

RESERVE STUDY

Trails West Homeowners Association, Inc



**DeLand, Florida
April 25, 2022**



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Trails West Homeowners Association, Inc.
DeLand, Florida

Dear Board of Directors of Trails West Homeowners Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Trails West Homeowners Association, Inc. in DeLand, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 25, 2022.

This *Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a “Level II Reserve Study Update.”

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Trails West Homeowners Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on May 5, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Brandon L. Bloomer, RS¹

Review by: Alan M. Ebert, RS, PRA², Director of Quality Assurance



¹ RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

² PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.



Long-term thinking. Everyday commitment.



Table of Contents

1. RESERVE STUDY EXECUTIVE SUMMARY	1.1
2. RESERVE STUDY REPORT	2.1
3. RESERVE EXPENDITURES and FUNDING PLAN	3.1
4. RESERVE COMPONENT DETAIL	4.1
Exterior Building Elements	4.1
Deck, Wood	4.1
Roofs, Asphalt Shingles	4.3
Walls, Wood Siding and Stucco, Paint Finishes (Incl. Soffit and Fascia)	4.6
Walls, Wood Siding, Replacement (Incl. Soffit and Fascia)	4.7
Windows and Doors, Wood Frames (Clubhouse and Office)	4.8
Clubhouse Elements	4.9
Ceilings, Acoustical Tiles, Grid and Lighting	4.9
Floor Coverings, Tile	4.10
Furnishings	4.11
Kitchen Renovation	4.12
Rest Rooms, Fixtures, Clubhouse	4.12
Building Services Elements	4.13
Air Handling and Condensing Units, Split Systems	4.13
Property Site Elements	4.15
Asphalt Pavement, Repaving	4.15
Basketball Court, Replacement	4.19
Bridge, Wood, Pedestrian	4.20
Catch Basins	4.21
Concrete Curbs and Gutters	4.23
Irrigation System, Replacement	4.24
Playground Equipment	4.25
Pond, Aerator	4.26
Ponds, Sediment Removal and Erosion Control	4.27
Retaining Walls, Timber	4.30
Security System	4.30
Shuffleboard Courts, Replacement	4.32



Signage, Street and Traffic	4.33
Site Furniture	4.34
Tennis Courts	4.35
Tennis Courts, Fence	4.36
Pool Elements	4.38
Deck, Pavers	4.38
Fence, Aluminum	4.39
Furniture	4.40
Mechanical Equipment	4.41
Pool Finishes, Plaster	4.42
Structure and Deck	4.43
Reserve Study Update	4.44
5. METHODOLOGY	5.1
6. CREDENTIALS	6.1
7. DEFINITIONS	7.1
8. PROFESSIONAL SERVICE CONDITIONS	8.1



1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Trails West Homeowners Association, Inc. (Trails West)

Location: DeLand, Florida

Reference: 201392

Property Basics: Trails West Homeowners Association, Inc. is responsible for the common elements shared by 353 single-family homes. The community was built in 1981.

Reserve Components Identified: 37 Reserve Components.

Inspection Date: April 25, 2022. We conducted the original inspection on September 30, 2020.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes these threshold funding years in 2029 and 2049 due to phased mill and overlay of the asphalt pavement.

Cash Flow Method: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 0.7% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Unaudited Cash Status of Reserve Fund:

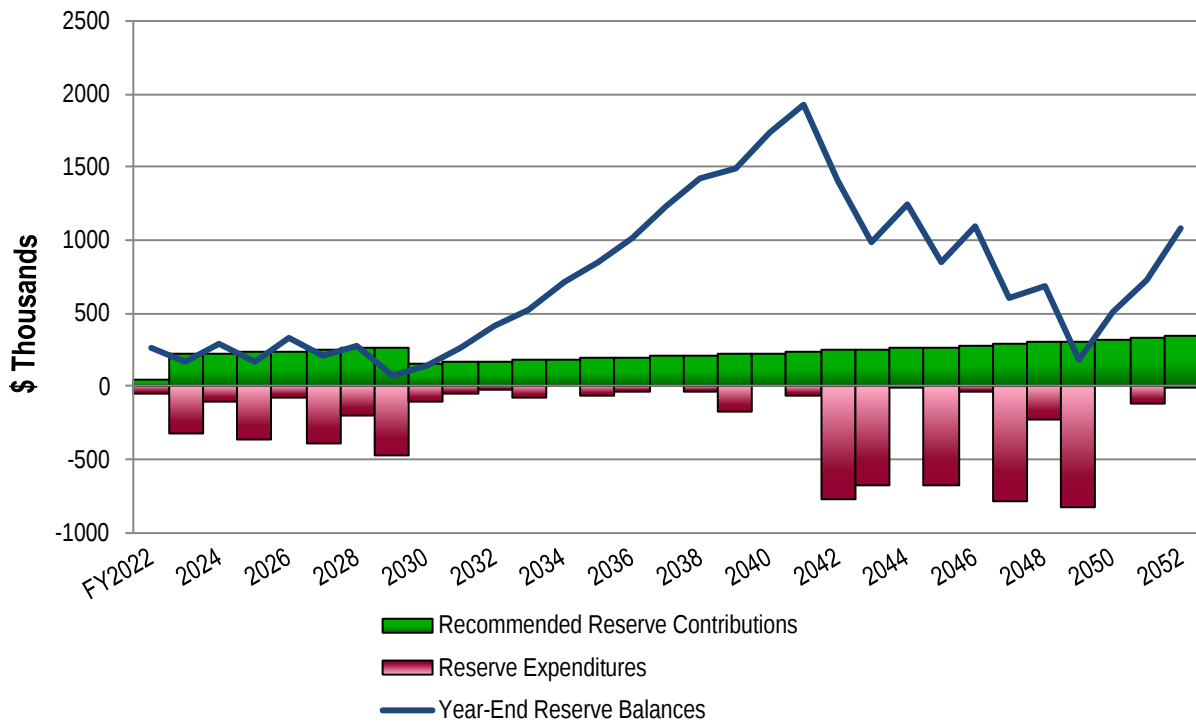
- \$271,901 as of March 31, 2022
- 2022 budgeted Reserve Contributions of \$60,496

Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Funding Plan:

- Increase to \$220,000 in 2023
- Inflationary increases from 2023 through 2029
- Decrease to \$162,000 by 2030 due to fully funding for phased mill and overlayment of the asphalt pavement.
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- 2023 Reserve Contribution of \$220,000 is equivalent to an average quarterly contribution of \$155.81 per homeowner.

Trails West Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2023	220,000	172,688	2033	179,700	520,142	2043	253,500	985,483
2024	227,700	293,134	2034	186,000	710,434	2044	262,400	1,244,577
2025	235,700	168,476	2035	192,500	845,081	2045	271,600	845,029
2026	243,900	334,561	2036	199,200	1,019,076	2046	281,100	1,094,764
2027	252,400	205,430	2037	206,200	1,233,131	2047	290,900	602,293
2028	261,200	276,350	2038	213,400	1,427,895	2048	301,100	686,455
2029	270,300	71,713	2039	220,900	1,493,335	2049	311,600	181,424
2030	162,000	138,386	2040	228,600	1,733,188	2050	322,500	506,323
2031	167,700	260,731	2041	236,600	1,920,608	2051	333,800	732,204
2032	173,600	419,070	2042	244,900	1,401,775	2052	345,500	1,076,997





2. RESERVE STUDY REPORT

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

Trails West Homeowners Association, Inc.

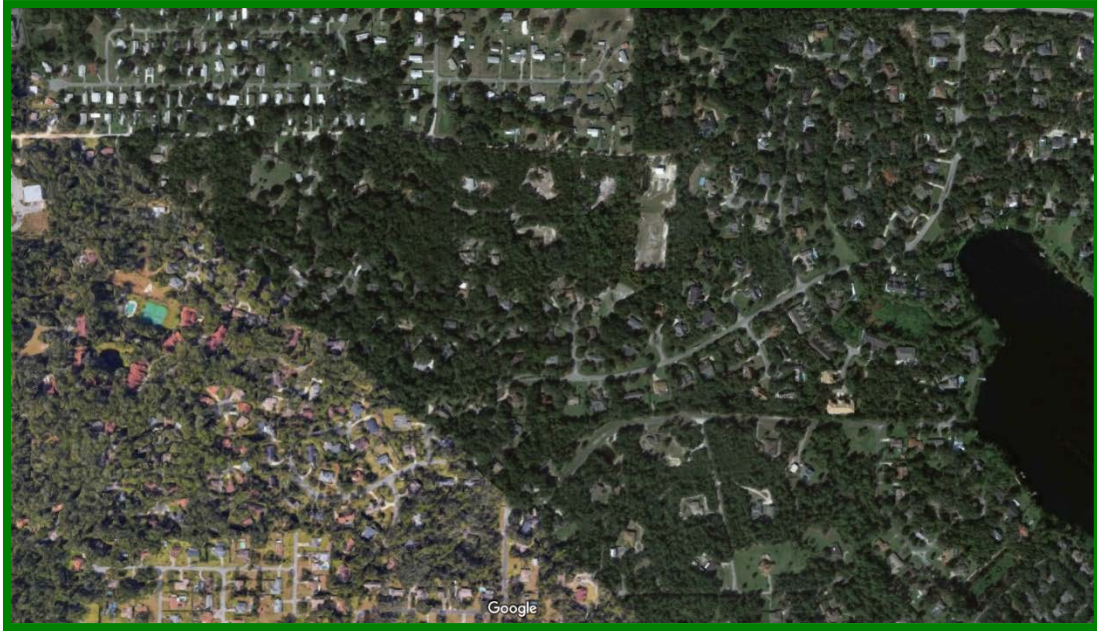
DeLand, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 25, 2022. We conducted the original inspection on 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
- **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

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

- Pond, Liner Identification, South of Playground (If it is determined there is a pond liner, updates to this study should include the replacement of the liner.)
- 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
- Walls, Siding, Fiber Cement, Office
- Other Repairs normally funded through the Operating Budget



General signage



Gravel walking path



Debris accumulation evident at office roof



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)

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
- 2022 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

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**

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$		Total (2022)
						Useful	Remaining	Unit (2022)	Per Phase (2022)	
<u>Exterior Building Elements</u>										
1.152	1,850	1,850	Square Feet	Deck, Wood, Deck Boards and Interim Repairs	2049	15 to 20	27	15.00	27,750	
1.157	1,850	1,850	Square Feet	Deck, Wood, Replacement	2029	to 45	7	28.50	52,725	
1.280	47	47	Squares	Roofs, Asphalt Shingles (Clubhouse, Pool Buildings, and Maintenance Shed)	2025	12 to 18	3	450.00	21,150	
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	2	1.30	4,160	
1.870	2,200	2,200	Square Feet	Walls, Wood Siding, Replacement (Incl. Soffit and Fascia)	2029	to 30	7	11.50	25,300	
1.980	510	510	Square Feet	Windows and Doors, Wood Frames (Clubhouse and Office)	2041	to 40	19	55.00	28,050	
<u>Clubhouse Elements</u>										
2.060	1,500	1,500	Square Feet	Ceilings, Acoustical Tiles, Grid and Lighting	2048	to 30	26	8.50	12,750	
2.240	170	170	Square Yards	Floor Coverings, Tile	2048	to 30	26	104.00	17,680	
2.450	1	1	Allowance	Furnishings	2033	10 to 15	11	25,000.00	25,000	
2.519	1	1	Allowance	Kitchen, Renovation	2033	10 to 15	11	17,500.00	17,500	
2.899	1	1	Allowance	Rest Rooms, Fixtures, Clubhouse	2043	to 25	21	3,500.00	3,500	
<u>Building Services Elements</u>										
3.070	3	1	Each	Air Handling and Condensing Units, Split Systems, Phased	2028	12 to 18	6 to 8	5,200.00	5,200	
<u>Property Site Elements</u>										
4.020	63,600	63,600	Square Yards	Asphalt Pavement, Patch	2027	3 to 5	5	0.50	31,800	
4.040	63,600	15,900	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2023	15 to 20	1 to 7	16.00	254,400	1,000
4.051	1	1	Allowance	Basketball Court, Replacement	2049	to 30	27	5,000.00	5,000	
4.098	1	1	Each	Bridge, Wood, Pedestrian	2035	to 25	13	4,500.00	4,500	
4.100	40	10	Each	Catch Basins, Inspections and Capital Repairs, Phased	2023	15 to 20	1 to 7	850.00	8,500	
4.110	36,000	1,125	Linear Feet	Concrete Curbs and Gutters, Partial	2023	to 65	1 to 30+	25.00	28,125	9,000
4.420	95	32	Zones	Irrigation System, Replacement, Phased	2024	to 40+	2 to 6	2,000.00	63,340	1,000
4.660	1	1	Allowance	Playground Equipment	2039	15 to 20	17	55,000.00	55,000	
4.700	1	1	Each	Pond, Aerator (South of Playground)	2032	10 to 15	10	7,000.00	7,000	
4.710	1,360	204	Linear Feet	Ponds, Erosion Control, Partial	2036	to 15	14 to 30+	47.00	9,588	
4.730	3,000	1,500	Square Yards	Pond, Sediment Removal (North of Playground), Partial	2024	to 30	2 to 30+	16.00	24,000	
4.760	440	440	Square Feet	Retaining Walls, Timber, Playground and Path to Waterfall Walkway	2025	15 to 20	3	20.00	8,800	
4.785	1	1	Allowance	Security System, Phased	2025	to 10	3 to 10	5,500.00	5,500	
4.805	1	1	Allowance	Shuffleboard Courts, Replacement	2030	to 40	8	16,500.00	16,500	
4.810	54	54	Each	Signage, Street and Traffic, Replacement (Incl. Wood Entrance Signs), 2022 is Planned	2022	15 to 20	0	950.00	51,300	
4.820	2	1	Allowance	Site Furniture, Phased	2026	15 to 20	4 to 14	6,000.00	6,000	
4.830	1,600	1,600	Square Yards	Tennis Courts, Color Coat	2023	4 to 6	1	8.50	13,600	
4.840	440	440	Linear Feet	Tennis Courts, Fence	2028	25 to 30	6	35.50	15,620	
4.860	1,600	1,600	Square Yards	Tennis Courts, Surface Replacement	2028	25 to 30	6	45.00	72,000	
<u>Pool Elements</u>										
6.200	3,300	3,300	Square Feet	Deck, Pavers	2042	to 25	20	7.50	24,750	
6.400	260	260	Linear Feet	Fence, Aluminum	2042	to 25	20	60.00	15,600	
6.500	1	1	Allowance	Furniture	2024	to 12	2 to 8	4,000.00	4,000	
6.600	2	1	Allowance	Mechanical Equipment, Phased	2024	to 15	2 to 9	2,500.00	2,500	
6.800	2,100	2,100	Square Feet	Pool Finish, Plaster	2030	8 to 12	8	22.50	47,250	
6.900	2,100	2,100	Square Feet	Structure, Total Replacement	2042	to 65	20	140.00	294,000	2,000

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, \$		
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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, \$		
						Useful	Remaining	Unit (2022)	Per Phase (2022)	Total (2022)
			1 Allowance	Reserve Study Update with Site Visit	2024	2	2	3,900.00	3,900	
Anticipated Expenditures, By Year (\$6,692,074 over 30 years)										

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, \$		
						Useful	Remaining	Unit (2022)	Per Phase (2022)	Total (2022)
			1 Allowance	Reserve Study Update with Site Visit	2024	2	2	3,900.00	3,900	
Anticipated Expenditures, By Year (\$6,692,074 over 30 years)										

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS		Individual Reserve Budgets & Cash Flows for the Next 30				
Trails West						
Homeowners Association, Inc.						
DeLand, Florida		FY2022	2023	2024	2025	2026
Reserves at Beginning of Year	(Note 1)	271,901	266,444	172,688	293,134	168,476
Total Recommended Reserve Contributions	(Note 2)	45,372	220,000	227,700	235,700	243,900
Estimated Interest Earned, During Year	(Note 3)	471	1,532	1,625	1,610	1,754
Anticipated Expenditures, By Year		(51,300)	(315,288)	(108,879)	(361,969)	(79,569)
Anticipated Reserves at Year End		<u>\$266,444</u>	<u>\$172,688</u>	<u>\$293,134</u>	<u>\$168,476</u>	<u>\$334,561</u>

(continued)		Individual Reserve Budgets & Cash Flows for the Next 30				
		2038	2039	2040	2041	
Reserves at Beginning of Year		1,233,131	1,427,895	1,493,335	1,733,188	1,920,608
Total Recommended Reserve Contributions		213,400	220,900	228,600	236,600	243,900
Estimated Interest Earned, During Year		9,281	10,189	11,253	12,744	13,812
Anticipated Expenditures, By Year		(27,917)	(165,649)	0	(61,924)	(79,569)
Anticipated Reserves at Year End		<u>\$1,427,895</u>	<u>\$1,493,335</u>	<u>\$1,733,188</u>	<u>\$1,920,608</u>	<u>\$2,168,366</u>

Explanatory Notes:

- 1) Year 2022 starting reserves are as of March 31, 2022; FY2022 starts January 1, 2022 and ends December 31, 2022.
- 2) Reserve Contributions for 2022 are the remaining budgeted 3 quarters; 2023 is the first year of recommended contributions.
- 3) 0.7% is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.
- 4) Accumulated year 2052 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 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
<u>Exterior Building Elements</u>							
1.280	Roofs, Asphalt Shingles (Clubhouse, Pool Buildings, and Maintenance Shed)				23,449		
1.865	Walls, Wood Siding and Stucco, Paint Finishes and Capital Repairs (Incl. Soffit And Fascia)			4,456			
<u>Property Site Elements</u>							
4.020	Asphalt Pavement, Patch						37,768
4.040	Asphalt Pavement, Mill and Overlay, Phased		263,304		282,058		302,147
4.100	Catch Basins, Inspections and Capital Repairs, Phased		8,798		9,424		10,095
4.110	Concrete Curbs and Gutters, Partial		29,110		31,183		33,404
4.420	Irrigation System, Replacement, Phased			67,851		72,684	
4.730	Pond, Sediment Removal (North of Playground), Partial			25,709			
4.760	Retaining Walls, Timber, Playground and Path to Waterfall Walkway				9,757		
4.785	Security System, Phased				6,098		
4.810	Signage, Street and Traffic, Replacement (Incl. Wood Entrance Signs), 2022 is Planned	51,300					
4.820	Site Furniture, Phased					6,885	
4.830	Tennis Courts, Color Coat		14,076				
<u>Pool Elements</u>							
6.500	Furniture			4,285			
6.600	Mechanical Equipment, Phased			2,678			
	Reserve Study Update with Site Visit			3,900			
Anticipated Expenditures, By Year (\$6,692,074 over 30 years)		51,300	315,288	108,879	361,969	79,569	383,414

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Exterior Building Elements



Clubhouse overview



Clubhouse overview

Deck, Wood

Line Items: 1.152 and 1.157

Quantity: One wrap-around wood deck with three ramps at the clubhouse which comprises 1,850 square feet

History: Minor repairs and replacements are reported on an as-needed basis.

Condition: Good to fair overall condition with isolated missing railing pickets, finish deterioration and organic growth evident



Clubhouse deck overview



Deck overview



Deck overview



Missing railing picket



Organic growth evident at frame



Paint finish deterioration at deck boards



Railings at deck

Useful Life: Up to 45 years with proper maintenance and interim replacement of the deck boards every 15- to 20-years.

Component Detail Notes: Deck construction includes the following:

- Deck boards fastened with nails. Nail fasteners have a tendency to pull out as the wood warps.
- Wood railings with vertical pickets
- Wood frames fastened with nails

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost for interim repairs includes replacement of the deck boards and partial replacement of deteriorated wood components. Proper maintenance should include the following activities funded through the operating budget:

- Annual inspections to identify and correct any unsafe conditions
- Securing of loose fasteners and replacement of deteriorated fasteners
- Replacement of deteriorated wood components
- Power washing with an algaecide and application of a sealer/stain

Roofs, Asphalt Shingles

Line Item: 1.280

Quantity: Approximately 34 *squares*¹ at the clubhouse and approximately 13 squares at the maintenance shed and pool buildings

History: The age of the asphalt shingle roofs was unavailable at the time of inspection.

¹ We quantify the roof area in squares where one square is equal to 100 square feet of surface area.

Condition: Fair overall with deflection, missing and warped shingles, and previous repairs evident from our visual inspection from the ground. Management and the Board do not report a history of leaks.



Debris accumulation at clubhouse



Roof repairs at clubhouse



Deflection evident



Missing shingles at storage roof



Pump house roof



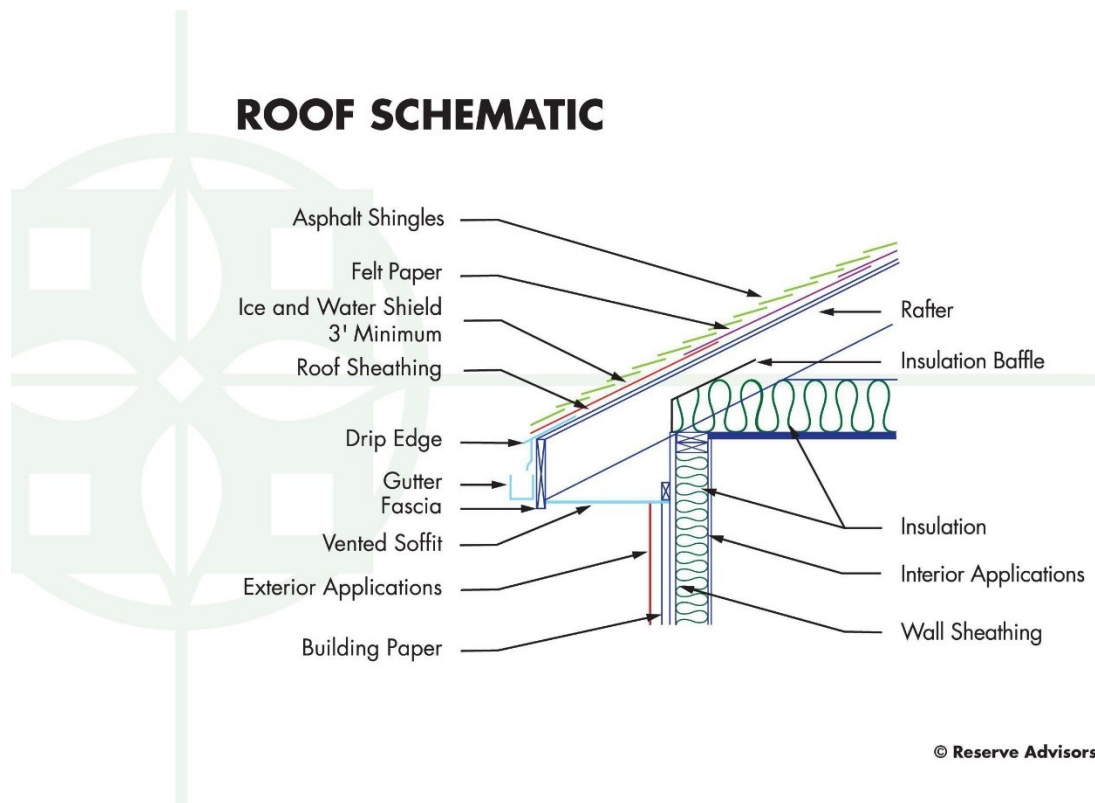
Storage building roof

Useful Life: 12- to 18-years

Component Detail Notes: The existing roof assemblies comprise the following:

- Three tab shingles at the clubhouse and pool buildings
- Architectural shingles at the office and maintenance shed
- Boston style ridge caps
- Metal drip edges

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Trails West:



Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

The Association should plan to coordinate the replacement of gutters and downspouts with the adjacent roofs. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We base our cost on replacement with architectural dimensional shingles.

Walls, Wood Siding and Stucco, Paint Finishes (Incl. Soffit and Fascia)

Line Item: 1.865

Quantity: Approximately 2,700 square feet of wood trim, siding, soffit and fascia at the clubhouse, maintenance shed, and the pool mechanical building and approximately 500 square feet of stucco at the clubhouse

History: Paint finishes applied in 2018

Condition: Good overall



Pump house stucco and siding overview



Stucco wall finishes

Useful Life: Four- to six-years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We assume the following activities per event:

- Paint finish applications to the wood trim, siding, soffit and fascia
- Paint finish applications and capital repairs to the stucco
- Replacement of 50 square feet, or up to five percent (5%), of the siding and trim (The exact amount of material in need of replacement will depend on the actual future conditions and desired appearance. We recommend replacement wherever holes, cracks and deterioration impair the ability of the material to prevent water infiltration.)

- Replacement of sealants as needed

Walls, Wood Siding, Replacement (Incl. Soffit and Fascia)

Line Item: 1.870

Quantity: Approximately 2,200 square feet of the exterior walls

History: Presumed original

Condition: Good overall with no significant deterioration evident



Organic growth evident at office



Soffit overview



Wood siding at storage building



Wood siding at storage building

Useful Life: Up to 30 years. This useful life is dependent upon timely paint applications and partial replacements of deteriorated siding.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Windows and Doors, Wood Frames (Clubhouse and Office)

Line Item: 1.980

Quantity: 510 square feet

History: The windows were likely replaced within the last 15 years based on visual condition.

Condition: Good to fair overall with no significant deterioration evident



Doors at clubhouse



Windows at clubhouse



Windows at office

Useful Life: Up to 40 years

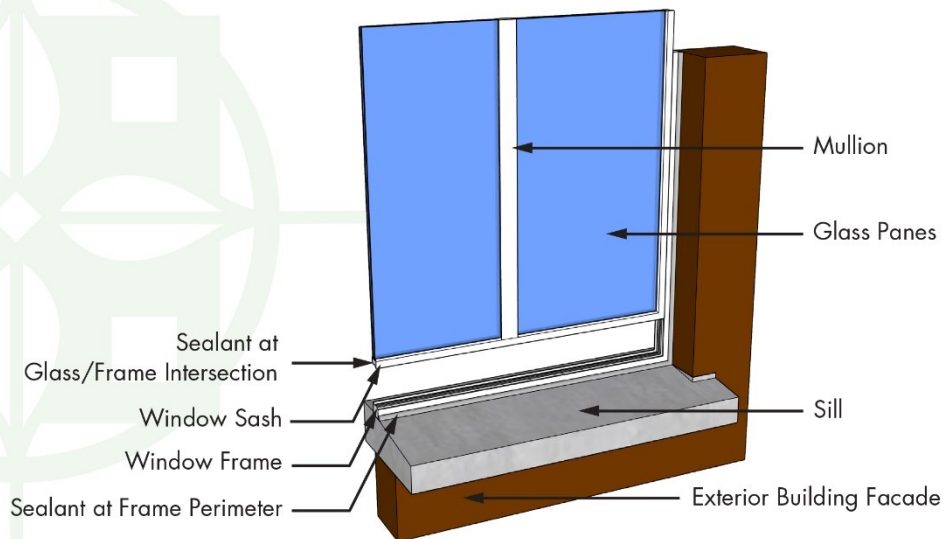
Component Detail Notes: Construction includes the following:

- Wood frames
- Dual pane glass

- Fixed windows
- Hinged doors

The following schematic depicts the typical components of a window system although it may not reflect the actual configuration at Trails West:

WINDOW DETAIL



© Reserve Advisors

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Clubhouse Elements

Ceilings, Acoustical Tiles, Grid and Lighting

Line Item: 2.060

Quantity: Approximately 1,500 square feet at the clubhouse

History: Replaced in 2018

Condition: Good overall with an isolated damaged tile



Acoustic ceiling tile overview

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Floor Coverings, Tile

Line Item: 2.240

Quantity: 170 square yards at the clubhouse

History: Replaced in 2018

Condition: Good overall



Tile floor overview

Useful Life: Up to 30 years although replacement of tile is often based on discretionary redecorating prior to the tile reaching the end of its useful life.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should fund regrouting of the tiles through the operating budget if necessary.

Furnishings

Line Item: 2.450

History: Replaced in 2018

Condition: Good overall



Lounge area

Useful Life: 10- to 15-years

Component Detail Notes: Furnishings in the clubhouse include but are not limited to the following elements:

- Wood chairs
- Wood tables
- Sofas
- Television
- Area rugs
- Bar stools

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Kitchen Renovation

Line Item: 2.519

History: Replaced in 2018

Condition: Good overall



Kitchen appliances



Kitchen overview

Useful Life: Renovation every 10- to 15-years

Component Detail Notes: Kitchen equipment includes:

- Refrigerator
- Range
- Microwave
- Sink
- Granite countertops
- Cabinets

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Rest Rooms, Fixtures, Clubhouse

Line Item: 2.899

Quantity: Two restrooms at the clubhouse

History: Renovated in 2018

Condition: Good overall



Rest room overview



Rest room fixtures

Useful Life: Renovation up to every 25 years

Component Detail Notes: Components include:

- Plumbing fixtures
- Vanities

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Building Services Elements

Air Handling and Condensing Units, Split Systems

Line Item: 3.070

Quantity: The Association maintains the HVAC equipment at the clubhouse. This system includes two 2-ton condensing units and one 3-ton condensing unit.

History: One system was replaced in 2012 and the others were replaced in 2014

Condition: Reported satisfactory without operational deficiencies



Clubhouse condensing units

Useful Life: 12- to 18-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior electric fan coil unit.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Lubricate motors and bearings
 - Change or clean air filters as needed
 - Inspect condenser base and piping insulation
 - Inspect base pan, coil, cabinet and clear obstructions as necessary
- Annually:
 - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
 - Inspect and clean accessible ductwork as needed
 - Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.