

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- 2020 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

RESERVE EXPENDITURES

**Trails West
Homeowners Association, Inc.**
DeLand, Florida

Explanatory Notes:

- 1) **2.1%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2020)	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031	12 2032	13 2033	14 2034	15 2035
						Useful	Remaining		Per Phase (2020)	Total (2020)																	
Exterior Building Elements																											
1.152	1,850	1,850	Square Feet	Deck, Wood, Deck Boards and Interim Repairs	2050	15 to 20	30	10.00	18,500	18,500	0.6%																
1.157	1,850	1,850	Square Feet	Deck, Wood, Replacement	2030	to 45	10	20.00	37,000	37,000	0.9%																45,547
1.280	47	47	Squares	Roof, Asphalt Shingles (Clubhouse, Pool Buildings, and Maintenance Shed)	2026	12 to 18	6	450.00	21,150	21,150	1.1%							23,959									
1.865	3,200	3,200	Square Feet	Walls, Wood Siding and Stucco, Paint Finishes and Capital Repairs (Incl. Soffit And Fascia)	2024	4 to 6	4	1.20	3,840	3,840	0.5%				4,173												4,727
1.870	2,200	2,200	Square Feet	Walls, Wood Siding, Replacement (Incl. Soffit and Fascia)	2030	to 30	10	11.00	24,200	24,200	0.6%																29,790
1.980	510	510	Square Feet	Windows and Doors, Wood Frames (Clubhouse and Office)	2040	to 40	20	55.00	28,050	28,050	0.8%																
Clubhouse Elements																											
2.060	1,500	1,500	Square Feet	Ceilings, Acoustical Tiles, Grid and Lighting	2048	to 30	28	4.00	6,000	6,000	0.2%																
2.240	170	170	Square Yards	Floor Coverings, Tile	2048	to 30	28	80.00	13,600	13,600	0.5%																
2.450	1	1	Allowance	Furnishings	2033	10 to 15	13	23,000.00	23,000	23,000	1.3%																30,134
2.519	1	1	Allowance	Kitchen, Renovation	2033	10 to 15	13	16,000.00	16,000	16,000	0.9%																20,963
2.899	1	1	Allowance	Rest Rooms, Fixtures, Clubhouse	2043	to 25	23	3,000.00	3,000	3,000	0.1%																
Building Services Elements																											
3.070	2	1	Each	Air Handling and Condensing Units, Split Systems, Phased	2028	12 to 18	8 to 10	6,000.00	6,000	12,000	0.6%									7,085							7,386
Property Site Elements																											
4.020	63,600	63,600	Square Yards	Asphalt Pavement, Patch	2022	3 to 5	2	0.50	31,800	31,800	3.2%			33,150													42,539
4.040	63,600	31,800	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2026	15 to 20	6 to 10	15.50	492,900	985,800	54.9%							558,359									606,759
4.051	1	1	Allowance	Basketball Court, Replacement	2049	to 30	29	5,000.00	5,000	5,000	0.2%																
4.098	1	1	Each	Bridge, Wood, Pedestrian	2035	to 25	15	4,000.00	4,000	4,000	0.1%																5,463
4.099	40	40	Linear Feet	Bulkhead, Timber, South Pond	2021	15 to 20	1	160.00	6,400	6,400	0.3%		6,534														
4.100	40	20	Each	Catch Basins, Inspections and Capital Repairs, Phased	2026	15 to 20	6 to 10	700.00	14,000	28,000	1.6%							15,859									17,234
4.110	36,000	1,800	Linear Feet	Concrete Curbs and Gutters, Partial	2026	to 65	6 to 30+	17.00	30,600	612,000	3.4%							34,664									37,669
4.255	506	506	Square Feet	Dock and Pilings, Composite	2020	15 to 25	0	65.60	33,195	33,195	1.7%	33,195															
4.419	1	1	Allowance	Irrigation System, Capital Repairs	2021	N/A	1	20,000.00	20,000	20,000	0.4%		20,420														
4.420	95	48	Zones	Irrigation System, Replacement, Phased	2024	to 40+	4 to 6	1,700.00	80,750	161,500	3.4%				87,750			91,474									
4.660	1	1	Allowance	Playground Equipment	2039	15 to 20	19	52,000.00	52,000	52,000	1.4%																
4.700	1	1	Each	Pond, Aerator (South of Playground)	2030	10 to 15	10	4,500.00	4,500	4,500	0.2%																5,539
4.710	1,360	272	Linear Feet	Ponds, Erosion Control, Partial	2036	to 15	16 to 30+	21.00	5,712	28,560	0.1%																
4.720	2,460	2,460	Square Yards	Pond, Liner (Pond South of Playground)	2021	to 20	1	6.00	14,760	14,760	0.7%		15,070														
4.730	3,000	1,500	Square Yards	Pond, Sediment Removal (North of Playground), Partial	2021	to 30	1 to 30+	14.00	21,000	42,000	0.4%		21,441														
4.760	440	440	Square Feet	Retaining Wall, Timber, Playground and Path to Waterfall Walkway	2025	15 to 20	5	20.00	8,800	8,800	0.5%							9,764									
4.785	1	1	Allowance	Security System	2025	to 10	5	9,000.00	9,000	9,000	0.7%							9,986									12,292
4.805	1	1	Allowance	Shuffleboard Courts, Replacement	2030	to 40	10	15,000.00	15,000	15,000	0.3%																18,465
4.810	1	1	Allowance	Signage, Street and Traffic, Replacement (Incl. Wood Entrance Signs)	2021	15 to 20	1	40,000.00	40,000	40,000	1.9%		40,840														
4.820	1	1	Allowance	Site Furniture	2038	15 to 25	18	10,000.00	10,000	10,000	0.3%																
4.830	1,600	1,600	Square Yards	Tennis Courts, Color Coat	2021	4 to 6	1	8.00	12,800	12,800	1.6%		13,069					14,500									
4.840	440	440	Linear Feet	Tennis Courts, Fence	2031	to 25	11	33.00	14,520	14,520	0.3%																18,249
4.860	1,600	1,600	Square Yards	Tennis Courts, Surface Replacement	2031	to 35	11	40.00	64,000	64,000	1.5%																80,438
Pool Elements																											

RESERVE EXPENDITURES

**Trails West
Homeowners Association, Inc.**
DeLand, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2020)	Costs, \$		Percentage of Future Expenditures	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044	25 2045	26 2046	27 2047	28 2048	29 2049	30 2050	
						Useful	Remaining		Per Phase (2020)	Total (2020)																	
Exterior Building Elements																											
1.152	1,850	1,850	Square Feet	Deck, Wood, Deck Boards and Interim Repairs	2050	15 to 20	30	10.00	18,500	18,500	0.6%															34,510	
1.157	1,850	1,850	Square Feet	Deck, Wood, Replacement	2030	to 45	10	20.00	37,000	37,000	0.9%																
1.280	47	47	Squares	Roof, Asphalt Shingles (Clubhouse, Pool Buildings, and Maintenance Shed)	2026	12 to 18	6	450.00	21,150	21,150	1.1%									34,828							
1.865	3,200	3,200	Square Feet	Walls, Wood Siding and Stucco, Paint Finishes and Capital Repairs (Incl. Soffit And Fascia)	2024	4 to 6	4	1.20	3,840	3,840	0.5%	5,355					6,066							6,872			
1.870	2,200	2,200	Square Feet	Walls, Wood Siding, Replacement (Incl. Soffit and Fascia)	2030	to 30	10	11.00	24,200	24,200	0.6%																
1.980	510	510	Square Feet	Windows and Doors, Wood Frames (Clubhouse and Office)	2040	to 40	20	55.00	28,050	28,050	0.8%					42,506											
Clubhouse Elements																											
2.060	1,500	1,500	Square Feet	Ceilings, Acoustical Tiles, Grid and Lighting	2048	to 30	28	4.00	6,000	6,000	0.2%														10,737		
2.240	170	170	Square Yards	Floor Coverings, Tile	2048	to 30	28	80.00	13,600	13,600	0.5%														24,337		
2.450	1	1	Allowance	Furnishings	2033	10 to 15	13	23,000.00	23,000	23,000	1.3%														41,157		
2.519	1	1	Allowance	Kitchen, Renovation	2033	10 to 15	13	16,000.00	16,000	16,000	0.9%														28,631		
2.899	1	1	Allowance	Rest Rooms, Fixtures, Clubhouse	2043	to 25	23	3,000.00	3,000	3,000	0.1%							4,839									
Building Services Elements																											
3.070	2	1	Each	Air Handling and Condensing Units, Split Systems, Phased	2028	12 to 18	8 to 10	6,000.00	6,000	12,000	0.6%									9,880				10,300			
Property Site Elements																											
4.020	63,600	63,600	Square Yards	Asphalt Pavement, Patch	2022	3 to 5	2	0.50	31,800	31,800	3.2%			46,226			50,234										
4.040	63,600	31,800	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2026	15 to 20	6 to 10	15.50	492,900	985,800	54.9%													846,113		919,456	
4.051	1	1	Allowance	Basketball Court, Replacement	2049	to 30	29	5,000.00	5,000	5,000	0.2%														9,135		
4.098	1	1	Each	Bridge, Wood, Pedestrian	2035	to 25	15	4,000.00	4,000	4,000	0.1%																
4.099	40	40	Linear Feet	Bulkhead, Timber, South Pond	2021	15 to 20	1	160.00	6,400	6,400	0.3%						9,902										
4.100	40	20	Each	Catch Basins, Inspections and Capital Repairs, Phased	2026	15 to 20	6 to 10	700.00	14,000	28,000	1.6%													24,032		26,116	
4.110	36,000	1,800	Linear Feet	Concrete Curbs and Gutters, Partial	2026	to 65	6 to 30+	17.00	30,600	612,000	3.4%													52,528		57,081	
4.255	506	506	Square Feet	Dock and Pilings, Composite	2020	15 to 25	0	65.60	33,195	33,195	1.7%													55,811			
4.419	1	1	Allowance	Irrigation System, Capital Repairs	2021	N/A	1	20,000.00	20,000	20,000	0.4%																
4.420	95	48	Zones	Irrigation System, Replacement, Phased	2024	to 40+	4 to 6	1,700.00	80,750	161,500	3.4%																
4.660	1	1	Allowance	Playground Equipment	2039	15 to 20	19	52,000.00	52,000	52,000	1.4%				77,178												
4.700	1	1	Each	Pond, Aerator (South of Playground)	2030	10 to 15	10	4,500.00	4,500	4,500	0.2%													7,566			
4.710	1,360	272	Linear Feet	Ponds, Erosion Control, Partial	2036	to 15	16 to 30+	21.00	5,712	28,560	0.1%	7,965															
4.720	2,460	2,460	Square Yards	Pond, Liner (Pond South of Playground)	2021	to 20	1	6.00	14,760	14,760	0.7%						22,836										
4.730	3,000	1,500	Square Yards	Pond, Sediment Removal (North of Playground), Partial	2021	to 30	1 to 30+	14.00	21,000	42,000	0.4%																
4.760	440	440	Square Feet	Retaining Wall, Timber, Playground and Path to Waterfall Walkway	2025	15 to 20	5	20.00	8,800	8,800	0.5%													14,795			
4.785	1	1	Allowance	Security System	2025	to 10	5	9,000.00	9,000	9,000	0.7%													15,132			
4.805	1	1	Allowance	Shuffleboard Courts, Replacement	2030	to 40	10	15,000.00	15,000	15,000	0.3%																
4.810	1	1	Allowance	Signage, Street and Traffic, Replacement (Incl. Wood Entrance Signs)	2021	15 to 20	1	40,000.00	40,000	40,000	1.9%						61,887										
4.820	1	1	Allowance	Site Furniture	2038	15 to 25	18	10,000.00	10,000	10,000	0.3%									14,537							
4.830	1,600	1,600	Square Yards	Tennis Courts, Color Coat	2021	4 to 6	1	8.00	12,800	12,800	1.6%	17,849					19,804							21,972			
4.840	440	440	Linear Feet	Tennis Courts, Fence	2031	to 25	11	33.00	14,520	14,520	0.3%																
4.860	1,600	1,600	Square Yards	Tennis Courts, Surface Replacement	2031	to 35	11	40.00	64,000	64,000	1.5%																
Pool Elements																											

RESERVE EXPENDITURES

**Trails West
Homeowners Association, Inc.**
DeLand, Florida

Explanatory Notes:

- 1) **2.1%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031	12 2032	13 2033	14 2034	15 2035
						Useful	Remaining	Unit (2020)	Per Phase (2020)	Total (2020)																	
6.200	3,300	3,300	Square Feet	Deck, Pavers	2047	to 25	27	7.00	23,100	23,100	0.8%																
6.400	260	260	Linear Feet	Fence, Aluminum	2047	to 25	27	40.00	10,400	10,400	0.3%																
6.500	1	1	Allowance	Furniture	2021	to 12	1	5,500.00	5,500	5,500	0.4%	5,615												7,206			
6.600	2	1	Allowance	Mechanical Equipment, Phased	2024	to 15	4 to 11	3,500.00	3,500	7,000	0.4%				3,803								4,399				
6.800	2,100	2,100	Square Feet	Pool Finish, Plaster	2028	8 to 12	8	14.50	30,450	30,450	1.5%									35,958							
6.801	190	190	Linear Feet	Pool Finish, Tile	2038	15 to 25	18	35.50	6,745	6,745	0.2%																
6.900	2,100	2,100	Square Feet	Structure, Total Replacement	2047	to 65	27	130.00	273,000	273,000	9.0%																
			1 Allowance	Reserve Study Update with Site Visit	2022	2	2	3,250.00	3,250	3,250	0.1%		3,250														
Anticipated Expenditures, By Year (\$5,335,008 over 30 years)												33,195	122,989	36,400	0	95,726	19,750	738,815	0	43,043	0	773,116	103,086	0	58,303	42,539	17,755

RESERVE EXPENDITURES

**Trails West
Homeowners Association, Inc.
DeLand, Florida**

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044	25 2045	26 2046	27 2047	28 2048	29 2049	30 2050		
						Useful	Remaining	Unit (2020)	Per Phase (2020)	Total (2020)																		
6.200	3,300	3,300	Square Feet	Deck, Pavers	2047	to 25	27	7.00	23,100	23,100	0.8%																	40,486
6.400	260	260	Linear Feet	Fence, Aluminum	2047	to 25	27	40.00	10,400	10,400	0.3%																	18,228
6.500	1	1	Allowance	Furniture	2021	to 12	1	5,500.00	5,500	5,500	0.4%																	9,640
6.600	2	1	Allowance	Mechanical Equipment, Phased	2024	to 15	4 to 11	3,500.00	3,500	7,000	0.4%			5,088														6,134
6.800	2,100	2,100	Square Feet	Pool Finish, Plaster	2028	8 to 12	8	14.50	30,450	30,450	1.5%			44,264														
6.801	190	190	Linear Feet	Pool Finish, Tile	2038	15 to 25	18	35.50	6,745	6,745	0.2%			9,805														
6.900	2,100	2,100	Square Feet	Structure, Total Replacement	2047	to 65	27	130.00	273,000	273,000	9.0%																	478,473
		1	Allowance	Reserve Study Update with Site Visit	2022	2	2	3,250.00	3,250	3,250	0.1%																	
Anticipated Expenditures, By Year (\$5,335,008 over 30 years)												31,169	0	119,920	77,178	42,506	114,429	56,300	4,839	44,708	93,304	954,945	552,961	111,734	9,135	1,037,163		

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Trails West
Homeowners Association, Inc.
 DeLand, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Reserves at Beginning of Year	(Note 1)	375,247	352,163	295,074	352,575	475,284	531,066	691,794	135,385	319,925	466,706	661,962	86,399	124,257	268,918	359,329	469,503
Total Recommended Reserve Contributions	(Note 2)	8,750	63,000	91,000	119,000	147,000	175,000	178,700	182,500	186,300	190,200	194,200	140,000	142,900	145,900	149,000	152,100
Estimated Interest Earned, During Year	(Note 3)	1,361	2,900	2,901	3,709	4,508	5,478	3,706	2,040	3,524	5,056	3,353	944	1,761	2,814	3,713	4,830
Anticipated Expenditures, By Year		(33,195)	(122,989)	(36,400)	0	(95,726)	(19,750)	(738,815)	0	(43,043)	0	(773,116)	(103,086)	0	(58,303)	(42,539)	(17,755)
Anticipated Reserves at Year End		<u>\$352,163</u>	<u>\$295,074</u>	<u>\$352,575</u>	<u>\$475,284</u>	<u>\$531,066</u>	<u>\$691,794</u>	<u>\$135,385</u>	<u>\$319,925</u>	<u>\$466,706</u>	<u>\$661,962</u>	<u>\$86,399</u>	<u>\$124,257</u>	<u>\$268,918</u>	<u>\$359,329</u>	<u>\$469,503</u>	<u>\$608,678</u>
Predicted Reserves based on 2020 funding level of: \$35,000		352,163	266,948	267,944	305,513	247,263	264,807	(439,792)	(408,593)			(NOTE 5)					

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

		2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Reserves at Beginning of Year		608,678	738,846	904,809	955,121	1,052,236	1,188,568	1,257,397	1,388,852	1,576,899	1,730,407	1,840,400	1,089,782	740,219	834,841	1,037,594
Total Recommended Reserve Contributions		155,300	158,600	161,900	165,300	168,800	172,300	175,900	179,600	183,400	187,300	191,200	195,200	199,300	203,500	207,800
Estimated Interest Earned, During Year		6,037	7,363	8,332	8,993	10,038	10,958	11,855	13,286	14,816	15,997	13,127	8,198	7,056	8,388	5,606
Anticipated Expenditures, By Year		(31,169)	0	(119,920)	(77,178)	(42,506)	(114,429)	(56,300)	(4,839)	(44,708)	(93,304)	(954,945)	(552,961)	(111,734)	(9,135)	(1,037,163)
Anticipated Reserves at Year End		<u>\$738,846</u>	<u>\$904,809</u>	<u>\$955,121</u>	<u>\$1,052,236</u>	<u>\$1,188,568</u>	<u>\$1,257,397</u>	<u>\$1,388,852</u>	<u>\$1,576,899</u>	<u>\$1,730,407</u>	<u>\$1,840,400</u>	<u>\$1,089,782</u>	<u>\$740,219</u>	<u>\$834,841</u>	<u>\$1,037,594</u>	<u>\$213,837</u>

(NOTES 4&5)

Explanatory Notes:

- 1) Year 2020 starting reserves are as of July 31, 2020; FY2020 starts January 1, 2020 and ends December 31, 2020.
- 2) Reserve Contributions for 2020 are the remaining budgeted 1 quarter; 2021 is the first year of recommended contributions.
- 3) 0.9% is the estimated annual rate of return on invested reserves; 2020 is a partial year of interest earned.
- 4) Accumulated year 2050 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

FIVE-YEAR OUTLOOK

**Trails West
Homeowners Association, Inc.**
DeLand, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025
<u>Exterior Building Elements</u>							
1.865	Walls, Wood Siding and Stucco, Paint Finishes and Capital Repairs (Incl. Soffit And Fascia)					4,173	
<u>Property Site Elements</u>							
4.020	Asphalt Pavement, Patch			33,150			
4.099	Bulkhead, Timber, South Pond		6,534				
4.255	Dock and Pilings, Composite	33,195					
4.419	Irrigation System, Capital Repairs		20,420				
4.420	Irrigation System, Replacement, Phased					87,750	
4.720	Pond, Liner (Pond South of Playground)		15,070				
4.730	Pond, Sediment Removal (North of Playground), Partial		21,441				
4.760	Retaining Wall, Timber, Playground and Path to Waterfall Walkway						9,764
4.785	Security System						9,986
4.810	Signage, Street and Traffic, Replacement (Incl. Wood Entrance Signs)		40,840				
4.830	Tennis Courts, Color Coat		13,069				
<u>Pool Elements</u>							
6.500	Furniture		5,615				
6.600	Mechanical Equipment, Phased					3,803	
Reserve Study Update with Site Visit					3,250		
Anticipated Expenditures, By Year (\$5,335,008 over 30 years)		33,195	122,989	36,400	0	95,726	19,750