



2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of

Trails West Homeowners Association, Inc.

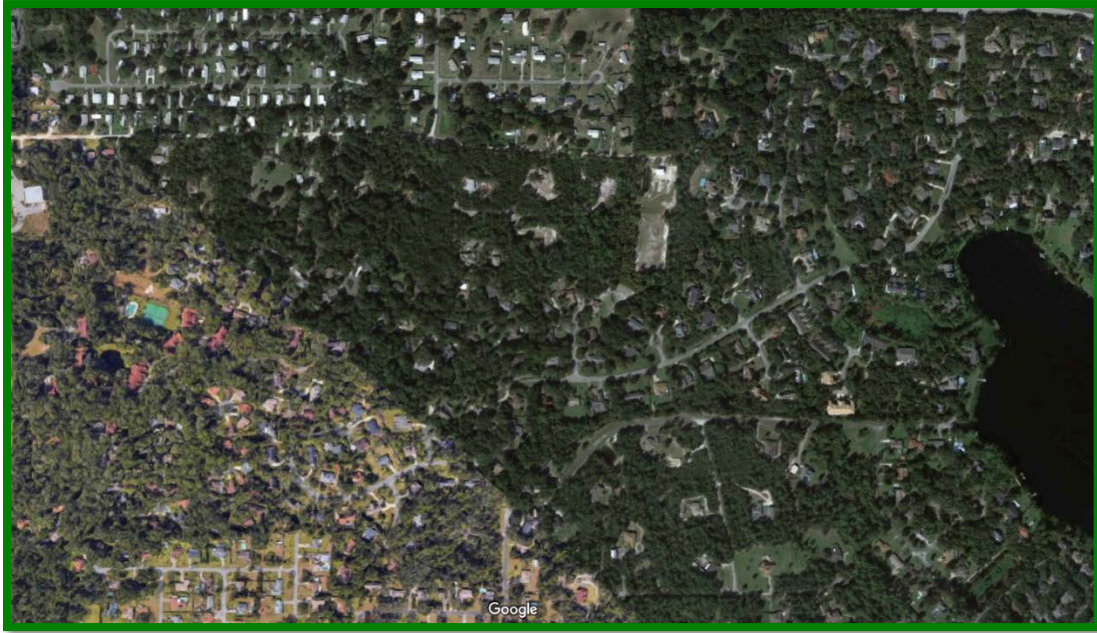
DeLand, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 30, 2020.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook** - Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Homeowners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management and the Board. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Homeowners
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Trails West responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies

- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time.

- Electrical Systems, Common
- Foundations, Common
- Irrigation System, Wells
- Pipes, Interior Building, Domestic Water, Sanitary Waste, Vent, Common
- Pipes, Subsurface Utilities
- Structural Frames
- Walls, Siding, Fiber Cement, Office

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$3,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Basketball Court, Color Coat
- Basketball Goal, Interim Repairs and Replacements
- Catch Basins, Landscape
- Deck, Pavers, Pool, Interim Resetting and Partial Replacements
- Deck, Wood, Interim Repairs and Maintenance
- Door, Roll Up, Maintenance Shed
- Drinking Fountain, Clubhouse
- Fence, Wood, Split Rail
- Fire Extinguishers, Clubhouse
- Irrigation System, Controls and Maintenance
- Irrigation System, Pumps
- Interior Renovations, Office
- Interior Renovations, Pool Rest Room Building
- Kitchen, Appliances, Interim Partial Replacements
- Landscape
- Light Fixtures, Exterior Clubhouse
- Mulch, Replenishment
- Paint Finishes, Clubhouse Interior
- Paint Finishes, Touch Up

- Roof, Asphalt Shingles, Office
- Shuffleboard Court, Resurfacing
- Sidewalks, Concrete, Common
- Signage, Entrance Monument, Masonry, Renovations and Capital Repairs
- Signage, Entrance Monument, Masonry, Inspections and Repointing
- Walking Path, Gravel Replenishment
- Walls, Masonry, Rest Room Building, Inspections and Capital Repairs
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to:

- Driveways
- Homes and Lots
- Mailboxes, Single

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Lift Station (City of DeLand)
- Mailbox Stations (United States Postal Service)
- Street Lights (Leased)