

Rainbow Bend Building Lot A & B

Annual Review Without Site Visit

Start Date: 01/01/2020



Better Reserve Consultants

RSS Mari Jo Betterley, RSS 000025

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Better Reserve Consultants

Las Vegas, NV Fallon, NV Salt Lake City, UT
702-605-1200 775-427-1617 801-903-1089
betterreserves@gmail.com

Mari Jo Betterley
Nevada State RSS. 0000025
National Certification - Professional Reserve Analyst # 2331
Community Association Institute (CAI) Certified RS # 169

July 31, 2020

Rainbow Bend Building Lot A & B
Camco North Division- Reno Office
1755 E. Plumb Ln., Suite 162
Reno, NV 89502

Rainbow Bend Building Lot A & B Executive Board of Directors,

Thank you for this opportunity to complete a Reserve Study for your Association. A Reserve Study is the most important document that determines where “hundreds of thousands or millions” of your assessment dollars will be spent. The Study is a planning tool that will plan the maintenance of your Association and affect your property value now and in the future.

A Study with a Site Inspection is required every 5 years. The Reserve Study should be reviewed at least annually and any adjustments to the Association`s funding plan should be made to provide adequate funding for the required reserves. It is important to complete a Reserve Study Update each year to ensure adequate funding of the Reserves while keeping the assessments as low as possible.

Full Reserve Study and Annual Updates

Reserve Study with Site Inspection: January 1, 2019

Next Reserve Study with Site Inspection: January 1, 2024, should be completed prior to Budget

Reserve Study Update: Should be completed each year in the Fall, prior to Budget

NRS 116.31152 Study of Reserves; Duties of Executive Board Regarding Study:

1. The executive board shall:

- (a) At least once every 5 years, cause to be conducted a study of the reserves required to repair, replace and restore the major components of the common elements;
- (b) At least annually, review the results of that study to determine whether those reserves are sufficient; and
- (c) At least annually, make any adjustments to the association`s funding plan which the executive board deems necessary to provide adequate funding for the required reserves.

Project Description

The Rainbow Bend Building Lots A and B are located in Sparks, Nevada. This is an acquired building and parking area with an office area in the interior and a large warehouse space. The building and warehouse are currently unoccupied. There is a great deal of deferred maintenance. This Study is a schedule to bring the building and area to acceptable standards.

What is a Reserve Study?

A Reserve Study is a financial planning tool that identifies the current status of the Reserve Fund and provides a Funding Tool for Repair, Replacement, Restoration or Maintenance of the Major Components of the Common Elements. A Major component of the common elements is any component of the common elements, including, without limitation, any amenity, improvement, furnishing, fixture, finish, system or equipment, that may, within 30 years after its original installation, require repair, replacement or restoration in excess of routine annual maintenance which is included in the annual operating budget of an association.

Why have a Reserve Study?

A Reserve Study is required by the State of Nevada.

*A Reserve Study provides important annual disclosures to association members and prospective buyers regarding the condition of common area components.

* If you are selling your property or if you are a potential buyer, many financial institutions will not lend money on a property in an association without a properly funded Reserve Study.

* A Reserve Study focuses on ensuring that the property is in good condition, yet "reserves" your Association's money properly so that there are no needs for "Special Assessments" or huge increases in assessments in the future.

*And most important, a Reserve Study ensures that your Association will be a better place to own, now and in the future.

The Reserve Study is prepared by an outside independent consultant for the benefit of the Board of Directors of a property with multiple owners, such as Homeowners Associations, Time Shares, Resorts, Hotels, Apartment Buildings, Office Parks, Worship Facilities, Swimming Pools, Private (golf/social) Clubs, Lodges (Elks, Masons) Nursing Homes, Sororities, Fraternities and Private Schools.

The Reserve Study contains an assessment of the Estimated Useful Life and Replacement Costs of the commonly owned property components as determined by the particular association's CC&Rs and bylaws. This Study evaluates the current condition of the Components and the Estimated Remaining Useful Life. The Replacement Cost is based on actual historical costs from Invoices or Bids or Estimates from Experts in the Field.

NRS 116.3115 Assessments for common expenses; funding of adequate reserves; collection of interest on past due assessments; calculation of assessments for particular types of common expenses; notice of meetings regarding assessments for capital improvements....

(a) All common expenses, including the reserves, must be assessed against all the units in accordance with the allocations set forth in the declaration pursuant to subsections 1 and 2 of NRS 116.2107.

(b) The association shall establish adequate reserves, funded on a reasonable basis, for the repair, replacement and restoration of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore. The reserves may be used only for those purposes, including, without limitation, repairing, replacing and restoring roofs, roads and sidewalks, and must not be used for daily maintenance. The association may comply with the provisions of this paragraph through a funding plan that is designed to allocate the costs for the repair, replacement and restoration of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore.

Levels of Service:

There are three types of a Reserve Study:

1. Full Reserve Study:

Component Inventory-- An actual field inspection of the common elements with representative sampling;

Condition Assessment (based upon on-site visual observations)

Life and Valuation Estimates

Fund Status

Funding Plan

2. Update, With-Site-Visit/On-Site Review: (May be an update on a Reserve Study Completed by this Reserve Study Specialist or an Update to another Reserve Study Specialist's report).

Component Inventory (verification only, not quantification)

Condition Assessment (based on on-site visual observations)

Life and Valuation Estimates

Fund Status

Funding Plan

3. Update, No-Site-Visit/Off Site Review: (May be an update on a Reserve Study Completed by this Reserve Study Specialist or an Update to another Reserve Study Specialist's report).

Life and Valuation Estimates

Fund Status

Funding Plan

For updated reserve studies, quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies.

In many cases, it is better to complete a new, Full Study rather than ask the Reserve Study Specialist to update a Study prepared by another company. The Reserve Study Specialist must rely on the previous Study's information, measurements, estimated useful life and replacement costs.

Utilities and Asbestos

Future Utility Line Major Repairs and Replacement such as Water Lines, Sewer Lines and Electrical Upgrades should be included in the Study. Expert evaluation of all Utilities is strongly recommended to ensure the accurate Repair or Replacement Costs as well as the Estimated Remaining Useful Life of each Component. If there is Asbestos present in the property, the Asbestos Abatement Costs and Time Frames should be included in the Study. Because a Reserve Study is not a Structural or Property Inspection, the Reserve Specialist may not be aware of Utility Line Issues or Asbestos. The Board of Directors and the Community Manager must inform the Specialist of any issues that may be present.

Reserve Study Specialist Experience and Qualifications

Mari Jo Betterley, RSS. 0000025

*National Association of Professional Reserve Analysts Certified RS #2331

*Community Association Institute Certified RS #169

*Community Association Institute Business Partner

*Association of Professional Analysts PRA#2331

*Over 5000 Reserve Studies and Reserve Study Updates completed worldwide.

*Reserve Study Specialist 2004-Present

*Graduate- University of Nevada Reno- 1983

*Attendance 800+ Homeowner Association Executive Board Meetings and HOA Meetings

* Instructor Continuing Education Classes:

"Reserve Studies - Working With the Experts in the Field -Pavement Engineer" - CE.0166500-CAM "

"Manager's Role/ How to Read and Interpret a Reserve Study"- CE.0166000-CAM

" Reserve Studies- Meet the Experts- Painting and Surface Treatment"- C.E.0166600-CAM

"Reserve Studies From Start to Finish- Fundamentals" – CE.0166400-CAM

Conflict of Interest

There is no relationship with this Association that could result in actual or perceived conflicts of interest. The Reserve Study Specialist does not expect to receive any direct or indirect compensation or profits from any person who will perform services for the client.

There is no affiliation with, or financial interest in the association for which the reserve study specialist will prepare the reserve study; and The Reserve Study Specialist does not have a personal relationship with any unit's owner, member of the executive board of the association for which the reserve study specialist will prepare the reserve study.

Sources Relied Upon in Determining the Component Estimated Useful Life, Remaining Useful Life and today's cost

Better Reserve Consultants uses "real costs and numbers" whenever possible. We rely on the Management Company and the Board of Directors to provide actual bids, invoices and estimates for the Component Measurements, Replacement Costs and Estimated time frames. If the Management Company does not have the "history" of the component information, we may ask a third party Contractor to evaluate and measure the property. Any consultants and other persons with expertise used to assist in the preparation of the reserve study names have been included in this Study.

Initial Reserve Bank Balance

The Beginning Reserve Balance for this Reserve Study has been provided by the Management Company/ Board of Directors. If the Reserve Study Site Inspection Date is not the date that the Reserve Study was prepared, the Initial Reserves may be an estimation of a future Reserve Bank Account Balance.

Board of Directors Responsibility

The Board of the Directors, the Management Company and the Reserve Study Specialist must work hand in hand to complete an accurate Reserve Study.

The Board of Directors must take full ownership in the Reserve Study. They should be involved in the process every step of the way. The Board of Directors or Manager should walk the property with the Reserve Study Specialist and discuss the "history" of the components as well as the Board's future plans for the Association. If the walkthrough is not possible, then a phone conversation to discuss the details of the Association may be adequate.

When the preliminary Study is provided, the Board of Directors should read it carefully and ensure that all information is correct. The Board of Directors should attend a Workshop or Board Meeting to discuss the Study in detail with the Reserve Study Specialist to ensure accuracy and understanding.

When the Study is adopted by the Board, the Board of Directors should think of it as a real tool to plan the future condition of the Association. Some Board Members say that they carry the Study with them to every meeting, reviewing the plans and updating the study at each meeting. By NRS requirements, the Study is to be reviewed on an annual basis. I always tell the Board of Directors to think of themselves as "Pioneers" for their Association. It doesn't matter if the Association is 3 years old or 30 years old. What you do now will affect the future condition of the Association.

Calculations

This Study Fully Funded Balance is based upon the National Standards set forth through the Community Association Institute. The Fully Funded Balance (FFB) is defined as: Total Accrued Depreciation-An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulas can be utilized depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent. $FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$ or $FFB = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate})^{\text{Remaining Life}}] - [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate})^{\text{Remaining Life}}]$.

Threshold Funding Method

This Reserve Study is based on the Threshold Funding Method: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Other Funding Methods include the Baseline Funding and Full Funding Methods.

An Update or a Full Reserve Study should be completed at least every year or if any of the following situations occur: If there are changes in the Management Company, Interest Rates, Changes in Inflation, or the Economy, after any major project completion or prior to beginning a major project (such as Roofing, Painting, Overlay, etc.), after a catastrophic event such as a fire or flood. The Study is a "working tool" or "living document" that should evolve and be updated with real costs and numbers.

NRS 116.31144--Audit and review of financial statements. 1.Except as otherwise provided in subsection 2, the executive board shall: (a)If the annual budget of the association is \$45,000 or more but less than \$75,000, cause the financial statement of the association to be reviewed by an independent certified public accountant during the year immediately preceding the year in which a study of the reserves of the association is to be conducted pursuant to NRS 116.31152. (b)If the annual budget of the association is \$75,000 or more but less than \$150,000, cause the financial statement of the association to be reviewed by an independent certified public accountant every fiscal year. (c)If the annual budget of the association is \$150,000 or more, cause the financial statement of the association to be audited by an independent certified public accountant every fiscal year.

Disclosures

The Initial Reserve Fund Bank Account Balance and Interest Rate was provided by the Management Company or Board of Directors. The Reserve Study Specialist did not verify or audit this fund.

There are no guarantees, expressed or implied, with the predictions of the cost or life expectancy of any of the major components. Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer.

A reserve study will be a reflection of information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited. A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. An on-site inspection conducted in conjunction with a reserve study should not be deemed to be a project audit or quality or structural inspection.

Material issues which (including Defects in Design or Construction), if not disclosed, would cause the condition of the association to be misrepresented. The Client Inventory List is based on the Site Inspection, Previous Reserve Study and Information provided by the Community Manager and Board of Directors. It is the responsibility of the client to verify that all components are listed correctly.

The Reserve Study Specialist will not perform invasive testing. The Condition of the Components may be based on Representative Sampling.

The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components and dramatically increase the funding needs of the reserves of the association.

Funding Summary

The Reserve Study Funding Plan is based on the assumption that there are no unforeseen circumstances that would alter the components Repair, Replacement, Restoration or Maintenance Costs and Estimated Remaining or Useful Life. The Recommended Reserve Contribution and Funding Levels chart, included in this Study, must be followed.

Funding Status

The Rainbow Bend Building Lot and B is not currently funded. This Reserve Study Funding will bring the Association to an adequately funded status with a Special Reserve Assessment and Annual Transfer increase.

"Adequately Funded"

Nevada Revised Statute requires that the Association Reserve Fund is "Adequately Funded." NAC 116.425 Reserve study: Contents. (NRS 116.31152, 116.615)

2. ... "adequately funded reserve" means the funds sufficient to maintain the common elements:

(a) At the level described in the governing documents and in a reserve study; and

(b) Without using the funds from the operating budget or without special assessments, except for occurrences that are a result of unforeseen catastrophic events.

A Reserve Study is considered a "working tool" and should be re-evaluated every year. What is accurate this year, may not be accurate in future years. Each year the Reserve Study should be updated with recent history and actual costs along with future costs and revised plans. The Reserve Study should "evolve" and change so that it is a "living document" that the Board of Directors follows and believes in.

Thank you for this opportunity to EARN your business. It has been our pleasure to complete this Reserve Study for your Association. Better Reserve Consultants takes pride in completing an accurate Reserve Study that is very "customized" to your Association. We are happy to attend Board Meetings, Workshops or Conference Calls at no additional cost. It is our goal that you have a Reserve Study that you will actually use as a tool - a Study that you will believe in!

Thank you,

Mari Jo Betterley, RSS
Better Reserve Consultants

Important Information

Reserve Study / Fiscal Year Start Date: 01/01/2020

Number of Assessment Paying Members/ Units: 402

Reserve Bank Accounts Interest Rate and Balance as of: 01/01/2020

Reserve Bank Account	.2%	<u>\$0.00</u>
	Total:	\$0.00

Inflation Rate: 2.50% (Based on the average over the last 20 years)

Income Tax Rate: 30.00% on Reserve Bank Account Interest Only

Current Annual Reserve Contribution/ Transfer From Operating: \$0.00

Total estimated current replacement costs of the major component inventory: \$161,358.00

Special Reserve Assessment Recommended: \$80,000.00



Repair and Painting of the Wooden Fencing around the Lot A & B Parking Area has been included in the Study.



The Asphalt Road Maintenance Schedule includes the Surface Maintenance Treatment, Overlay and Crack Seal. This Schedule is an estimation only.



The Warehouse Area is unfinished. Complete Rehab of the Warehouse has not been included in the Study.

Component Evaluation - Concepts

Common Element

The Association CC&Rs typically define what a common element is. Usually, this is property owned in common by all the unit owners (rather than by an individual unit owner).

Component

A Major Component of the common elements is any component of the common elements, including, without limitation, any amenity, improvement, furnishing, fixture, finish, system or equipment, that may, within 30 years after its original installation, require repair, replacement or restoration in excess of routine annual maintenance which is included in the annual operating budget of an association.

Units

A quantity chosen as a standard in terms of measurement. For Example, Square Footage, Linear Footage, a Condominium Unit, a Roof, etc.

Date Last Repaired/ Replaced:

Estimated date when the Component was last Replaced, Repaired, Restored or Maintained

Cost Per Unit

How much each unit of measurement costs to repair, replace, restore, or maintain

Today's Cost:

Total Estimated Cost to Repair, Replace, Maintain or Restore the Component
This may be a calculation of Costs per Unit x Number of Units or it may be a set value.

Estimated Life When New

Estimated Time Frame that the Component should last before it is Repaired, Replaced, Restored or Maintained. This may be based on a Warranty, Historical Life Span, Manufactures/ Contractors opinion, location, etc.

Estimated Remaining Useful Life:

The Estimated amount of time that the component will actually last from today
This may be a calculation based on Estimated Useful Life When New minus the actual age or it could be based on other factors such as wear, condition, climate etc.



Building Exterior

	Component	Year Scheduled	Quantity	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1.	Building Exterior - Fence /Wall Painting and Repairs	2021	as needed	5,000.00	5,000.00	1	5
2.	Building Exterior - Fence /Wall Rehab	2021	as needed	10,000.00	10,000.00	1	20
3.	Building Exterior - Gutters /Drainage Allowance	2024	as needed	2,500.00	2,500.00	4	5
4.	Building Exterior - Painting (Done 2017)	2033	all	4,000.00	4,000.00	13	15
5.	Building Exterior - Roof (Done 2017)	2038	4480 bldg	11.00	49,280.00	18	20



Building Interior

Component	Year Scheduled	Quantity	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1. Building Interior - Electrical and Lighting Allowance	2024	as needed	2,500.00	2,500.00	4	5
2. Building Interior - Flooring -Carpet	2021	as needed	8,000.00	8,000.00	1	10
3. Building Interior - Flooring -Tile	2030	as needed	3,500.00	3,500.00	10	20
4. Building Interior - HVAC	2030	1 unit	6,500.00	6,500.00	10	20
5. Building Interior - Lighting and Electrical	2021	as needed	5,000.00	5,000.00	1	5
6. Building Interior - Painting and Wallpaper Removal	2021	as needed	9,500.00	9,500.00	1	10
7. Building Interior - Reception Desk Rehab/Remodel	2021	as needed	3,000.00	3,000.00	1	10
8. Building Interior - Restroom Hot Water Heater	2028	1 unit	1,500.00	1,500.00	8	12
9. Building Interior - Restroom Remodel	2030	2 units	2,500.00	5,000.00	10	20
10. Building Interior - Utilities Allowance	2024	as needed	5,000.00	5,000.00	4	5
11. Building Interior - Warehouse Roll Up Doors	2030	2 units	5,000.00	10,000.00	10	20
12. Building Interior - Windows and Doors	2040	as needed	10,000.00	10,000.00	20	30



Roads and Parking

Component	Year Scheduled	Quantity	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1. Roads and Parking - Concrete Repair and Replacement	2024	as needed	1,500.00	1,500.00	4	5
2. Roads and Parking - Overlay	2030	7880 sq ft	1.50	11,820.00	10	30
3. Roads and Parking - Patching	2021	as needed	5,000.00	5,000.00	1	10
4. Roads and Parking - Surface Maintenance Treatment	2021	7880 sq ft	0.35	2,758.00	1	5

Recommended Reserve Contribution and Funding Levels - Concepts

Beginning of the Year Balance	Reserve Bank Account(s) Balance as of the Beginning of the year
Annual Transfer	Recommended Transfer or Annual Contribution to the Reserve Account
Monthly Contribution per Unit	An example of the amount of money that each unit owner would contribute to the Reserve Bank Account each month
Annual Expenditures	Estimated Expenditures based on the Component Evaluation
Investment Earnings	Dollar Amount of Interest contributed to the Reserve Account based on the percent interest rate on the Reserve Bank Account - Provided by the Management Company or Board of Directors.
Income Tax	Estimated Income Tax - 30% of the Reserve Bank Account(s) earned interest
End of the Year Balance	Recommended Reserve Bank Account Ending Balance at the end of the Fiscal Year
% Funded	A Measure of the financial health of the Association based on funding the depreciation of each Component. The chart below indicates the financial position based on the Percent Funded.
Fully Funded- 100% Funded	Funding of 100% of the depreciation of each Component.

0% - 40% Funded is considered to be a "weak" financial position. Associations that fall into this category must take action to bring the funding levels to a proper level by raising the monthly/ annual contribution or a Special Reserve Assessment.

40% - 74% Funded is considered to be a "fair" financial position. This does not represent financial strength and stability. The likelihood of a Special Assessment is still possible. The Association should make every effort to continue strengthening the financial position of the Reserve Fund.

75% - 99% Funded is considered a "strong" financial position. This indicates financial strength of a Reserve Fund and every attempt to maintain this level should be a goal of the Association.

100% Funded or Greater is the "ideal" financial position. This means that the Association has the funds in the Reserve Account in order to repair, replace, restore or maintain the Common Elements based on their depreciation. Some Reserve Studies will fund the Reserves up to 130% Funded. In some instances, the Reserve Fund may be over the 100% funding mark in order to prepare for larger costs that will impact the Reserve Account in the future.

Recommended Reserve Contribution

Year Funded	Beginning of Year Balance	Spc Rsv Assessmt	Annual Transfer	Member Mo Pmt	Annual Expenditures	Interest Earned	Income Tax	End of Year Balance	% Funded	Fully Funded (100%)
2020	\$0.00	\$80,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$80,000.00	85.58	\$93,483.11
2021	\$80,000.00	\$0.00	\$14,000.00	\$2.90	\$49,464.45	\$800.00	\$240.00	\$45,095.55	74.48	\$60,548.51
2022	\$45,095.55	\$0.00	\$14,000.00	\$2.90	\$0.00	\$451.00	\$135.30	\$59,411.25	77.94	\$76,222.66
2023	\$59,411.25	\$0.00	\$15,000.00	\$3.11	\$0.00	\$594.00	\$178.20	\$74,827.05	81.13	\$92,226.19
2024	\$74,827.05	\$0.00	\$15,000.00	\$3.11	\$12,693.84	\$748.00	\$224.40	\$77,656.81	80.65	\$96,283.93
2025	\$77,656.81	\$0.00	\$16,000.00	\$3.32	\$0.00	\$777.00	\$233.10	\$94,200.71	83.33	\$113,038.94
2026	\$94,200.71	\$0.00	\$16,000.00	\$3.32	\$14,795.37	\$942.00	\$282.60	\$96,064.74	82.96	\$115,799.45
2027	\$96,064.74	\$0.00	\$17,000.00	\$3.52	\$0.00	\$961.00	\$288.30	\$113,737.44	85.33	\$133,288.40
2028	\$113,737.44	\$0.00	\$17,000.00	\$3.52	\$1,827.60	\$1,137.00	\$341.10	\$129,705.74	86.89	\$149,271.02
2029	\$129,705.74	\$0.00	\$18,000.00	\$3.73	\$14,361.92	\$1,297.00	\$389.10	\$134,251.72	87.52	\$153,404.23
2030	\$134,251.72	\$0.00	\$18,000.00	\$3.73	\$47,132.72	\$1,343.00	\$402.90	\$106,059.10	84.11	\$126,096.19
2031	\$106,059.10	\$0.00	\$19,000.00	\$3.94	\$50,197.80	\$1,061.00	\$318.30	\$75,604.00	78.28	\$96,581.50
2032	\$75,604.00	\$0.00	\$19,000.00	\$3.94	\$0.00	\$756.00	\$226.80	\$95,133.20	81.70	\$116,438.52
2033	\$95,133.20	\$0.00	\$20,000.00	\$4.15	\$5,514.04	\$951.00	\$285.30	\$110,284.86	83.98	\$131,327.24
2034	\$110,284.86	\$0.00	\$20,000.00	\$4.15	\$16,249.19	\$1,103.00	\$330.90	\$114,807.77	84.26	\$136,258.43
2035	\$114,807.77	\$0.00	\$22,000.00	\$4.56	\$0.00	\$1,148.00	\$344.40	\$137,611.37	87.43	\$157,394.16
2036	\$137,611.37	\$0.00	\$22,000.00	\$4.56	\$18,939.33	\$1,376.00	\$412.80	\$141,635.24	88.21	\$160,562.57
2037	\$141,635.24	\$0.00	\$23,000.00	\$4.77	\$0.00	\$1,416.00	\$424.80	\$165,626.44	90.74	\$182,527.34
2038	\$165,626.44	\$0.00	\$23,000.00	\$4.77	\$76,859.98	\$1,656.00	\$496.80	\$112,925.66	86.65	\$130,318.81
2039	\$112,925.66	\$0.00	\$24,000.00	\$4.98	\$18,384.49	\$1,129.00	\$338.70	\$119,331.47	87.90	\$135,762.76
2040	\$119,331.47	\$0.00	\$24,000.00	\$4.98	\$18,844.08	\$1,193.00	\$357.90	\$125,322.49	88.70	\$141,283.80
2041	\$125,322.49	\$0.00	\$25,000.00	\$5.18	\$81,053.27	\$1,253.00	\$375.90	\$70,146.32	80.38	\$87,272.28
2042	\$70,146.32	\$0.00	\$25,000.00	\$5.18	\$0.00	\$701.00	\$210.30	\$95,637.02	84.69	\$112,929.92
2043	\$95,637.02	\$0.00	\$26,000.00	\$5.39	\$0.00	\$956.00	\$286.80	\$122,306.22	87.90	\$139,147.21
2044	\$122,306.22	\$0.00	\$26,000.00	\$5.39	\$20,800.34	\$1,223.00	\$366.90	\$128,361.98	88.03	\$145,811.56
2045	\$128,361.98	\$0.00	\$27,000.00	\$5.60	\$0.00	\$1,284.00	\$385.20	\$156,260.78	90.16	\$173,305.61
2046	\$156,260.78	\$0.00	\$27,000.00	\$5.60	\$24,243.93	\$1,563.00	\$468.90	\$160,110.95	90.00	\$177,893.66
2047	\$160,110.95	\$0.00	\$28,000.00	\$5.80	\$0.00	\$1,601.00	\$480.30	\$189,231.65	91.57	\$206,644.05
2048	\$189,231.65	\$0.00	\$28,000.00	\$5.80	\$7,985.98	\$1,892.00	\$567.60	\$210,570.07	92.30	\$228,125.53
2049	\$210,570.07	\$0.00	\$29,000.00	\$6.01	\$23,533.69	\$2,106.00	\$631.80	\$217,510.58	92.52	\$235,105.55
Total:		\$80,000.00	\$617,000.00		\$502,882.02	\$33,418.00	\$10,025.40			

Reserve Budget Summary

Homeowners,

This Summary meets the NRS 116.31151 requirement of the Annual distribution to units' owners of operating and reserve budgets. It is provided to all individual homeowners as a recap of the Reserve Study that has been adopted by the Board of Directors.

A Full Reserve Study with a site inspection is required at least every 5 years by Nevada law. The Reserve Study should be updated each year with the estimated Reserve Bank Account Balance, Real Component Costs and actual time frames. Adjustments to the Association's funding plan should be made to provide adequate funding for the required reserves.

NRS 116.31152 Study of reserves; duties of executive board regarding study; person who conducts study required to hold permit; contents of study; submission of summary of study to Division; use of money credited against residential construction tax for upkeep of park facilities and related improvements identified in study.

1. The executive board shall:

(a) At least once every 5 years, cause to be conducted a study of the reserves required to repair, replace and restore the major components of the common elements;

(b) At least annually, review the results of that study to determine whether those reserves are sufficient; and

(c) At least annually, make any adjustments to the association's funding plan which the executive board deems necessary to provide adequate funding for the required reserves.

A copy of the entire Reserve Study is available by contacting the Community Management Company (or Board of Directors of Self Managed Associations).

Reserve Study Start Date: 01/01/2020

Reserve Bank Balance as of Fiscal Year Start Date: \$0.00

Recommended Annual Contribution to the Reserve Account: \$0.00

Estimated Expenditures: \$0.00

Projected Reserve Bank Balance at the End of the Fiscal Year: \$80,000.00

Planned Special Reserve Assessments: \$80,000.00

Study Method: Threshold Funding

Reserve Study Completed By: Reserve Study Specialist: RSS Mari Jo Betterley, 0000025, Better Reserve Consultants

**Major Components of the Common Elements to be
Repaired, Replaced, Restored or Maintained**

Component	Today's Cost	Estimated Remaining Useful Life	Estimated Life When New
<u>Building Exterior</u>			
Building Exterior - Fence /Wall Painting and Repairs	5,000.00	1	5
Building Exterior - Fence /Wall Rehab	10,000.00	1	20
Building Exterior - Gutters /Drainage Allowance	2,500.00	4	5
Building Exterior - Painting (Done 2017)	4,000.00	13	15
Building Exterior - Roof (Done 2017)	49,280.00	18	20
<u>Building Interior</u>			
Building Interior - Electrical and Lighting Allowance	2,500.00	4	5
Building Interior - Flooring -Carpet	8,000.00	1	10
Building Interior - Flooring -Tile	3,500.00	10	20
Building Interior - HVAC	6,500.00	10	20
Building Interior - Lighting and Electrical	5,000.00	1	5
Building Interior - Painting and Wallpaper Removal	9,500.00	1	10
Building Interior - Reception Desk Rehab/Remodel	3,000.00	1	10
Building Interior - Restroom Hot Water Heater	1,500.00	8	12
Building Interior - Restroom Remodel	5,000.00	10	20
Building Interior - Utilities Allowance	5,000.00	4	5
Building Interior - Warehouse Roll Up Doors	10,000.00	10	20
Building Interior - Windows and Doors	10,000.00	20	30
<u>Roads and Parking</u>			
Roads and Parking - Concrete Repair and Replacement	1,500.00	4	5
Roads and Parking - Overlay	11,820.00	10	30
Roads and Parking - Patching	5,000.00	1	10
Roads and Parking - Surface Maintenance Treatment	2,758.00	1	5
Total:	161,358.00		

30 Year Planned Expenditures

This is where you will spend your money in the next 30 years

2021

Building Exterior - Fence /Wall Painting and Repairs	\$5,125.00
Building Exterior - Fence /Wall Rehab	\$10,250.00
Building Interior - Flooring -Carpet	\$8,200.00
Building Interior - Lighting and Electrical	\$5,125.00
Building Interior - Painting and Wallpaper Removal	\$9,737.50
Building Interior - Reception Desk Rehab/Remodel	\$3,075.00
Roads and Parking - Patching	\$5,125.00
Roads and Parking - Surface Maintenance Treatment	\$2,826.95
Total	\$49,464.45

2024

Building Exterior - Gutters /Drainage Allowance	\$2,759.53
Building Interior - Electrical and Lighting Allowance	\$2,759.53
Building Interior - Utilities Allowance	\$5,519.06
Roads and Parking - Concrete Repair and Replacement	\$1,655.72
Total	\$12,693.84

2026

Building Exterior - Fence /Wall Painting and Repairs	\$5,798.47
Building Interior - Lighting and Electrical	\$5,798.47
Roads and Parking - Surface Maintenance Treatment	\$3,198.43
Total	\$14,795.37

2028

Building Interior - Restroom Hot Water Heater	\$1,827.60
Total	\$1,827.60

2029

Building Exterior - Gutters /Drainage Allowance	\$3,122.16
Building Interior - Electrical and Lighting Allowance	\$3,122.16
Building Interior - Utilities Allowance	\$6,244.31
Roads and Parking - Concrete Repair and Replacement	\$1,873.29
Total	\$14,361.92

2030

Building Interior - Flooring -Tile	\$4,480.30
Building Interior - HVAC	\$8,320.55
Building Interior - Restroom Remodel	\$6,400.42
Building Interior - Warehouse Roll Up Doors	\$12,800.85
Roads and Parking - Overlay	\$15,130.60
Total	\$47,132.72

2031

Building Exterior - Fence /Wall Painting and Repairs	\$6,560.43
Building Interior - Flooring -Carpet	\$10,496.69
Building Interior - Lighting and Electrical	\$6,560.43
Building Interior - Painting and Wallpaper Removal	\$12,464.82
Building Interior - Reception Desk Rehab/Remodel	\$3,936.26
Roads and Parking - Patching	\$6,560.43
Roads and Parking - Surface Maintenance Treatment	\$3,618.74
Total	\$50,197.80

2033

Building Exterior - Painting (Done 2017)	\$5,514.04
Total	\$5,514.04

2034

Building Exterior - Gutters /Drainage Allowance	\$3,532.43
Building Interior - Electrical and Lighting Allowance	\$3,532.43
Building Interior - Utilities Allowance	\$7,064.87
Roads and Parking - Concrete Repair and Replacement	\$2,119.46
Total	\$16,249.19

2036

Building Exterior - Fence /Wall Painting and Repairs	\$7,422.53
Building Interior - Lighting and Electrical	\$7,422.53
Roads and Parking - Surface Maintenance Treatment	\$4,094.27
Total	\$18,939.33

2038

Building Exterior - Roof (Done 2017)	\$76,859.98
Total	\$76,859.98

2039

Building Exterior - Gutters /Drainage Allowance	\$3,996.63
Building Interior - Electrical and Lighting Allowance	\$3,996.63
Building Interior - Utilities Allowance	\$7,993.25
Roads and Parking - Concrete Repair and Replacement	\$2,397.98
Total	\$18,384.49

2040

Building Interior - Restroom Hot Water Heater	\$2,457.92
Building Interior - Windows and Doors	\$16,386.16
Total	\$18,844.08

2041

Building Exterior - Fence /Wall Painting and Repairs	\$8,397.91
Building Exterior - Fence /Wall Rehab	\$16,795.82
Building Interior - Flooring -Carpet	\$13,436.65
Building Interior - Lighting and Electrical	\$8,397.91
Building Interior - Painting and Wallpaper Removal	\$15,956.03
Building Interior - Reception Desk Rehab/Remodel	\$5,038.75
Roads and Parking - Patching	\$8,397.91
Roads and Parking - Surface Maintenance Treatment	\$4,632.29
Total	\$81,053.27

2044	
Building Exterior - Gutters /Drainage Allowance	\$4,521.81
Building Interior - Electrical and Lighting Allowance	\$4,521.81
Building Interior - Utilities Allowance	\$9,043.63
Roads and Parking - Concrete Repair and Replacement	\$2,713.09
Total	\$20,800.34

2046	
Building Exterior - Fence /Wall Painting and Repairs	\$9,501.46
Building Interior - Lighting and Electrical	\$9,501.46
Roads and Parking - Surface Maintenance Treatment	\$5,241.01
Total	\$24,243.93

2048	
Building Exterior - Painting (Done 2017)	\$7,985.98
Total	\$7,985.98

2049	
Building Exterior - Gutters /Drainage Allowance	\$5,116.02
Building Interior - Electrical and Lighting Allowance	\$5,116.02
Building Interior - Utilities Allowance	\$10,232.04
Roads and Parking - Concrete Repair and Replacement	\$3,069.61
Total	\$23,533.69