

Sample Business Association

Full Reserve Study

Prepared for Year: 01/01/2027 - 12/31/2027



Better Reserve Consultants

Mari Jo Betterley RSS.0025 and Amber Hancock RSS.0281

Table of Contents

Introduction	Page 3
Important Information	Page 11
Pictures	Page 12
Concepts	Page 17
Component Evaluation	Page 18
Recommended Reserve Contribution Concepts	Page 24
Recommended Reserve Contribution Details	Page 25
Reserve Budget Summary	Page 26
30-Year Planned Expenditures	Page 29



Better Reserve Consultants

4132 S. Rainbow Blvd, Suite 290
Las Vegas, Nevada 89103
702-605-1200

2152 Reno Highway, Suite E
Fallon, Nevada 89406
775-427-1617

betterreserves@gmail.com

Mari Jo Betterley

Nevada State RSS 0000025

National Certification - Professional Reserve Analyst 2331

Community Association Institute (CAI) Certified RS 169

May 21, 2026

Sample Business Association
Executive Board of Directors
112 Happy Lane
North Las Vegas, NV 89102

Sample Business Association - 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.

Reserve Study Requirements NRS 116.3115

2(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.

NRS 116.31152 Duties of Executive Board Regarding Study: The Executive Board Shall

NRS 116.31152 Study of reserves; duties of executive board regarding study; qualifications of person who conducts study; 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 and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore;

(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.

2. Except as otherwise provided in this subsection, the study of the reserves required by subsection 1 must be conducted by a person who holds a permit issued pursuant to chapter 116A of NRS.

NAC 116.415 Contents of Budget to Maintain Reserve

An executive board shall, in addition to the requirements set forth in paragraph (b) of subsection 1 of NRS 116.31151, include in the budget to maintain the reserve:

1. An estimate of the amount of reserve funds necessary in the projected fiscal year, based on industry standards, to complete the maintenance, repairs, replacement or 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 as recommended in the study of reserves conducted pursuant to NRS 116.31152; and
2. If the projected balance of the reserve account at the end of the budgeted fiscal year is less than the amount required to adequately fund the reserves on a reasonable basis at the end of the budgeted fiscal year, as determined by the study of reserves conducted pursuant to NRS 116.31152:
 - (a) The reason for the difference; and
 - (b) How this difference is proposed to be resolved by the executive board.

What is a Reserve Study?

- A Reserve Study is a financial planning tool to fund the repair, replacement, restoration and maintenance of the major components of the common elements. A major component of the common element includes, 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 or annual maintenance. This funding allows an equal payment of each cost over a period of time so that a large burden will not be placed on future owners. Day-to-day expenses and components included in the annual operating budget of an association are not included in the Reserve Study.
- 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 saves or "reserves" your Association`s money properly so that there are no needs for "Special Reserve 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&R`s 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.

Why have a Reserve Study?

A Reserve Study is required by Nevada Law:

NRS 116.3115 2(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.

There are Three Funding Plans: Baseline, Threshold and Full Funding

This Reserve Study is based on the Threshold Funding Plan: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount.

Baseline Funding has a goal of maintaining funds above zero, while Full Funding has a goal of attaining and maintaining funding at 100% or greater. This is the most conservative funding goal.

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. They should think about their "vision" of what the property will look like in the future. Plans should be included in the Reserve Study to protect, preserve and enhance the property so that individual unit owner's property values will increase and the property will be maintained properly.

When the Preliminary Reserve 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 Zoom Workshop or Board Meeting to discuss the Study in detail with the Reserve Study Specialist to ensure accuracy and understanding.

When the Reserve Study is adopted by the Board, the Board of Directors should think of it as a real "working tool" to plan the future condition of the Association. The Reserve Study is to be reviewed and updated 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.

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. The Reserve Study Specialist will not perform invasive testing. The Condition of the Components may be based on Representative Sampling. Better Reserve Consultants has the required \$1,000,000.00 professional liability insurance coverage.

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 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.

Site Inspectors: Mari Jo Betterley, RSS, Amber Hancock, RSS, Paul Herzbrun, Kimberly Albrecht, Bryce Betterley.

This reserve study does not take into account any construction defect issues that would have an impact on the component cost or useful life.

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, President BRC
State of Nevada RSS.0025 2004-Present
National Association of Professional Reserve Analysts Certified RS #2331
Community Association Institute Certified RS #169
Nevada Educated Business Partner
Chairman - Nevada Reserves for Recovery Task Force
Graduate University of Nevada

Paul Herzbrun, State of Nevada RSS.0234 2019-Present
Business Consultant – Business Systems and Processes 2004- 2019
Personal Development Coach – writing and execution of training courses 2004-2019

Amber Hancock, Regional VP BRC, State of Nevada RSS. 0281 2023- Present
Supervisory Community Association Manager SUPR-9079 2004- Present
Community Association Manager/SUPR 2003/2017 - Present

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. It is always best to work the Association's own vendors to obtain accurate information. Any consultants and other persons with expertise used to assist in the preparation of the reserve study names have been included in this Study.

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.

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

Initial Reserve Bank Balance

The beginning reserve bank balance is the cash balance at the beginning of the fiscal year/period beginning date. The bank balance may be an estimation of the future balance based on the current balance, additional transfers to the reserve bank account and expected expenditures prior to the beginning of the fiscal year. This balance is provided by the Board of Directors and/or the management company. This balance does not include any "due-to-from" amount if any funds are owed to the reserve account from past years.

NRS Requires that an Association is "Adequately Funded"

Nevada Law Requires that Association is Adequately Funded

NAC 116.425 (2) 2, (a) Reserve Study Contents. (NRS.11631152,116.615)

2. As used in this section, "adequately funded reserves" means the funds sufficient to maintain the common elements described in the governing documents:

(a) At the level described in the most recently conducted or updated study of reserves; and

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

The funding level for each association may vary based on the size, age of the community and the component evaluation. It is strongly recommended that the board of directors work with their attorney and accountant to determine the level of funding that is adequate for their 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.

A Reserve Study Annual Update (by a Reserve Specialist) is Required per NRS

NRS 116.31151-Annual distribution to units' owners of operating and reserve budgets or summaries

1....The executive board shall, not less than 30 days or more than 60 days before the beginning of the fiscal year of the association, prepare and distribute to each unit's owner a copy of:

(a) The budget for the daily operation of the association. The budget must include, without limitation, the estimated annual revenue and expenditures of the association and any contributions to be made to the reserve account of the association.

(b) The budget to provide adequate funding for the reserves required by paragraph (b) of subsection 2 of NRS 116.3115. The budget must include, without limitation

(1) The CURRENT estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements ...

(2) As of the end of the fiscal year for which the budget is prepared, the CURRENT estimate of the amount of cash reserves that are necessary, and the CURRENT amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the common elements...

NRS 116.311522 states that the study of the reserves must be conducted by a person who holds a permit issued pursuant to chapter 116A of NRS

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.

Reserve Study Commencement Date

116.427

1. For the purposes of paragraph (a) of subsection 1 of NRS 116.31152, the 5 year period for conducting a reserve study commences on the date on which the on-site inspection of the major components is performed and concludes upon the adoption of the reserve study by the executive board at a meeting conducted pursuant to NRS 116.31083. For the purposes of this section, the adoption of the reserve study must take place before the culmination of 5 years after the date that the executive board last adopted a full reserve study that includes the information described in NAC 116.425.

2. After a full reserve study is conducted, the next full reserve study must be commenced on, or as close as practicable to, the same month and date that the previous on-site inspection of the major components was performed.

A Reserve Study is a Budget Planning Tool

Do NOT rely on this Reserve Study for condition assessment or evaluation of quality of work. This report is prepared as a budget planning tool to assist the association in its long-range financial planning. Use of the Study for any other purpose is not appropriate. The visual observations made do NOT constitute a Structural or Engineering Inspection and are not detailed enough to be relied upon, nor should they be relied upon, to determine violations of jurisdictional requirements (building ordinances, codes, etc.) relating to the safety, soundness, structural integrity, or habitability of the projects buildings of any individual component. A Reserve Study is a Budget Planning Tool and should not be used for other purposes.

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. Reserve studies are prepared for one year and the recommendations and projections within will be affected by any unforeseen changes after publication.

We appreciate this opportunity to EARN your business. Better Reserve Consultants takes pride in completing an accurate Reserve Study that is very “customized” to your Association. It is our goal to provide a Reserve Study that you will actually use as a funding tool - a Study that you will believe in!

Thank you,

Mari Jo Betterley RSS.0025 and Amber Hancock RSS.0281
Better Reserve Consultants, LLC

Important Information

Reserve Study Prepared for Year: 01/01/2027 - 12/31/2027

Reserve Study Site Inspection Date / Commencement Date:

Assessment Paying Members/ Units: 1 Commercial Units

Location of Association: North Las Vegas, Nevada

Funding Plan: Threshold Funding

Reserve Bank Accounts Interest Rate and Balance as of: 01/01/2026

Reserve Bank Account	4.00%	<u>\$1,550,000.00</u>
----------------------	-------	-----------------------

Total: \$1,550,000.00

Inflation Rate: 3.00% (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: \$125,000.00

Total estimated current replacement costs of the major component inventory: \$3,715,384.30

"Due-to-From" - Due to the Reserve Account from the Operating Account: \$0.00

(Amount that was not transferred to the Reserve Account per previous Reserve Study)

Total Special Reserve Assessment Recommended: \$0.00



The Asphalt Road Maintenance Schedule includes the Surface Maintenance Treatment, Overlay, Crack Seal, Concrete Curbing Repairs and Striping and Curb Painting. This Schedule is an estimation only.



Exterior Building Painting is scheduled to be done every 10 years. The cost is based on information provided by the Association.



Landscaping and Irrigation costs that are part of the Landscaping Contract are considered and Operating Expense. Irrigation, Plant, Bushes and Trees Replacement and Rock Replenishment has been included in the Reserve Study as a Reserve Expense to be done as needed.



Replacement of the Park Furnishings have been included in the Study. The cost and useful life are an estimation only.



Garage sump pumps replacement has been included in the Study. The estimated useful life when new is approximately 15 years.



Replacement of the splash pad has been included in the Study. The cost and remaining useful life are an estimation only.



The Condominium Association is maintained by the another homeowners association and has not been included in this Study.



The Breezeway Structure is made of metal and has an estimated useful life of more than 30 years. Replacement has not been included in this Study. Repairs and Painting have been scheduled every 5-7 years. An engineering evaluation has been scheduled in the study.



The Association is well maintained and in overall good condition.

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	Unit of Measure	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1. Painting Building 2220 (Done 2024)	2034	1 bldg	\$266,000	\$266,000	8	10
2. Painting Building 2240 (Done 2024)	2034	1 bldg	\$266,000	\$266,000	8	10
3. Painting Building 2260 (Done 2024)	2034	1 bldg	\$266,000	\$266,000	8	10
4. Roof Replacement- Building 2220 (Tile Underlayment) (Done 2021)	2041	7910 sq ft	\$4.78/sq ft	\$37,809.80	15	20
5. Roof Replacement- Building 2220 (TPO Membrane) (Done 2021)	2041	28150 sq ft	\$6.90/sq ft	\$194,235	15	20
6. Roof Replacement- Building 2240 (Tile Underlayment) (Done 2019)	2039	6580 sq ft	\$4.78/sq ft	\$31,452.40	13	20
7. Roof Replacement- Building 2240 (TPO Membrane) (Done 2019)	2039	22550 sq ft	\$6.90/sq ft	\$155,595	13	20
8. Roof Replacement- Building 2260 (Tile Underlayment) (Done 2019)	2039	6580 sq ft	\$4.78/sq ft	\$31,452.40	13	20
9. Roof Replacement- Building 2260 (TPO Membrane) (Done 2019)	2039	16400 sq ft	\$6.90/sq ft	\$113,160	13	20



Building Interior

	Component	Year Scheduled	Unit of Measure	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1.	Fire Pump Replacement (Diesel) (Based on 2/2024 NextGen Proposal) (Done 2025)	2040	1 unit	\$206,000	\$206,000	14	15
2.	Fire System Upgrades (Buildings 2220/2240/2260)(Operating Expense)	2056	as needed	\$	\$0	30	30



Common Area

Component	Year Scheduled	Unit of Measure	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1. Directory Signage Replacement (Operating Expense)	2056	as needed	\$	\$0	30	30
3. Landscaping Renovation - Main Street (Done 2023)	2035	as needed	\$206,000	\$206,000	9	12
2. Landscaping Renovation (Done 2025)	2045	as needed	\$620,000	\$620,000	19	20
4. Monument Pylon Signage (Large) Retrofit LED, Restructure, and Paint (Done 2024)	2044	1 unit	\$133,000	\$133,000	18	20
5. Monument Signage (Small) Renovation (Operating Expense)	2056	1 unit	\$	\$0	30	30
6. Park Furniture (All Seating) Replacement	2026	as needed	\$206,000	\$206,000	0	15
7. Park Furniture (All Seating) Replacement (Done 2025)	2040	as needed	\$103,000	\$103,000	14	15
8. Water Splash Pad Repairs or Replacement	2030	1 unit	\$37,100	\$37,100	4	10



Engineering

Component	Year Scheduled	Unit of Measure	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1. Evaluation - Structural Buildings and Steel Bridge Breezeway (Operating Expense)	2056	allowance	\$	\$0	30	30



Roads and Parking

Component	Year Scheduled	Unit of Measure	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1. Asphalt Overlay	2043	439830 sq ft	\$1.59/sq ft	\$699,329.70	17	30
2. Fire Hydrants Replacement	2044	15 units	\$9,550/unit	\$143,250	18	40
3. Street Lights and Parking Lot Lights (Operating Expense)	2055	as needed	\$	\$0	29	30
4. Surface Maintenance Treatment (Seal Coat, Repairs and Crack Fill) (439,830 sf x .50/sf) (Paid Through Operating)	2026	as needed	\$	\$0	0	5



Reserve Study

	Component	Year Scheduled	Unit of Measure	Cost Per Unit	Today's Cost	Estimated Remaining Useful Life (Years)	Estimated Life When New (Years)
1.	Annual Update	Annual	ea	TBD	To Be Determined	1	1
2.	Full Reserve Study (Done 2026)	2031	ea	TBD	To Be Determined	5	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
Special Reserve Assessment	A temporary assessment levied on the members in addition to regular assessments by the board of directors when necessary for several reasons, including funding a major repair or replacement of a common element or funding, in general, the reserve account.
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	Funding of 100% of the depreciation of each Component.

0% - 39% 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% - 69% Funded is considered to be a "fair" financial position. This does not represent financial strength and stability. The likelihood of a Special Reserve Assessment is still possible. The Association should make every effort to continue strengthening the financial position of the Reserve Fund.

70% - 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.

Recommended Reserve Contribution

Year Funded	Beginning of Year Balance	Spc Rsv Assessmt	Annual Transfer	Member Mo Pmt	Annual Expenditure	Interest Earned	Income Tax	End of Year Balance	%	Fully Funded (100%)
2026	\$1,550,000.00	\$0.00	\$125,000.00	\$10,416.67	\$206,000.00	\$62,000.00	\$18,600.00	\$1,512,400.00	137.51	\$1,099,808.59
2027	\$1,512,400.00	\$0.00	\$125,000.00	\$10,416.67	\$0.00	\$60,496.00	\$18,148.80	\$1,679,747.20	122.63	\$1,369,745.60
2028	\$1,679,747.20	\$0.00	\$150,000.00	\$12,500.00	\$0.00	\$67,190.00	\$20,157.00	\$1,876,780.20	113.45	\$1,654,294.56
2029	\$1,876,780.20	\$0.00	\$200,000.00	\$16,666.67	\$0.00	\$75,071.00	\$22,521.30	\$2,129,329.90	108.97	\$1,954,012.43
2030	\$2,129,329.90	\$0.00	\$250,000.00	\$20,833.33	\$41,756.38	\$85,173.00	\$25,551.90	\$2,397,194.62	107.60	\$2,227,860.35
2031	\$2,397,194.62	\$0.00	\$300,000.00	\$25,000.00	\$0.00	\$95,888.00	\$28,766.40	\$2,764,316.22	108.04	\$2,558,553.87
2032	\$2,764,316.22	\$0.00	\$350,000.00	\$29,166.67	\$0.00	\$110,573.00	\$33,171.90	\$3,191,717.32	109.83	\$2,906,147.04
2033	\$3,191,717.32	\$0.00	\$400,000.00	\$33,333.33	\$0.00	\$127,669.00	\$38,300.70	\$3,681,085.62	112.53	\$3,271,245.12
2034	\$3,681,085.62	\$0.00	\$350,000.00	\$29,166.67	\$1,010,882.52	\$147,243.00	\$44,172.90	\$3,123,273.20	117.99	\$2,647,172.67
2035	\$3,123,273.20	\$0.00	\$350,000.00	\$29,166.67	\$268,783.28	\$124,931.00	\$37,479.30	\$3,291,941.62	119.49	\$2,755,087.66
2036	\$3,291,941.62	\$0.00	\$350,000.00	\$29,166.67	\$0.00	\$131,678.00	\$39,503.40	\$3,734,116.22	118.81	\$3,142,926.17
2037	\$3,734,116.22	\$0.00	\$350,000.00	\$29,166.67	\$0.00	\$149,365.00	\$44,809.50	\$4,188,671.72	117.98	\$3,550,418.42
2038	\$4,188,671.72	\$0.00	\$350,000.00	\$29,166.67	\$0.00	\$167,547.00	\$50,264.10	\$4,655,954.62	117.03	\$3,978,261.68
2039	\$4,655,954.62	\$0.00	\$350,000.00	\$29,166.67	\$487,053.60	\$186,238.00	\$55,871.40	\$4,649,267.62	117.95	\$3,941,656.28
2040	\$4,649,267.62	\$0.00	\$350,000.00	\$29,166.67	\$523,507.30	\$185,971.00	\$55,791.30	\$4,605,940.02	118.78	\$3,877,758.87
2041	\$4,605,940.02	\$0.00	\$350,000.00	\$29,166.67	\$682,459.53	\$184,238.00	\$55,271.40	\$4,402,447.09	120.15	\$3,664,012.06
2042	\$4,402,447.09	\$0.00	\$350,000.00	\$29,166.67	\$0.00	\$176,098.00	\$52,829.40	\$4,875,715.69	117.90	\$4,135,474.89
2043	\$4,875,715.69	\$0.00	\$350,000.00	\$29,166.67	\$1,155,885.44	\$195,029.00	\$58,508.70	\$4,206,350.55	120.95	\$3,477,808.90
2044	\$4,206,350.55	\$0.00	\$400,000.00	\$33,333.33	\$1,828,838.71	\$168,254.00	\$50,476.20	\$2,895,289.64	135.08	\$2,143,426.43
2045	\$2,895,289.64	\$0.00	\$400,000.00	\$33,333.33	\$1,087,173.75	\$115,812.00	\$34,743.60	\$2,289,184.29	150.13	\$1,524,760.79
2046	\$2,289,184.29	\$0.00	\$450,000.00	\$37,500.00	\$0.00	\$91,567.00	\$27,470.10	\$2,803,281.19	141.16	\$1,985,937.77
2047	\$2,803,281.19	\$0.00	\$450,000.00	\$37,500.00	\$383,220.68	\$112,131.00	\$33,639.30	\$2,948,552.21	141.05	\$2,090,504.03
2048	\$2,948,552.21	\$0.00	\$500,000.00	\$41,666.67	\$0.00	\$117,942.00	\$35,382.60	\$3,531,111.61	136.17	\$2,593,243.57
2049	\$3,531,111.61	\$0.00	\$500,000.00	\$41,666.67	\$0.00	\$141,244.00	\$42,373.20	\$4,129,982.41	132.24	\$3,123,100.40
2050	\$4,129,982.41	\$0.00	\$550,000.00	\$45,833.33	\$75,416.66	\$165,199.00	\$49,559.70	\$4,720,205.05	130.90	\$3,605,952.11
2051	\$4,720,205.05	\$0.00	\$550,000.00	\$45,833.33	\$0.00	\$188,808.00	\$56,642.40	\$5,402,370.65	128.90	\$4,191,190.14
2052	\$5,402,370.65	\$0.00	\$600,000.00	\$50,000.00	\$0.00	\$216,095.00	\$64,828.50	\$6,153,637.15	128.02	\$4,806,666.81
2053	\$6,153,637.15	\$0.00	\$600,000.00	\$50,000.00	\$0.00	\$246,145.00	\$73,843.50	\$6,925,938.65	127.00	\$5,453,475.21
2054	\$6,925,938.65	\$0.00	\$600,000.00	\$50,000.00	\$1,825,766.28	\$277,038.00	\$83,111.40	\$5,894,098.97	136.64	\$4,313,447.49
2055	\$5,894,098.97	\$0.00	\$600,000.00	\$50,000.00	\$728,178.74	\$235,764.00	\$70,729.20	\$5,930,955.03	139.45	\$4,253,216.93
Total:		\$0.00	\$11,600,000.00		\$10,304,922.87	\$4,408,397.00	\$1,322,519.10			

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.

NRS 116.31151-Annual distribution to units' owners of operating and reserve budgets or summaries

1...The executive board shall, not less than 30 days or more than 60 days before the beginning of the fiscal year of the association, prepare and distribute to each unit's owner a copy of:

(a)The budget for the daily operation of the association. The budget must include, without limitation, the estimated annual revenue and expenditures of the association and any contributions to be made to the reserve account of the association.

(b)The budget to provide adequate funding for the reserves required by paragraph (b) of subsection 2 of NRS 116.3115. The budget must include, without limitation

(1) The CURRENT estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore;

(2) As of the end of the fiscal year for which the budget is prepared, the CURRENT estimate of the amount of cash reserves that are necessary, and the CURRENT amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the common elements...

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 Prepared for Year: 01/01/2027 - 12/31/2027

Projected Reserve Bank Balance as of Beginning Date: \$1,512,400.00

Annual Contribution to the Reserve Account: \$125,000.00

Estimated Expenditures: \$0.00

Projected Reserve Bank Balance at the End of the Fiscal Year: \$1,679,747.20

Planned Special Reserve Assessments: \$0.00

"Due-to-From" Amount - Due to Reserve Account from Operating Account: \$0.00

(Amount that was not transferred to the Reserve Account per previous Reserve Study)

Study Funding Plan: Threshold Funding

Reserve Study Completed By: Reserve Study Specialists: Mari Jo Betterley RSS.0025 and Amber Hancock RSS.0281, 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>			
Painting Building 2220 (Done 2024)	\$266,000	8	10
Painting Building 2240 (Done 2024)	\$266,000	8	10
Painting Building 2260 (Done 2024)	\$266,000	8	10
Roof Replacement- Building 2220 (Tile Underlayment) (Done 2021)	\$37,809.80	15	20
Roof Replacement- Building 2220 (TPO Membrane) (Done 2021)	\$194,235	15	20
Roof Replacement- Building 2240 (Tile Underlayment) (Done 2019)	\$31,452.40	13	20
Roof Replacement- Building 2240 (TPO Membrane) (Done 2019)	\$155,595	13	20
Roof Replacement- Building 2260 (Tile Underlayment) (Done 2019)	\$31,452.40	13	20
Roof Replacement- Building 2260 (TPO Membrane) (Done 2019)	\$113,160	13	20
Subtotal:	\$1,361,704.60		
<u>Building Interior</u>			
Fire Pump Replacement (Diesel) (Based on 2/2024 NextGen Proposal) (Done 2025)	\$206,000	14	15
Fire System Upgrades (Buildings 2220/2240/2260)(Operating Expense)	\$0	30	30
Subtotal:	\$206,000		
<u>Common Area</u>			
Directory Signage Replacement (Operating Expense)	\$0	30	30
Landscaping Renovation - Main Street (Done 2023)	\$206,000	9	12
Landscaping Renovation (Done 2025)	\$620,000	19	20
Monument Pylon Signage (Large) Retrofit LED, Restructure, and Paint (Done 2024)	\$133,000	18	20
Monument Signage (Small) Renovation (Operating Expense)	\$0	30	30
Park Furniture (All Seating) Replacement	\$206,000	0	15
Park Furniture (All Seating) Replacement (Done 2025)	\$103,000	14	15
Water Splash Pad Repairs or Replacement	\$37,100	4	10
Subtotal:	\$1,305,100		

Engineering

Evaluation - Structural Buildings and Steel Bridge Breezeway (Operating Expense)	\$0	30	30
Subtotal:	\$		

Reserve Study

Annual Update	To Be Determined	1	1
Full Reserve Study (Done 2026)	To Be Determined	5	5

Roads and Parking

Asphalt Overlay	\$699,329.70	17	30
Fire Hydrants Replacement	\$143,250	18	40
Street Lights and Parking Lot Lights (Operating Expense)	\$0	29	30
Surface Maintenance Treatment (Seal Coat, Repairs and Crack Fill) (439,830 sf x .50/sf) (Paid Through Operating)	\$0	0	5
Subtotal:	\$842,579.70		
Total:	\$3,715,384.30		

30 Year Planned Expenditures

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

2026		
Common Area - Park Furniture (All Seating) Replacement		\$206,000.00
Reserve Study - Full Reserve Study (Done 2026)		TBD
Total		\$206,000.00

2027		
Reserve Study - Annual Update		TBD
Total		

2028		
Reserve Study - Annual Update		TBD
Total		

2029		
Reserve Study - Annual Update		TBD
Total		

2030		
Common Area - Water Splash Pad Repairs or Replacement		\$41,756.38
Reserve Study - Annual Update		TBD
Total		\$41,756.38

2031		
Reserve Study - Full Reserve Study (Done 2026)		TBD
Total		

2032	
Reserve Study - Annual Update	TBD
Total	

2033	
Reserve Study - Annual Update	TBD
Total	

2034	
Building Exterior - Painting Building 2220 (Done 2024)	\$336,960.84
Building Exterior - Painting Building 2240 (Done 2024)	\$336,960.84
Building Exterior - Painting Building 2260 (Done 2024)	\$336,960.84
Reserve Study - Annual Update	TBD
Total	\$1,010,882.52

2035	
Common Area - Landscaping Renovation - Main Street (Done 2023)	\$268,783.28
Reserve Study - Annual Update	TBD
Total	\$268,783.28

2036	
Reserve Study - Full Reserve Study (Done 2026)	TBD
Total	

2037	
Reserve Study - Annual Update	TBD
Total	

2038	
Reserve Study - Annual Update	TBD
Total	

2039	
Building Exterior - Roof Replacement- Building 2240 (Tile Underlayment) (Done 2019)	\$46,188.91
Building Exterior - Roof Replacement- Building 2240 (TPO Membrane) (Done 2019)	\$228,496.50
Building Exterior - Roof Replacement- Building 2260 (Tile Underlayment) (Done 2019)	\$46,188.91
Building Exterior - Roof Replacement- Building 2260 (TPO Membrane) (Done 2019)	\$166,179.28
Reserve Study - Annual Update	TBD
Total	\$487,053.60

2040	
Building Interior - Fire Pump Replacement (Diesel) (Based on 2/2024 NextGen Proposal) (Done 2025)	\$311,593.48
Common Area - Park Furniture (All Seating) Replacement (Done 2025)	\$155,796.74
Common Area - Water Splash Pad Repairs or Replacement	\$56,117.08
Reserve Study - Annual Update	TBD
Total	\$523,507.30

2041	
Building Exterior - Roof Replacement- Building 2220 (Tile Underlayment) (Done 2021)	\$58,906.44
Building Exterior - Roof Replacement- Building 2220 (TPO Membrane) (Done 2021)	\$302,611.80
Common Area - Park Furniture (All Seating) Replacement	\$320,941.29
Reserve Study - Full Reserve Study (Done 2026)	TBD
Total	\$682,459.53

2042	
Reserve Study - Annual Update	TBD
Total	

2043	
Reserve Study - Annual Update	TBD
Roads and Parking - Asphalt Overlay	\$1,155,885.44
Total	\$1,155,885.44

2044	
Building Exterior - Painting Building 2220 (Done 2024)	\$452,847.19
Building Exterior - Painting Building 2240 (Done 2024)	\$452,847.19
Building Exterior - Painting Building 2260 (Done 2024)	\$452,847.19
Common Area - Monument Pylon Signage (Large) Retrofit LED, Restructure, and Paint (Done 2024)	\$226,423.60
Reserve Study - Annual Update	TBD
Roads and Parking - Fire Hydrants Replacement	\$243,873.54
Total	\$1,828,838.71

2045	
Common Area - Landscaping Renovation (Done 2025)	\$1,087,173.75
Reserve Study - Annual Update	TBD
Total	\$1,087,173.75

2046	
Reserve Study - Full Reserve Study (Done 2026)	TBD
Total	

2047	
Common Area - Landscaping Renovation - Main Street (Done 2023)	\$383,220.68
Reserve Study - Annual Update	TBD
Total	\$383,220.68

2048	
Reserve Study - Annual Update	TBD
Total	

2049	
Reserve Study - Annual Update	TBD
Total	

2050	
Common Area - Water Splash Pad Repairs or Replacement	\$75,416.66
Reserve Study - Annual Update	TBD
Total	\$75,416.66

2051	
Reserve Study - Full Reserve Study (Done 2026)	TBD
Total	

2052	
Reserve Study - Annual Update	TBD
Total	

2053	
Reserve Study - Annual Update	TBD
Total	

2054	
Building Exterior - Painting Building 2220 (Done 2024)	\$608,588.76
Building Exterior - Painting Building 2240 (Done 2024)	\$608,588.76
Building Exterior - Painting Building 2260 (Done 2024)	\$608,588.76
Reserve Study - Annual Update	TBD
Total	\$1,825,766.28

2055	
Building Interior - Fire Pump Replacement (Diesel) (Based on 2/2024 NextGen Proposal) (Done 2025)	\$485,452.49
Common Area - Park Furniture (All Seating) Replacement (Done 2025)	\$242,726.25
Reserve Study - Annual Update	TBD
Total	\$728,178.74