,480	7,011	257
480 - Drinking Fountain Pool Area Drinking Fountain	2,400	20	2	2,160	2,337	86
900 - Miscellaneous Common Area Outdoor Items	1,500	20	2	1,350	1,461	54
<b>28000 - Water System</b>						
210 - Well 2 Wells 1 & 2	150,000	55	2	144,545	150,955	1,945
214 - Well Well 3	51,500	55	47	7,491	8,638	0
215 - Well Well 4	51,500	55	32	21,536	23,035	0
280 - Pump- Re-build 2 15-HP Pumps- Pump House #2	20,570	5	1	16,456	21,084	2,863
288 - Pump- Re-build Pump 2, 7.5-HP Pump	4,450	5	3	1,780	2,737	651
300 - Water Storage Tank 100,000 Gal. Steel Tank, Pump 2	125,000	50	33	42,500	46,125	0
304 - Water Storage Tank 63,000 Gal. Steel Tank, Pump 1	135,450	50	38	32,508	36,097	0

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	2025/2026 Line Item Contribution based on Cash Flow Method
<b>28000 - Water System</b>						
308 - Water Storage Tank 900 Gal. Pressure Tank Pump 1	8,640	20	10	4,320	4,871	375
312 - Water Storage Tank 900 Gal. Pressure Tank Pump 2	8,640	20	10	4,320	4,871	375
730 - Control Panel Control Panel, W/ Unifloat, Pump 1	12,275	25	18	3,437	4,026	520
734 - Control Panel Control Panel, W/ Unifloat, Pump 2	12,275	25	17	3,928	4,529	507
900 - Miscellaneous 4 Well Covers	1,920	20	3	1,632	1,771	70
900 - Miscellaneous Pump 2, Pump Siren	1,950	20	12	780	899	89
904 - Miscellaneous Air Compressor, Pump 1	3,250	30	12	1,950	2,110	99
908 - Miscellaneous Air Compressor, Pump 2	3,250	30	21	975	1,110	124
<b>29000 - Infrastructure</b>						
100 - Water Lines 10,000 If 6" Water Main Line	2,200,000	70	13	1,791,429	1,868,429	29,416
104 - Water Lines 600 If 2" Water Main Line	120,000	70	13	97,714	101,914	1,605
960 - Consulting/Engineering Water System Report	15,000	15	1	14,000	15,375	696
<b>30000 - Miscellaneous</b>						
800 - Maintenance Truck Truck w/ Snow Plow	35,000	10	0	35,000	3,588	2,376
804 - Maintenance Truck Ford F250	40,000	10	5	20,000	24,600	3,073
810 - Maintenance Equipment Bobcat	12,000	10	3	8,400	9,840	877
811 - Maintenance Equipment SnowEx Spreader	4,000	10	5	2,000	2,460	307
812 - Vehicle Kubota (2007)	43,600	20	3	37,060	40,221	1,594
818 - Tractor Kubota- 1995	18,650	20	2	16,785	18,160	665
820 - Vehicle Truck w/ Snow Plow	35,000	10	0	35,000	3,588	2,376
822 - Maintenance Equipment Sander	3,850	15	3	3,080	3,420	188
910 - Generator Pump 1	35,500	25	10	21,300	23,288	1,234
914 - Generator Pump 2	4,750	25	17	1,520	1,753	196
<b>31000 - Reserve Study</b>						
100 - 3 Year Update with Site Visit Reserve Study	2,400	3	0	2,400	820	543
<b>Totals</b>	<b>4,409,742</b>			[A] <b>2,929,430</b>	[B] <b>3,075,874</b>	<b>117,012</b>
				[EndBal] [A]	[EndBal] [B]	
<b>Percent Funded</b>				<b>5.29%</b>	<b>3.17%</b>	

## Terms & Definitions CAI

**Adequate Reserves:** A replacement reserve fund and stable and equitable multiyear [funding plan](#) that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

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

**Cash Flow Method** (also known as pooling): A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund.

*To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*

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

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

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

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

**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, review of association precedents, and discussion with appropriate representative(s) of the association.

The Reserve Specialist, in coordination with the client, will determine the methodology for including these components in the study. Typical evaluation techniques for consideration include:

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

**Component Method** (also known as Straight Line): A method of developing a reserve funding plan where the total funding is based on the sum of funding for the individual components.

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

**Effective Age:** The difference between [useful life](#) and estimated [remaining useful life](#). Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

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

**Fully Funded:** 100 percent funded. When the actual (or projected) [reserve balance](#) is equal to the fully funded balance.

**Fully Funded Balance (FFB):** An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or [replacement cost](#). This number is calculated for each component, and then summed for an association total.

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

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

**Fund Status:** The status of the reserve fund reported in terms of cash or [percent funded](#).

## **Funding Goals:**

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

### **Baseline Funding**

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

### **Threshold Funding**

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

### **Full Funding**

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance.

*It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.*

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

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

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

**Initial Year:** The first fiscal year in the financial analysis or funding plan.

**Life Estimates:** The task of estimating [useful life](#) and [remaining useful life](#) of the reserve components.

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

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

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

**Deferred Maintenance:** Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.

*This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.*

**Corrective Maintenance:** Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.

*Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.*

**Percent Funded:** The ratio, at a particular point in time clearly identified as either the beginning or end of the association’s fiscal year, of the actual (or projected) [reserve balance](#) to the fully funded balance, expressed as a percentage.

*While percent funded is an indicator of an association’s reserve fund size, it should be viewed in the context of how it is changing due to the association’s reserve funding plan, in light of the association’s risk tolerance and is not by itself a measure of “adequacy.”*

**Periodic Structural Inspection:** [Structural system](#) inspections aimed at identifying issues when they become evident.

*Additional information and recommendations are included within the Condominium Safety Public Policy Report. [www.condosafety.com](http://www.condosafety.com)*

**Physical Evaluation:** The portion of the reserve study where the component inventory, condition assessment, and life and [valuation estimate](#) tasks are performed. This represents one of the two parts of the reserve study.

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

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

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

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

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

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

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

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

**Reserve Study Provider Firm:** A company that prepares reserve studies as one of its primary business activities.

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

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

**Site Visit:** A visual assessment of the accessible areas of the components included within the reserve study.

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

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

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

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

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

**Useful Life (UL):** The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

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

**Valuation Estimates:** The task of estimating the current repair or [replacement costs](#) for the reserve components.

*The above terms and definitions are from the Community Associations Institute (CAI) national reserve study standards (2023 version).*

## Terms & Definitions BRG

Browning Reserve Group, a division of Reserve Advisors, 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):** NR (Nonrecurring) signifies that a component recurs for only a limited number of life cycles and not continuously. NR-1 signifies that component replacement occurs only once, NR-2 signifies that replacement occurs only twice, and so on. NR is most often used to signify a replacement in a single specific year only or to display a cost that may be unique at one replacement cycle only. One-time only components may accompany an ongoing component where the one-time component provides a unique cost or schedule that differs from the related ongoing component.

**SE-2 Spread Evenly (2 Years):** SE (Spread Even) signifies that component replacement is divided evenly over two or more consecutive years instead of undivided replacement in a single year. SE-2 signifies that half of the component will be replaced in two consecutive years, SE-3 signifies thirds replacement in three consecutive years, and so on. For example, an 8-year remaining life component set with SE-4 will have a quarter replaced in year 8, quarter in year 9, quarter in year 10, and quarter in year 11 with each year's replacement adjusted for inflation accordingly. Spread replacements continue through all future replacement cycles.

**NSE-2 Spread Non-Evenly (2 Years):** NSE (Not Spread Even) spreads the total replacement over several consecutive years like [spread evenly](#), but unlike [spread evenly](#), NSE spreads are unequal. For example, a 6-year remaining life component set with NSE-3 could have a quarter replaced in year 6, half in year 7, and quarter in year 8 with each year's replacement adjusted for inflation accordingly. Spread replacements continue through all future replacement cycles.

**Percent to Include (%):** Percent to include signifies what portion of a component is replaced and/or what portion reserves pays at each replacement cycle. A partial replacement example could involve a wood fence partially replaced at 50% every eight years instead of fully replaced at 100% every sixteen years. A partial cost example could involve a 50/50 good neighbor fence cost share where only 50% of the total replacement cost is paid from reserves. These two examples could overlap yielding 25% each replacement cycle. Various other examples exist that might involve small percentages or, occasionally, higher than 100%.

**Remaining Life Greater than Useful Life (Delayed Start):** [Remaining life](#) greater than [useful life](#) signifies that a component's replacement cycle start is delayed. In many instances a component's replacement cycle may not begin immediately, so the replacement cycle start is delayed by setting the [remaining life](#) greater than the [useful life](#). An example could involve metal fence paint where the initial factory paint may last 9 years but subsequent in-field repaint only lasts 6 years. In this example, the initial metal fence paint cycle would be delayed 3 years by setting a 9 year [remaining life](#) and 6 year [useful life](#).

**Zero Remaining Life:** Zero [remaining life](#) signifies component replacement in the study's preparation year irrespective of whether the replacement was before or after the study's preparation. 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

**Merry Mountain Owner's Association**

*Full Study*

First Draft

Published - August 29, 2025

Prepared for the 2025/2026 Fiscal Year

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

Professionally managed by  
Hignell Incorporated Chico  
(530) 894-0404



**Browning Reserve Group, A Division Of Reserve Advisors, Llc**

www.BrowningRG.com

August 29, 2025

This is a summary of the Reserve Study that has been performed for Merry Mountain Owner's Association, (the "Association") which is a Planned Development with a total of 159 Lots. 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, a division of Reserve Advisors, LLC prepared this Full Study for the August 1, 2025 - July 31, 2026 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 2.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

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 are **inadequately funded** as the reserve fund ending balances may fail to remain positive throughout the replacement of all major components during the next 30 years. **Additional reserve funding including some combination of increased contributions, special assessments and loans may be necessary to meet all reserve obligations.**

California statute imposes no reserve funding level requirements.

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2024/2025 Fully Funded Balance</i>	<i>2025/2026 Fully Funded Balance</i>	<i>2025/2026 Line Item Contribution based on Cash Flow Method</i>
<b>01000 - Paving</b>	<b>945,313</b>	<b>7-21</b>	<b>1-13</b>	<b>417,411</b>	<b>485,731</b>	<b>48,732</b>
<b>02000 - Concrete</b>	<b>80,262</b>	<b>5-30</b>	<b>1-25</b>	<b>15,798</b>	<b>19,588</b>	<b>3,739</b>
<b>03000 - Painting: Exterior</b>	<b>7,384</b>	<b>5-5</b>	<b>1-3</b>	<b>3,793</b>	<b>5,402</b>	<b>1,065</b>
<b>04000 - Structural Repairs</b>	<b>30,000</b>	<b>15-25</b>	<b>5-9</b>	<b>22,000</b>	<b>23,917</b>	<b>1,051</b>
<b>04500 - Decking/Balconies</b>	<b>6,728</b>	<b>20-20</b>	<b>5-5</b>	<b>5,046</b>	<b>5,517</b>	<b>258</b>
<b>05000 - Roofing</b>	<b>23,000</b>	<b>25-40</b>	<b>3-31</b>	<b>17,920</b>	<b>19,250</b>	<b>619</b>
<b>08000 - Rehab</b>	<b>6,500</b>	<b>20-20</b>	<b>10-10</b>	<b>3,250</b>	<b>3,664</b>	<b>282</b>
<b>12000 - Pool</b>	<b>97,830</b>	<b>5-30</b>	<b>2-25</b>	<b>27,727</b>	<b>35,211</b>	<b>5,954</b>
<b>19000 - Fencing</b>	<b>8,580</b>	<b>30-30</b>	<b>5-8</b>	<b>6,842</b>	<b>7,306</b>	<b>226</b>
<b>20000 - Lighting</b>	<b>1,900</b>	<b>25-25</b>	<b>16-16</b>	<b>684</b>	<b>779</b>	<b>77</b>
<b>21000 - Signage</b>	<b>5,140</b>	<b>15-20</b>	<b>2-4</b>	<b>4,251</b>	<b>4,657</b>	<b>214</b>
<b>22000 - Office Equipment</b>	<b>1,500</b>	<b>5-5</b>	<b>1-1</b>	<b>1,200</b>	<b>1,538</b>	<b>209</b>
<b>23000 - Mechanical Equipment</b>	<b>6,650</b>	<b>12-15</b>	<b>2-8</b>	<b>4,933</b>	<b>5,532</b>	<b>345</b>
<b>24000 - Furnishings</b>	<b>3,250</b>	<b>20-20</b>	<b>3-3</b>	<b>2,763</b>	<b>2,998</b>	<b>119</b>
<b>24600 - Safety / Access</b>	<b>10,000</b>	<b>8-8</b>	<b>1-1</b>	<b>8,750</b>	<b>10,250</b>	<b>870</b>
<b>25000 - Flooring</b>	<b>4,186</b>	<b>40-40</b>	<b>2-13</b>	<b>3,226</b>	<b>3,414</b>	<b>90</b>
<b>26000 - Outdoor Equipment</b>	<b>11,100</b>	<b>20-20</b>	<b>2-2</b>	<b>9,990</b>	<b>10,809</b>	<b>396</b>
<b>28000 - Water System</b>	<b>590,670</b>	<b>5-55</b>	<b>1-47</b>	<b>288,159</b>	<b>312,859</b>	<b>7,619</b>
<b>29000 - Infrastructure</b>	<b>2,335,000</b>	<b>15-70</b>	<b>1-13</b>	<b>1,903,143</b>	<b>1,985,718</b>	<b>31,717</b>
<b>30000 - Miscellaneous</b>	<b>232,350</b>	<b>10-25</b>	<b>0-17</b>	<b>180,145</b>	<b>130,917</b>	<b>12,888</b>
<b>31000 - Reserve Study</b>	<b>2,400</b>	<b>3-3</b>	<b>0-0</b>	<b>2,400</b>	<b>820</b>	<b>543</b>
Totals	<b>\$4,409,742</b>			<b>\$2,929,430</b>	<b>\$3,075,874</b>	<b>\$117,012</b>
Estimated Ending Balance				<b>\$155,021</b>	<b>\$97,514</b>	<b>\$61.33</b>
Percent Funded				<b>5.3%</b>	<b>3.2%</b>	/Lot/month @ 159

August 29, 2025

(1) The regular assessment per ownership interest is \_\_\_\_\_ per month for the fiscal year beginning August 1, 2025.

*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 **X**

*This disclosure has been prepared by Browning Reserve Group, a division of Reserve Advisors, 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 \$2,929,430, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, a division of Reserve Advisors, LLC as of August, 2025. The projected reserve fund cash balance at the end of the current fiscal year is \$155,021 resulting in reserves being 5.3% 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)
2025/26	\$3,075,874	\$97,514	3.2%
2026/27	\$3,121,797	\$246,883	7.9%
2027/28	\$3,143,657	\$514,026	16.4%
2028/29	\$3,275,308	\$899,074	27.5%
2029/30	\$3,516,462	\$1,212,390	34.5%

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 2.50% per year was the assumed long-term interest rate.

**Additional Disclosures**

**§5565(d)** The current deficiency in reserve funding as of July 31, 2026 is \$18,732 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.*

$$\text{Deficiency} = \frac{2025/2026 \text{ Fully Funded Balance} - 2025/2026 \text{ Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

**§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.

Large recommended reserve contribution increases are needed to complete reserve projects and to maintain positive reserve fund balances. All ending balance and percent funded values are dependent upon these additional funds being fully collected when indicated. Failure to adopt the recommended reserve contribution increases will result in costly deferred maintenance and funding shortfalls.

**30 Year Reserve Funding Plan Cash Flow Method**

First Draft

Prepared for the 2025/2026 Fiscal Year

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Beginning Balance</b>	184,229	155,021	97,514	246,883	514,026	899,074	1,212,390	1,603,948	2,041,264	2,346,307
<b>Inflated Expenditures @ 2.5%</b>	72,400	177,637	205,918	103,116	3,367	94,108	35,245	10,698	163,420	27,350
<b>Reserve Contribution<sup>1</sup></b>	39,004	117,012	351,036	360,865	370,969	381,356	392,034	403,011	414,295	425,895
<i>Lots/month @ 159</i>	20.44	61.33	183.98	189.13	194.43	199.87	205.47	211.22	217.14	223.22
<i>Percentage Increase</i>		200.0%	200.0%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	4,188	3,118	4,252	9,394	17,446	26,067	34,770	45,003	54,168	63,639
<b>Ending Balance</b>	155,021	97,514	246,883	514,026	899,074	1,212,390	1,603,948	2,041,264	2,346,307	2,808,491

1) Large recommended reserve contribution increases are needed to complete reserve projects and to maintain positive reserve fund balances. All ending balance and percent funded values are dependent upon these additional funds being fully collected when indicated. Failure to adopt the recommended reserve contribution increases will result in costly deferred maintenance and funding shortfalls.

	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
<b>Beginning Balance</b>	2,808,491	3,093,613	3,589,471	4,125,068	286,021	539,518	562,802	770,017	993,831	1,247,866
<b>Inflated Expenditures @ 2.5%</b>	225,564	36,728	22,325	4,369,141	1,696	241,449	66,642	61,801	44,074	7,194
<b>Reserve Contribution</b>	437,820	450,079	462,681	475,636	245,000	251,125	257,403	263,838	270,434	277,195
<i>Lots/month @ 159</i>	229.47	235.89	242.50	249.29	128.41	131.62	134.91	138.28	141.74	145.28
<i>Percentage Increase</i>	2.8%	2.8%	2.8%	2.8%	-48.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	72,865	82,507	95,241	54,458	10,192	13,609	16,455	21,776	27,675	34,572
<b>Ending Balance</b>	3,093,613	3,589,471	4,125,068	286,021	539,518	562,802	770,017	993,831	1,247,866	1,552,439

	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
<b>Beginning Balance</b>	1,552,439	1,759,554	2,041,201	2,117,211	2,352,184	2,709,393	2,683,077	3,027,604	3,422,770	3,800,762
<b>Inflated Expenditures @ 2.5%</b>	117,898	56,504	273,837	126,176	18,901	414,352	55,473	22,205	57,366	255,417
<b>Reserve Contribution</b>	284,125	291,228	298,509	305,972	313,621	321,462	329,499	337,736	346,179	354,833
<i>Lots/month @ 159</i>	148.91	152.64	156.45	160.36	164.37	168.48	172.69	177.01	181.44	185.97
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	40,889	46,923	51,338	55,178	62,489	66,574	70,502	79,634	89,179	96,262
<b>Ending Balance</b>	1,759,554	2,041,201	2,117,211	2,352,184	2,709,393	2,683,077	3,027,604	3,422,770	3,800,762	3,996,439