Reserve Analysis Report

Surfside III COA

600 Sunfish Way Port Hueneme, CA 93041

Level III Study without Site Inspection

Fiscal Year End Date: December 31, 2024



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Preface

A reserve study is a detailed report that assists common interest developments (CID) in planning for long-term common area repair and replacement expenses. These common areas differ for every development. They can include streets, roofs, recreational facilities and many other items. A reserve study estimates the costs of common area repairs and replacements over a 30 year period. Each component is given a useful life, remaining life, and estimated cost. A reserve study then calculates the funds necessary to cover these expenses by creating funding plans.

The Big Picture - What are the significant figures to look at in the report?

The Component List – What are our reserve components and when will they need maintenance

Every reserve study must start with a list of the components. The component summary contains the list of all the components, their useful and remaining lives, and their estimated costs. These numbers are the building blocks for most of the figures in the study.

Percent Funded - What is our current financial standing

Probably the most important number in a reserve study is percent funded. It's almost like a credit score for an association. It tells them the current strength of their reserve fund.

Over 70% = Well Funded Between 30-70% = Fairly Funded Below 30% = Poorly Funded

The lower your percent funded the higher the risk of a special assessment. A low percent funded also increases the likelihood of deferred maintenance which can cause declining property values.

• Funding Plans - How much do we need to save for the future

The next important part of the study is the theoretical 30 year funding plans. The study contains 3 funding plans. It projects what the percent funded will be over the next 30 years if the CID follows each of these plans.

<u>Current Funding Plan</u> – This plan is based on what the association is currently contributing to its reserve fund. This information is supplied by the board or management

<u>Recommended Funding Plan</u> – This is McCaffery's recommendation, if a CID follows the recommended plan they should end up well funded and near the 100% funded level.

5% Threshold Funding Plan - The threshold funding plan is a 30 year cash flow plan that calculates the minimum amount a CID should contribute so their reserve balance won't fall below 5% funded and cause the need for a special assessment. The percent funded will at some point fall into poorly funded levels but will never drop below 5%. If a CID has a funding plan that is below this threshold plan they should also plan on a future special assessment and/or a deferred maintenance. (Following this plan does carry higher risk of a special assessment if a component fails early or costs more than expected)

Executive Summary

Surfside III COA

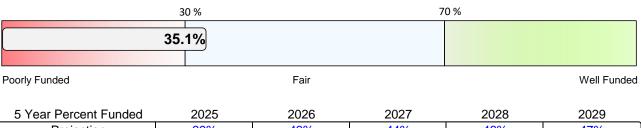
This is a Homeowners Association with 309 Condominium Units.

The common area components include: asphalt, pool, and building exterior.

This is a level III annual update, the last site inspection was performed in 2022

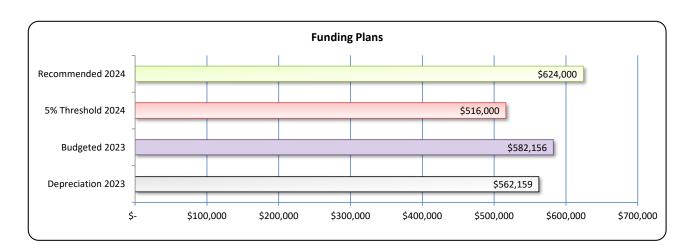
Reserve Fund Balance at Fiscal Year End





5 Teal Percent Funded	2025	2026	2027	2020	2029
Projection	39%	43%	44%	46%	47%
				-	•

Funding Plans		-	Annually	 Monthly	Per	Unit Monthly
Depreciation of Components in 2024	111.	\$	562,159	\$ 46,847	\$	151.61
Budgeted Reserve Contribution 2024	Illi	\$	582,156	\$ 48,513	\$	157.00
5% Threshold Reserve Contribution for 2025	<u> 111.</u>	\$	516,000	\$ 43,000	\$	139.16
Recommended Reserve Contribution for 2025	di.	\$	624,000	\$ 52,000	\$	168.28



Theoretical 30 Year Funding Plans

Surfside III COA

Above 70% = Well Funded Between 30% and 70% = Fairly Funded Below 30% = Poorly Funded (Low Risk of Special Assessment) (Higher Risk of Special Assessment)

Before Tax Interest Rate 1.5% Annual Inflation Rate 3.0% Annual Funding Increase 3.0%

Year	Annual	Fully Funded	Current Funding P			Plan		Recommended Funding Plan			ng Plan	5% Threshold Funding I				ng Plan
End	Expenses	Balance	Contribution		Balance	% Funded	С	ontribution		Balance	% Funded	Co	ontribution		Balance	% Funded
2024	\$ -	\$ 5,695,492	\$ 582,156	\$	2,000,116	35%	\$	-	\$	2,000,116	35%	\$	-	\$	2,000,116	35%
2025	\$ 220,938	\$ 6,206,436	\$ 599,621	\$	2,408,800	39%	\$	624,000	\$	2,433,179	39%	\$	516,000	\$	2,325,179	37%
2026	\$ 68,609	\$ 6,914,822	\$ 617,609	\$	2,993,932	43%	\$	642,720	\$	3,043,788	44%	\$	531,480	\$	2,822,928	41%
2027	\$ 450,985	\$ 7,248,813	\$ 636,138	\$	3,223,993	44%	\$	662,002	\$	3,300,460	46%	\$	547,424	\$	2,961,710	41%
2028	\$ 346,376	\$ 7,724,386	\$ 655,222	\$	3,581,198	46%	\$	681,862	\$	3,685,453	48%	\$	563,847	\$	3,223,607	42%
2029	\$ 470,286	\$ 8,099,199	\$ 674,878	\$	3,839,508	47%	\$	702,317	\$	3,972,766	49%	\$	580,763	\$	3,382,437	42%
2030	\$ 429,871	\$ 8,548,517	\$ 695,125	\$	4,162,355	49%	\$	723,387	\$	4,325,874	51%	\$	598,185	\$	3,601,488	42%
2031	\$ 960,399	\$ 8,457,686	\$ 715,978	\$	3,980,370	47%	\$	745,089	\$	4,175,451	49%	\$	616,131	\$	3,311,243	39%
2032	\$ 319,984	\$ 9,077,480	\$ 737,458	\$	4,457,549	49%	\$	767,441	\$	4,685,540	52%	\$	634,615	\$	3,675,542	40%
2033	\$ 511,402	\$ 9,530,212	\$ 759,582	\$	4,772,591	50%	\$	790,465	\$	5,034,885	53%	\$	653,653	\$	3,872,926	41%
2034	\$ 2,108,656	\$ 8,291,101	\$ 782,369	\$	3,517,893	42%	\$	814,178	\$	3,815,931	46%	\$	673,263	\$	2,495,627	30%
2035	\$ 960,523	\$ 8,279,189	\$ 805,840	\$	3,415,978	41%	\$	838,604	\$	3,751,251	45%	\$	693,461	\$	2,265,999	27%
2036	\$ 537,896	\$ 8,747,334	\$ 830,015	\$	3,759,337	43%	\$	863,762	\$	4,133,385	47%	\$	714,265	\$	2,476,358	28%
2037	\$ 1,051,821	\$ 8,697,758	\$ 854,916	\$	3,618,822	42%	\$	889,675	\$	4,033,240	46%	\$	735,693	\$	2,197,374	25%
2038	\$ 228,103	\$ 9,562,313	\$ 880,563	\$	4,325,564	45%	\$	916,365	\$	4,782,000	50%	\$	757,763	\$	2,759,995	29%
2039	\$ 2,057,512	\$ 8,499,809	\$ 906,980	\$	3,239,916	38%	\$	943,856	\$	3,740,074	44%	\$	780,496	\$	1,524,380	18%
2040	\$ 1,834,677	\$ 7,672,700	\$ 934,189	\$	2,388,026	31%	\$	972,172	\$	2,933,670	38%	\$	803,911	\$	516,479	7%
2041	\$ 420,542	\$ 8,377,228	\$ 962,215	\$	2,965,520	35%	\$	1,001,337	\$	3,558,469	42%	\$	828,029	\$	931,713	11%
2042	\$ 1,319,396	\$ 8,158,656	\$ 991,082	\$	2,681,689	33%	\$	1,031,377	\$	3,323,828	41%	\$	852,869	\$	479,162	6%
2043	\$ 644,599	\$ 8,692,031	\$ 1,020,814	\$	3,098,129	36%	\$	1,062,318	\$	3,791,404	44%	\$	878,455	\$	720,206	8%
2044	\$ 722,518	\$ 9,186,711	\$ 1,051,438	\$	3,473,521	38%	\$	1,094,188	\$	4,219,945	46%	\$	904,809	\$	913,300	10%
2045	\$ 1,444,129	\$ 8,946,267	\$ 1,082,982	\$	3,164,477	35%	\$	1,127,013	\$	3,966,128	44%	\$	931,953	\$	414,824	5%
2046	\$ 86,084	\$10,198,710	\$ 1,115,471	\$	4,241,331	42%	\$	1,160,824	\$	5,100,360	50%	\$	959,912	\$	1,294,874	13%
2047	\$ 1,495,407	\$ 9,996,858	\$ 1,148,935	\$	3,958,479	40%	\$	1,195,649	\$	4,877,107	49%	\$	988,709	\$	807,599	8%
2048	\$ 298,246	\$11,116,964	\$ 1,183,403	\$	4,903,013	44%	\$	1,231,518	\$	5,883,535	53%	\$	1,018,371	\$	1,539,838	14%
2049	\$ 912,512	\$11,640,627	\$ 1,218,905	\$	5,282,952	45%	\$	1,268,464	\$	6,327,740	54%	\$	1,048,922	\$	1,699,345	15%
2050	\$ 1,346,717	\$11,745,719	\$ 1,255,473	\$	5,270,952	45%	\$	1,306,517	\$	6,382,457	54%	\$	1,080,389	\$	1,458,508	12%
2051	\$ 831,843	\$12,447,170	\$ 1,293,137	\$	5,811,310	47%	\$	1,345,713	\$	6,992,063	56%	\$	1,112,801	\$	1,761,344	14%
2052	\$ 832,756	\$13,206,138	\$ 1,331,931	\$	6,397,654	48%	\$	1,386,084	\$	7,650,272	58%	\$	1,146,185	\$	2,101,193	16%
2053	\$ 692,917	\$14,177,697	\$ 1,371,889	\$	7,172,590	51%	\$	1,427,667	\$	8,499,776	60%	\$	1,180,571	\$	2,620,364	18%
2054	\$ 804,303	\$15,097,681	\$ 1,413,045	\$	7,888,921	52%	\$	1,470,497	\$	9,293,466	62%	\$	1,215,988	\$	3,071,354	20%

Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

Category Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life		Unit Cost		Total Cost	Cos Sour
<u> </u>			-	-					
Roofing Carports (Metal Roof) - Replacement	20	Allowance	30	4	\$	1,185	\$	23,690	1
Carports (Metal Roof) - Replacement	20	Allowance	30	10	\$	1,185	\$	23,690	1
Carports (Metal Roof) - Replacement	20	Allowance	30	13	\$	1,185	\$	23,690	1
Carports (Metal Roof) - Replacement	20	Allowance	30	16	\$	1,185	\$	23,690	1
Carports (Metal Roof) - Replacement	20	Allowance	30	19	\$	1,185	\$	23,690	1
Carports (Metal Roof) - Replacement	20	Allowance	30	22	\$	1,185	\$	23,690	1
Carports (Metal Roof) - Replacement	138	Allowance	30	25	\$	1,185	\$	163,461	1
Comp Shingle - Replace Condo(Ph. 1)	29000	SF	25	8	\$	7.73	\$	224,025	1
Comp Shingle - Replace Condo(Ph. 1)	29000	SF	25 25	9	\$	7.73	\$	224,025	1
Comp Shingle - Replace Condo(Ph. 3)	29000	SF	25	10	\$	7.73	\$	224,025	1
Comp Shingle - Replace Condo(Ph. 4)	27650	SF	25 25	11	\$	7.73	\$	213,596	1
Tile Roof (Clubhouse)	8000	SF	30	24	\$	8.12	\$	64,927	1
Flat Roof (Clubhouse)	5100	SF	20	4	\$	7.73	\$	39,398	1
Townhome Roofs Including Garage	10	Allowance	20	8	\$	7,313	\$	73,130	1
					Ф \$,			1
Townhome Roofs Including Garage	10 10	Allowance	20	9	\$	7,313	\$ \$	73,130	1
Townhome Roofs Including Garage	10 10	Allowance	20	10		7,313		73,130	1
Townhome Roofs Including Garage	10 11	Allowance Allowance	20 20	11 12	\$ \$	7,313	\$ \$	73,130 80,443	1 1
Townhome Roofs Including Garage						7,313			-
Gutters & Downspouts - Repair	1	Allowance	20	4	\$	18,300	\$ \$	18,300 1,686,860	1
Painting							φ	1,000,000	
Exterior Stucco - Partial (A)	12	Each	12	11	\$	2,369	\$	28,428	1
Exterior Stucco - Partial (A)	54	Each	12	0	\$	2,369	\$	127,926	1
Exterior Stucco - Partial (B)	66	Each	12	2	\$	2,369	\$	156,354	1
Exterior Stucco - Partial (C)	66	Each	12	4	\$	2,369	\$	156,354	1
Exterior Stucco - Partial (D)	66	Each	12	6	\$	2,369	\$	156,354	1
Exterior Surfaces - High Fascia	8	Each	5	0	\$	5,797	\$	46,374	1
Exterior Stucco - Townhome	12	Allowance	12	Ö	\$	3,502	\$	42,024	1
Exterior Stucco - Townhome	12	Allowance	12	2	\$	3,502	\$	42,024	1
Exterior Stucco - Townhome	12	Allowance	12	4	\$	3,502	\$	42,024	1
Exterior Stucco - Townhome	15	Allowance	12	6	\$	3,502	\$	52,530	1
Condo Building Rails	2	Each	8	6	\$	46,350	\$	92,700	1
Condo Building Rails	2	Each	8	6	\$	46,350	\$	92,700	1
Condo Building Rails	2	Each	8	6	\$	46,350	\$	92,700	1
Condo Building Rails	2	Each	8	6	\$	46,350	\$	92,700	1
S .	20								1
Town Home Rails Town Home Rails	20 20	Each Each	8 8	6 6	\$ \$	1,030	\$ \$	20,600	1
	20 11		8		\$	1,030	\$	20,600	1
Town Home Rails		Each		6		1,391		15,299	
Clubhouse Exterior	1	Each	12	10	\$	47,000	\$	47,000	1
Clubhouse Interior	1	Each	12	2	\$	50,000	\$	50,000	1
Carport Supports	23	Each	12	3 7	\$ \$	5,000	\$	115,000	1 1
Metal Fences	2	Each	8		Ф	11,845	\$ \$	23,690 1,513,381	1
Asphalt							Ψ	1,010,001	
Concrete Repairs	1	Allowance	25	0	\$	4,614	\$	4,614	1
Overlay & Replace (Parking Areas)	35000	SF	25	18	\$	4.85	\$	169,750	1
Overlay & Replace (Streets)	125000	SF	25	17	\$	4.85	\$	606,250	1
Seal Coat/Repair/Restripe	160000	SF	3	2	\$	0.32	\$	50,923	1
							\$	831,538	
encing/Rails Motal Fonce/Pailings - Popair	4	Allowanas	20	6	¢	11 500	¢	11 500	1
Metal Fence/Railings - Repair	1	Allowance	20	6	\$	11,592	\$	11,592	1
Surfside Drive Fence	1	Allowance	20	12	\$	34,777	\$	34,777	1
Beach Fence	1	Allowance	25	15	\$	87,418	\$	87,418	1
Townhome Fences	1	Allowance	25	17	\$	64,919	\$	64,919	1
Trash Enclosures - Replace	11	Each	30	13	\$	7,649	\$	84,140	1
Vehicle Gates	3	Each	30	9	\$	8,114	\$	24,341	1

Category	Approx.	Unit of		Remaining		Unit		Total	Cost
Component	Quantity	Measure	Life	Life		Cost		Cost	Source
Decks & Landings									
Balcony Inspection/Repairs	1	Allowance	9	6	\$	54,636	\$	54,636	1
Balcony Beams/Posts	2	Allowance	10	4	\$	20,000	\$	40,000	1
Balcony Beams/Posts	2	Allowance	10	6	\$	20,000	\$	40,000	1
Balcony Beams/Posts	2	Allowance	10	9	\$	20,000	\$	40,000	1
Balcony Beams/Posts	2	Allowance	10	10	\$	20,000	\$	40,000	1
Balcony Decks - Repair/Reseal	2	Each	10	2	\$	12,000	\$	24,000	1
Balcony Decks - Repair/Reseal	2	Each	10	3	\$	12,000	\$	24,000	1
Balcony Decks - Repair/Reseal	2	Each	10	4	\$	12,000	\$	24,000	1
Balcony Decks - Repair/Reseal	2	Each	10	5	\$	12,000	\$	24,000	1
Stairs/Landings- Repair/Reseal	2	Each	10	10	\$	4,000	\$	8,000	1
Stairs/Landings- Repair/Reseal	2	Each	10	10	\$	4,000	\$	8,000	1
Stairs/Landings- Repair/Reseal	2	Each	10	10	\$	4,000	\$	8,000	1
Stairs/Landings- Repair/Reseal	2	Each	10	10	\$	4,000	\$	8,000	1
Walkways - Repair/Reseal	2	Each	10	10	\$	12,000	\$	24,000	1
Walkways - Repair/Reseal	2	Each	10	10	\$	12,000	\$	24,000	1
Walkways - Repair/Reseal	2	Each	10	10	\$	12,000	\$	24,000	1
Walkways - Repair/Reseal	2	Each	10	10	\$	12,000	\$	24,000	1
							\$	438,636	
Clubhouse									
Furnishings	1	Allowance	20	1	\$	5,797	\$	5,797	1
Carpet	650	SY	15	2	\$	23.18	\$	15,067	1
Office Equipment (Partial Replace)	1	Allowance	6	2	\$	3,478	\$	3,478	1
Bathrooms - Refurbish	2	Each	25	24	\$	8,700	\$	17,400	1
Copier	1	Each	15	2	\$	5,797	\$	5,797	1
Tile Flooring - Repair/Replace	1	Allowance	20	1	\$	6,954	\$	6,954	1
Game Tables	3	Each	10	2	\$	4,637	\$	13,912	1
Exercise Equipment	4	Each	10	4	\$	4,057	\$	16,228	1
Kitchen Area - Refurbish	1	Allowance	20	7	\$	13,911	\$	13,911	1
Gym Flooring - Replace	1	Allowance	18	6	\$	4,057	\$	4,057	1
							\$	102,599	
Pool & Spa Area									
Pool Bathrooms - Refurbish	2	Each	20	19	\$	6,376	\$	12,752	1
Pool Resurface	1352	LF	25	20	\$	21	\$	28,212	1
Pool Hardware	1	Allowance	25	20	\$	11,592	\$	11,592	1
Spa	1	Each	10	2	\$	11,592	\$	11,592	1
							\$	64,149	
Common Areas									
Recreation and Outdoor Furnishings	1	Allowance	22	21	\$	4,637	\$	4,637	1
Recreation and Outdoor Furnishings	1	Allowance	22	5	\$	4,637	\$	4,637	1
Recreation and Outdoor Furnishings	1	Allowance	22	9	\$	4,637	\$	4,637	1
Recreation and Outdoor Furnishings	1	Allowance	22	15	\$	4,637	\$	4,637	1
· · · · · · · ·							\$	18,549	
Mechanical/Electrical	00		0.5		•	050	•	04.050	
Electrical Box Replacement Condos	33	each	25	1	\$	950	\$	31,350	1
Electrical Box Replacement Condos	33	each	25	2	\$	950	\$	31,350	1
Electrical Box Replacement Condos	33	each	25	3	\$	950	\$	31,350	1
Electrical Box Replacement Condos	33	each	25	4	\$	950	\$	31,350	1
Electrical Box Replacement Condos	33	each	25	5	\$	950	\$	31,350	1
Electrical Box Replacement Condos	33	each	25	6	\$	950	\$	31,350	1
Electrical Box Replacement Condos	33	each	25	7	\$	950	\$	31,350	1
Electrical Box Replacement Condos	27	each	25	8	\$	950	\$	25,650	1
Electrical Box Replacement Condos	5	each	25	25	\$	950	\$	4,750	1
Elevators - Modernization	8	Each	25	9	\$	90,000	\$	720,000	1
Fire Control Panels	40	Each	18	17	\$	825	\$	33,000	3
							\$	1,002,850	

Category	Approx.	Unit of		Remaining		Unit		Total	Cost
Component	Quantity	Measure	Life	Life		Cost		Cost	Sourc
Plumbing									
Sewer Main Lines - Partial Replace	1	Allowance	40	5		191,226	\$	191,226	1
Sewer Main Lines - Partial Replace	1	Allowance	40	7	\$	191,226	\$	191,226	1
Sewer Main Lines - Partial Replace	2	Allowance	40	12	\$	191,226	\$	382,452	1
Sewer Main Lines - Partial Replace	2	Allowance	40	14	\$	191,226	\$	382,452	1
Sewer Main Lines - Partial Replace	2	Allowance	40	15	\$	191,226	\$	382,452	1
Town Home Water Line Re-Pipe	2	Allowance	30	3	\$	13,250	\$	26,500	1
Town Home Water Line Re-Pipe	2	Allowance	30	3	\$	13,250	\$	26,500	1
Town Home Water Line Re-Pipe	2	Allowance	30	4	\$	13,250	\$	26,500	1
Town Home Water Line Re-Pipe	2	Allowance	30	6	\$	13,250	\$	26,500	1
Town Home Water Line Re-Pipe	2	Allowance	30	8	\$	13,250	\$	26,500	1
Town Home Water Line Re-Pipe	10	Allowance	30	10	\$	13,250	\$	132,500	1
Town Home Water Line Re-Pipe	10	Allowance	30	14	\$	13,250	\$	132,500	1
Town Home Water Line Re-Pipe	16	Allowance	30	19	\$	13,250	\$	212,000	1
Town Home Water Line Re-Pipe	5	Allowance	30	30	\$	13,250	\$	66,250	1
Condo Building Water Line Re-Pipe	2	Allowance	30	9		200,000	\$	400,000	1
Condo Building Water Line Re-Pipe	2	Allowance	30	15		200,000	\$	400,000	1
Condo Building Water Line Re-Pipe	2	Allowance	30	20		200,000	\$	400,000	1
Condo Building Water Line Re-Pipe	2	Allowance	30	25		200,000	\$	400,000	1
condo panamy trater pine ito i ipo		7 0 11 01 10 0			Ψ	200,000	\$	3,805,558	•
Vater Heaters							۳	0,000,000	
Water Heaters - Replace	2	Each	10	2	\$	10,300	\$	20,600	1
Water Heaters - Replace	2	Each	10	3	\$	10,300	\$	20,600	1
Water Heaters - Replace	12	Each	10	9	\$	10,300	\$	123,600	1
Water ricators - Replace	12	Lucii	10	<u> </u>	Ψ	10,000	\$	164,800	•
andscaping							Ψ	104,000	
Irrigation Replacement	1	Allowance	12	5	\$	22,300	\$	22,300	1
migation replacement		7 the Warles			Ψ	LL,000	\$	22,300	
ighting							Ψ	22,000	
Campus Lighting - Replace	1	Allowance	25	20	\$	91.000	\$	91,000	1
Hallway Lighting - Replace	1	Allowance	25 25	14	\$	35,000	\$	35,000	1
Main Electrical Junction Box	1	Allowance	30	3	\$	69,556	\$	69,556	1
Main Electrical Juriction Box	ı	Allowance	30	3	φ	09,550	\$	195,556	- 1
dia collana e u c							Φ	195,556	
Miscellaneous	1	Allowance	20	27	Ф	210,000	\$	210 000	1
Bridge - Repair	1		30	27		,		210,000	1
Concrete Walkways - Repair	1	Allowance	10	1	\$	22,510	\$	22,510	-
Directional Signage	1	Allowance	18	13	\$	2,897	\$	2,897	1
Intercom (Gate)	1	Each	12	9	\$	6,376	\$	6,376	1
Mailbox Kiosks	20	Each	20	15	\$	1,970	\$	39,402	1
Monument Sign	1	Each	20	3	\$	3,478	\$	3,478	1
Utility Doors	11	Allowance	30	22	\$	212,349	\$	212,349	1
							\$	497,012	
Contingency									
5%									1

TOTALS

\$10,650,975

Notes: Any other items not listed are included in operating budget.

Assessment and Reserve Funding Disclosure Summary Surfside III COA

(1) The current regular asses	sment per ownership interest per	month is:	
\$ 522.00 per month for t	the year ending 12/31/24		
	ial assessments that have alread dless of the purpose, if they have rd and/or members:		to be 7/10/2024
Date Assessment is Due	Amount per unit	Purpose of Asse	ssment
Date / todecoment to Dae	7 tillodik por dilik	1 417000 0171000	oomon.
Tatal			
Total:		_	
available to the board of di reserve account balances to meet the association's c	ent reserve study and other inforr frectors, will currently projected be sufficient at the end of each y obligation for repair and/or ponents during the next 30 years	ear	
Yes	No]	
Note: This calculation assume per year over the next 3	es the association will raise their 0 years.	current reserve co	ontribution 3%
contributions to reserves w	what additional assessments or of ould be necessary to ensure that be available each year during th		
Not Applicable			
Note: This calculation assumper year over the next 3	es the association will raise their 0 years.	current reserve co	ontribution 3%
(5) All major components apprincluded in its calculations.	propriate for reserve funding are i	ncluded in the res	serve study and are
	alculation in paragraph (4) of sub int required in the reserve fund at		
based in whole or in part on the as of 12/31/2024	ne last reserve study or update properties the projected reserve fund cash resulting in the reserves being	balance at the er	

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the projected required amount in reserves, projected reserve fund cash balance and projected percent funded for each of the next 5 years is:

Year	Amt Required	Proj. Balance	% Funded
2025	\$ 6,206,436	\$ 2,408,800	39%
2026	\$ 6,914,822	\$ 2,993,932	43%
2027	\$ 7,248,813	\$ 3,223,993	44%
2028	\$ 7,724,386	\$ 3,581,198	46%
2029	\$ 8,099,199	\$ 3,839,508	47%

For more detail see attached theoretical 30 year funding plans.

Note: This calculation assumes the association will raise their reserve contribution 3% per year over the next 30 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, the assumed long-term before-tax interest rate was: per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was:

3.00% per year

1.50%	

- (b) For the purposes of preparing a summary pursuant to this section:
- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The Preparer of this form will be indemnified and held harmless against all losses, claims, action, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been provided to Preparer by others and relied upon by Preparer which may result from any improper use or reliance on this disclosure.