BUILDING RESERVES



RESERVE STUDY

Sunset Ridge North Association, Inc. - Master Cost Center

Date of Inspection: April 8, 2026
Issued On: August 3, 2026
Client Reference No: 21468-2026-U
Service Level: Update With-Site-Visit

Revision #1 August 3, 2026

Client Reference Number: 21468-2026-U

This Reserve Study was:

- **Submitted by Building Reserves on: August 3, 2026**
- **Inspected and Prepared by: Judah Duhm, Reserve Analyst**
- **Professionally Reviewed by: Erik Salmon, Reserve Specialist**



The RS (Reserve Specialist) designation is awarded by the Community Associations Institute (CAI) to qualified Reserve Specialists who, through years of specialized experience, can help ensure that community associations and facilities prepare their reserve budget as accurately as possible.

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RESERVE STUDY UPDATE

It is necessary to update this reserve study in two or three years to ensure an equitable funding plan is in place, since a Reserve Study is a snapshot in time. Many variables can alter the study after it is completed which may result in significant underfunding or overfunding of the reserve account. Examples of variables that can change the recommended funding are:

- Timing of proposed projects
- Maintenance practices of reserve components
- Changes in interest rates on invested reserves
- Changes in inflationary cost of labor, equipment and materials

Request a Reserve Study Update Proposal
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Call: 877.514.8256

Client Reference Number: 21468-2026-U

		Full New Study - Level I	Update Study with Site Inspection - Level II	Update Without Site Inspection - Level III
	Pre-Inspection Collaborative Meeting Discuss Property Needs with Degreed Engineer	✓	✓	Virtual Call
	Full Site Inspection With Condition Assessment	✓	✓	Not Included
	Analysis of All Property Documents Budget, Statements, Declarations, Bylaws, etc.	✓	✓	✓
BUILDING RESERVES EXCLUSIVE	**Responsibility Matrix** Based on Property Documents	✓	✓	✓
BUILDING RESERVES EXCLUSIVE	**Preventative Maintenance Blueprint™** Included at No Additional Cost	✓	✓	✓
	Reserve Component Inventory List Creation Based on Property Documents	✓	I List from Previous Report	List from Previous Report
	Measurements and Quantities For all Reserve Components	✓	MMeasurements from Previous Report	M Measurements from Previous Report
	Reserve Component Photo Inventory & Captions Using Component Evaluation Framework	✓	✓	Not Included
	Customized Engineering Narrative For all Reserve Components	✓	✓	Not Included
BUILDING RESERVES EXCLUSIVE	**Proprietary 2-Step Prioritization System** Priority Rating and Score for all Reserve Components	✓	✓	✓
	Local Cost Estimates	Assessed for All Reserve Components	Reassessed for All Reserve Components	Reassessed for All R Reserve Components
	Funding Plan With Threshold Funding Analysis 30-Year, 15-Year, and 5-Year Cash Flow Breakouts	✓	✓	✓
	Satellite Image Showing Property Boundaries	✓	✓	✓
	Report Compliant with CAI National Reserve Study Standards	✓	✓	✓
	Phone / Email / Video Support With Senior Engineering Team	✓	✓	✓
BUILDING RESERVES EXCLUSIVE	**Easy-to-Read PDF Report Layout**	✓	✓	✓
	Building Reserves 2025 New Excel File Create unlimited what-if scenarios for free	✓	✓	✓
COMPARE TO OUR COMPETITORS	**Revised Reports at No Additional Cost** (upon request, within 6 months)	2 Included	2 Included	1 Included
	Report Presentation and Ongoing Support After Report Completion at No Additional Cost	✓	✓	✓

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REVISIONS AND UPDATES

Revisions

Revisions will be made to this Reserve Study in agreement with written instruction from the Board of Directors. No additional charge is incurred for the first (2) sets of revisions, if requested in writing and in list format, within (6) months of the shipment date of this report.

Updates

It is necessary to update this reserve study in two or three years to make certain an equitable funding plan is in place since a Reserve Study is a snapshot in time. Many variables can alter the study after it is completed which may result in significant underfunding or overfunding of the reserve account. Examples of variables that can change the recommended funding are:

- Timing of proposed projects
- Maintenance practices of reserve components
- Changes in interest rates on invested reserves
- Changes in inflationary cost of labor, equipment and materials

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What is a Reserve Study?

A Reserve Study is a long-term capital plan for a property, its infrastructure, and surrounding assets. It provides an in-depth analysis of a property's physical condition, as well as an evaluation of the financial health of the property's reserve funds. A Reserve Study includes a detailed list of property components that are commonly owned and maintained, including component quantities, ages, conditions, and useful lives. A Reserve Study will recommend replacement times for each capital asset, dependent upon component conditions and available funding.

A long-term funding plan is established to offset the costs of repairing and/or replacing the various property components, and the Reserve Study will provide recommendations on how to best fund future capital repairs and replacement projects.

Why have a reserve study conducted?

A reserve study is important to ensure that an accurate budget is in place for future projects and to streamline scheduling of capital projects. This in turn minimizes the probability of special assessments and loans.

Your reserve study can be used to more accurately review vendor bids and to ensure that your current reserve funds will be sufficient to fund the future inflated cost of capital projects. Having a reserve study also complies with state law and statutes.

- MAINTAINS MARKET VALUE OF PROPERTY
- PRESERVES COMMUNITY APPEARANCE
- ASSISTS IN THE SALE OF RESIDENCE
- REDUCES COSTS ASSOCIATED WITH DEFERRED MAINTENANCE
- EQUITABLE COST SHARING BETWEEN CURRENT & FUTURE OWNERS
- MAINTAIN AN ACCURATE, DETAILED INVENTORY OF PROPERTY ASSETS
- PROVIDE A CREDIBLE FINANCIAL HEALTH DISCLOSURE TO FUTURE BUYERS
- FULFILL THE LEGAL RESPONSIBILITY OF THE BOARD OF DIRECTORS

EXECUTIVE SUMMARY - CURRENT AND RECOMMENDED FUNDING

Current Funding

Current Reserve Status as of:	January 31, 2026
Current Reserve Balance:	-$4,458
Current Annual Reserve Contribution:	**$35,407**
Current Reserve Contribution Per Unit Per Month (Average):	$4.97
Current Total Income	$165,324
Current Percentage of Total Income to Reserve Account:	21.42%

(Unaudited Cash Status Of the Reserve Fund)

Full Funding and Percentage Funded

Fully Funded Balance (Refer to Terms & Definitions for More Information)	$205,944.13
Percent Funded (Refer to Terms & Definitions for More Information)	-2.16%

Recommended Funding

Recommended Fund Start as of:	January 1, 2027
Recommended Annual Reserve Contribution:	**$24,000**
Per Unit Per Month (Average):	*$3.37*
Recommended Special Assessments:	**$0**
Per Unit Per Month (Average):	*$0.00*
Total Recommended Reserve Contribution:	**$24,000**
Per Unit Per Month (Average):	*$3.37*

Recommended Adjustment

Recommended Adjustment in Annual Reserve Contribution:	**-$11,407**
Per Unit Per Month (Average):	*-$1.60*

Total Suggested Annual Reserve Contributions For Next 30-Years

Year	$	% Adjustment	Year	$	% Adjustment	Year	$	% Adjustment
2027	$24,000	-32.2%	2037	$37,100	4.5%	2047	$57,000	4.4%
2028	$25,100	4.6%	2038	$38,700	4.3%	2048	$59,500	4.4%
2029	$26,200	4.4%	2039	$40,400	4.4%	2049	$62,100	4.4%
2030	$27,400	4.6%	2040	$42,200	4.5%	2050	$64,800	4.3%
2031	$28,600	4.4%	2041	$44,100	4.5%	2051	$67,700	4.5%
2032	$29,900	4.5%	2042	$46,000	4.3%	2052	$70,700	4.4%
2033	$31,200	4.3%	2043	$48,000	4.3%	2053	$73,800	4.4%
2034	$32,600	4.5%	2044	$50,100	4.4%	2054	$77,000	4.3%
2035	$34,000	4.3%	2045	$52,300	4.4%	2055	$80,400	4.4%
2036	$35,500	4.4%	2046	$54,600	4.4%	2056	$83,900	4.4%

Special Assessments

This recommended funding plan does NOT include any special assessments

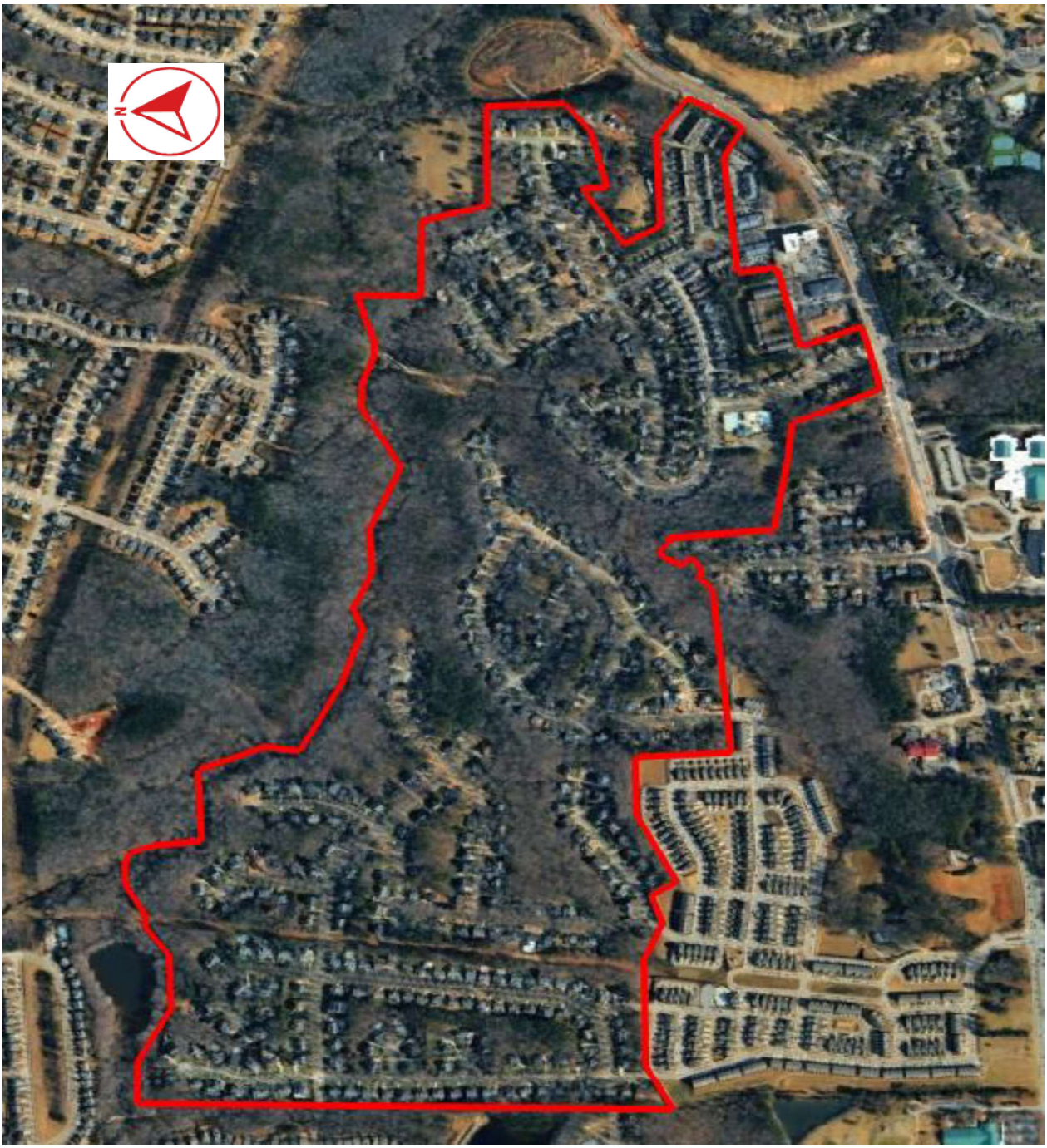
EXECUTIVE SUMMARY - PROPERTY OVERVIEW

Client Profile

Client Reference Number:	21468-2026-U
Type of Study:	Update With-Site-Visit
Date of Non-Invasive Inspection:	April 8, 2026
Date of Study Shipment:	August 3, 2026
Fiscal Year Start and End:	Jan. 1 - Dec. 31

Community Description

Number of Units:	594
Number of Buildings:	0
Year(s) Built:	1996



EXECUTIVE SUMMARY - NEAR-TERM EXPENDITURES, YEARS 1-5

Line Item	Component Name	Component Category	Priority Score	Current Condition	Estimated Cost
	2026 Expenditures				
				2026 Total:	**--**
	2027 Expenditures				
				2027 Total:	**--**
	2028 Expenditures				
				2028 Total:	**--**
	2029 Expenditures				
1	Concrete Flatwork, Partial Replacement	SITE COMPONENTS	65	Good	$7,316
4	Landscape, Capital Improvements	SITE COMPONENTS	56	Good	$78,515
				2029 Total:	**$85,831**
	2030 Expenditures				
				2030 Total:	**--**
	2031 Expenditures				
6	Railings, Metal, Along Crossway Lane, Replacement	SITE COMPONENTS	55	Fair	$27,905
				2031 Total:	**$27,905**

EXECUTIVE SUMMARY - ANALYSIS METHODS AND FUNDING STRATEGIES

This reserve study utilizes the **Cash Flow Method and Threshold Funding** to calculate the minimum recommended annual reserve contribution to determine adequate, but not excessive annual reserve contributions. The Cash Flow Method pools all reserve expenditures into one cash flow.

Building Reserves employs the following funding strategies:

- Threshold Funding: Sufficient reserve funds are maintained above a specified threshold
- Stable and equitable reserve contribution rate over future years, whenever possible
- Goal of timely, prioritized project execution
- Avoid reliance of supplemental funding, whenever possible

Building Reserves uses level recommended reserve contributions which are increased annually.

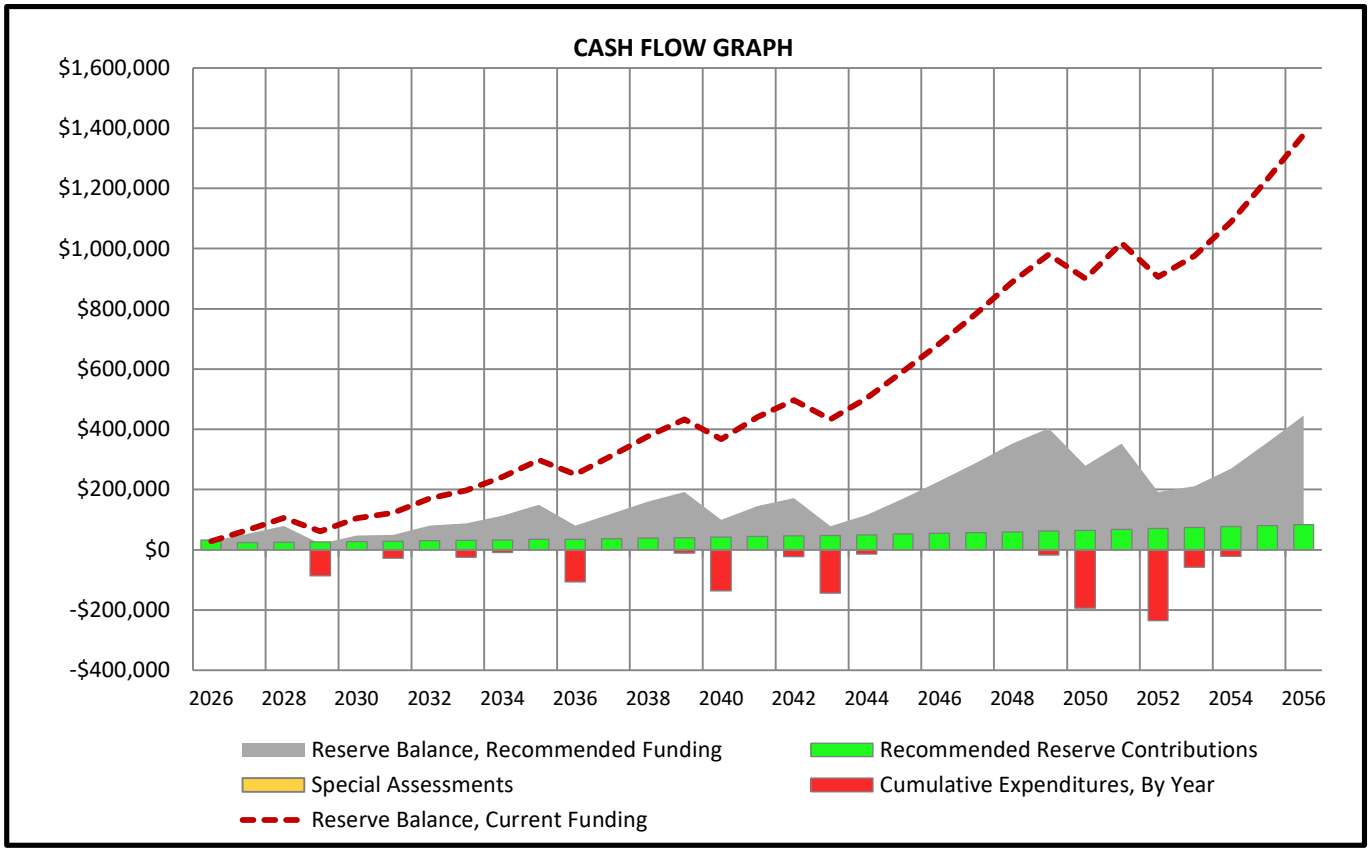
- Building Reserves has established recommended reserve contributions, which are adjusted upwards annually to stay ahead of inflationary costs of labor, equipment, and materials. The reserve recommendations help to ensure that the reserve balance is positive, healthy, and above a minimum threshold in each of the next 30 years.

EXECUTIVE SUMMARY - FINANCIAL PARAMETERS

Interest Rate	**1.54%**
Based upon the actual weighted-average interest rate of invested reserve fund(s), or the interest rate supplied by the Board of Directors and/or management. We assume that all interest or dividends are reinvested into the reserve fund(s) and are not subject to federal or state taxes.	
Inflation Rate	**4.40%**
Obtained from averages of national cost indexes as well as Building Reserves' proprietary cost database information.	
# of Units	**594**
Current Total Income	**$165,324.00**
Obtained from the Annual Budget, provided by the Board of Directors and/or management.	
Current Annual Reserve Contribution	**$35,407.00**
Obtained from the Annual Budget, provided by the Board of Directors and/or management.	
Current Monthly Reserve Contribution	**$2,950.58**
Obtained from the Annual Budget, provided by the Board of Directors and/or management.	
Months Remaining Until Start Date of Recommended Funding Plan	**11**
Current Reserve Balance	**($4,458.46)**
Unaudited reserve balance, obtained from the Board of Directors and/or management.	
Reserve Balance Date	**1/31/2026**
Fiscal Year	**Jan. 1 - Dec. 31**
Start Date of Recommended Funding Plan	**1/1/2027**
Projected Reserve Balance at Start of Funding Plan	**$28,164.11**
Calculated by taking the "Current Reserve Balance" + (Remaining Monthly Reserve Contributions + Remaining Monthly Special/Additional Assessments + Remaining Monthly Estimated Interest Earned - Remaining Expenditures within the portion of the "Fiscal Year" between the "Reserve Balance Date" and the "Start Date of Recommended Funding Plan"	
Percent Funded (As of "Reserve Balance Date")	**-2.16%**
*Calculated by finding the sum of the Fully Funded Balance for all reserve components divided by the "Current Reserve Balance." Fully Funded Balance = (Current Cost * Effective Age / Useful Life) + [(Current Cost * Effective Age / Useful Life) / (1+Interest Rate) ^ Remaining Life] - [(Current Cost * Effective Age / Useful Life) / (1+Inflation Rate) ^ Remaining Life]*	

EXECUTIVE SUMMARY - RECOMMENDED RESERVE FUNDING PLAN

Recommended Reserve Funding Plan, Next 30-Years



EXECUTIVE SUMMARY - BUDGET FORECAST

2026 Funding						
Year	Operating	Operating % Adjustment	Reserve	Reserve % Adjustment	Total	Budget % Adjustment
2026	$129,917		$35,407		$165,324	

2027 - 2031 Budget Forecast						
Year	Operating	Operating % Adjustment	Reserve	Reserve % Adjustment	Total	Budget % Adjustment
2027	$135,633	4.4%	$24,000	-32.2%	$159,633	-3.4%
2028	$141,601	4.4%	$25,100	4.6%	$166,701	4.4%
2029	$147,832	4.4%	$26,200	4.4%	$174,032	4.4%
2030	$154,336	4.4%	$27,400	4.6%	$181,736	4.4%
2031	$161,127	4.4%	$28,600	4.4%	$189,727	4.4%

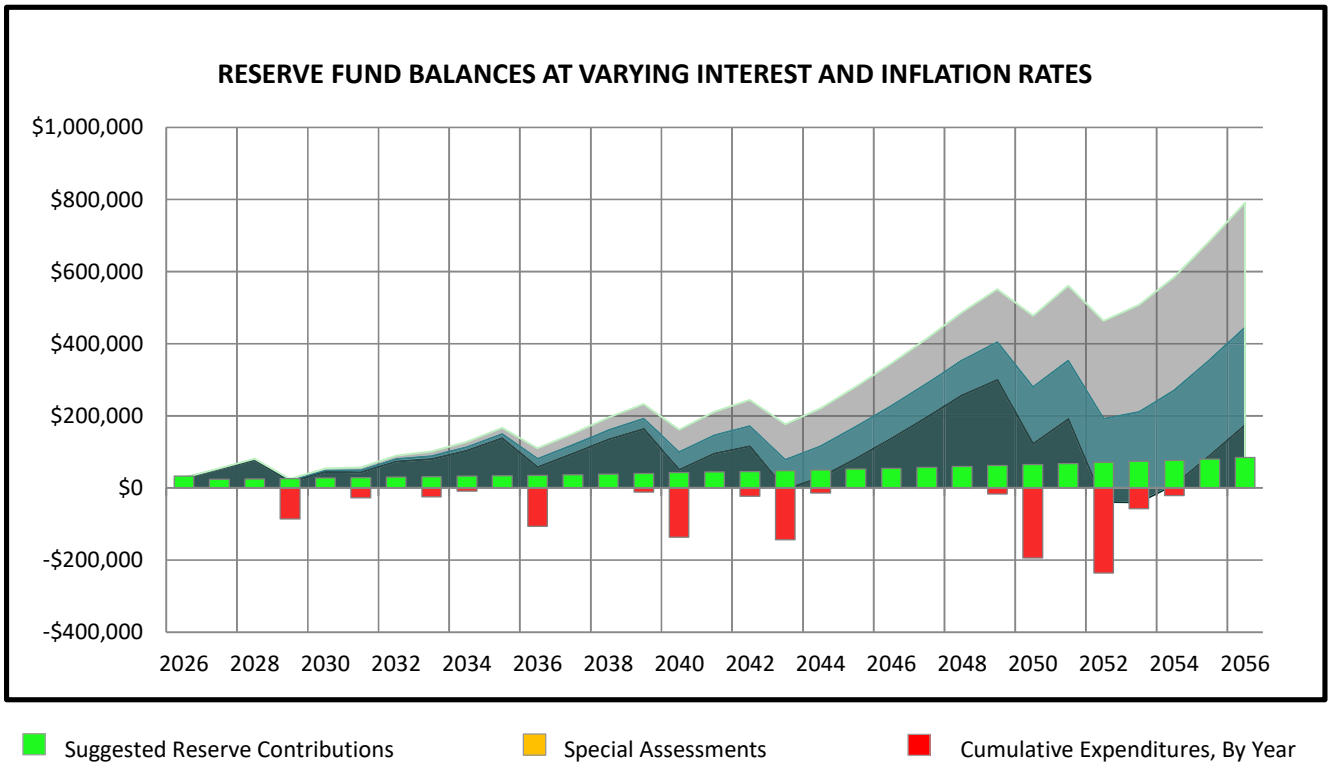
The scope of this Reserve Study is strictly limited to reserve contribution recommendations, and we cannot comment on the need to adjust operating expenses. Our recommendations for reserve contributions are independent of any changes to operating expenses.

Budget projections assume that operating expenses rise at an annual rate of 4.4%. Any changes in the operating budget will affect dues percentage adjustments. Outside funding, if included in the funding plan, is excluded from dues projections.

EXECUTIVE SUMMARY - INFLATION AND INTEREST RATE COMPARISON

How do Interest and Inflation Rate Fluctuations Affect Reserve Funds?

Fluctuating macro-economic factors, such as varying inflation and interest rates, can have a significant impact on the status of the association's reserve funds. Increases or decreases in the interest rate of the association's invested reserve funds or the local construction inflation rate, combined with the time-value of money, will affect long-term reserve balances. Higher interest rates or low inflation rates typically result in lower recommended reserve contributions, and lower interest rates or higher inflation rates typically result in higher recommended reserve contributions. The interest rate utilized in this Reserve Study is based upon the actual weighted-average interest rate of invested reserve fund(s), or the interest rate supplied by the Board of Directors and/or management. We assume that all interest or dividends are reinvested into the reserve fund(s) and are not subject to federal or state taxes. The inflation rate utilized in this Reserve Study is based upon averages of national cost indexes as well as Building Reserves' proprietary cost database information.



Projected Reserves at Year End, 3.08% Interest Rate, 3.40% Inflation Rate, 'Best Case Scenario'

- 30-Year Cumulative Interest: $250,034.30

Projected Reserves at Year End, 1.54% Interest Rate, 4.40% Inflation Rate

- 30-Year Cumulative Interest: $79,409.15
- This interest rate is used as the basis for the recommended cash flow within this report
- This interest rate is based on how reserve funds are currently being invested, or the interest rate provided by the Board of Directors and/or Management

Projected Reserves at Year End, .77% Interest Rate, 5.40% Inflation Rate, 'Worst Case Scenario'

- 30-Year Cumulative Interest: $21,769.07

CLASSIFICATION OF RESERVE COMPONENTS AND NON-RESERVE COMPONENTS

Property components are classified as one of the following categories:

1.) Reserve Components

2.) Operating Budget Components

3.) Long-Lived Components

4.) Unit Owner Responsibilities

5.) Components Maintained by Others

Reserve Components

Reserve Components are classified as items that are:

1.) The association's responsibility

2.) Have a remaining expected useful life within the next 30 years

3.) Have a remaining expected useful life beyond 30 years, for which partial, or long-term funding is included

4.) Have a replacement cost above a minimum threshold

5.) Components which are funded from the association's capital reserve funds

Non-Reserve Components

Operating Budget Components are classified as:

1.) Relatively minor expenses which have little effect on Suggested Reserve contributions

2.) Components which are funded through the operating budget

3.) Components which have a current cost of replacement under **$5,500**

Long-Lived Components are classified as:

1.) Components with estimated remaining useful life beyond 30-Years

2.) Components without predictable remaining useful life

Unit Owner Responsibilities are classified as:

1.) Components maintained and replaced by the individual unit owners

Components Maintained by Others are classified as:

1.) Components maintained and replaced by the local government, the utility service provider or others

COST CONSIDERATIONS - SOFT COSTS

Building Reserves uses a holistic approach to calculating unit costs and we leverage a variety of databases and local resources to determine what your projects should cost. The unit costs we provide will consider materials, labor, size of project, location, and construction soft costs.

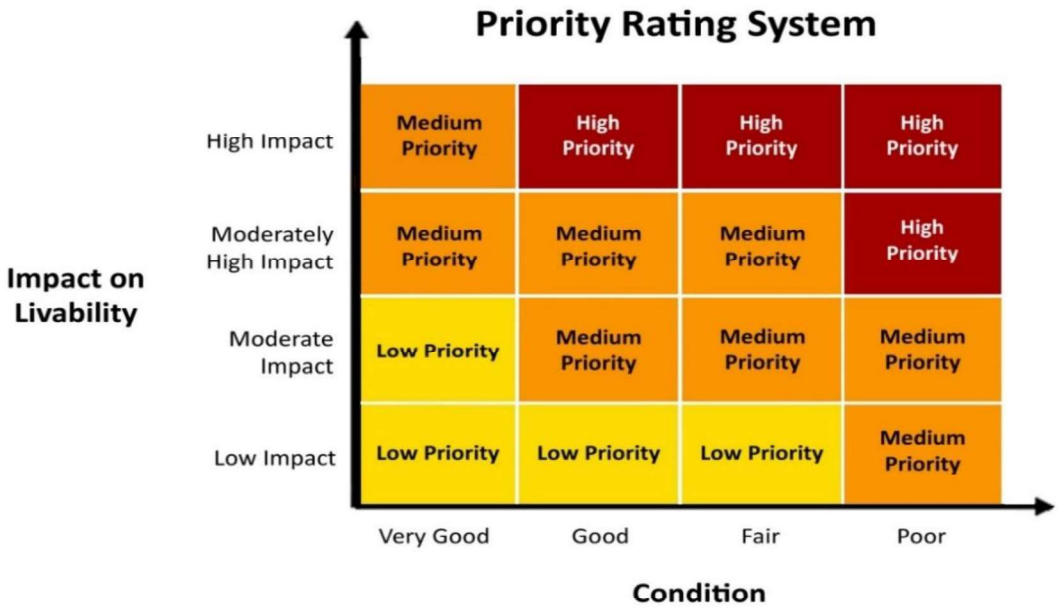
Soft costs are indirect, non-physical costs that are required to complete a capital project. These costs can make up a large portion of a total project cost, ranging from 0% up to 30%, depending on the property and type of project. Examples of soft costs include: engineering or architecture fees, design fees, project managements fees, permits or inspections, legal or administrative fees, and contingency allowances.

RESPONSIBILITY MATRIX

This responsibility matrix is not intended to constitute legal advice. Responsibility classifications used within this report are based upon Building Reserve's interpretation of the association's governing documents and/or directives from association representatives. The governing documents are the final authority on defining asset responsibilities and may require professional legal review.

	association responsibility				
Component Name	**Reserve**	**Operating**	**Long-Lived**	**Owner**	**Other**
Asphalt Path					X
Clubhhouse and Pool Area					X
Concrete Flatwork, Partial Replacement	X				
Electrical Systems, Common, Complete Replacement			X		
Electrical Systems, Common, Repairs		X			
Fire Hydrants					X
Fountain Pumps		X			
Fountain, Replacement	X				
Homes and Lots				X	
Irrigation System, Annual Repairs and Interim Controller Replacements		X			
Irrigation System, Replacement (Common Master Areas Only)	X				
Items Maintained under the Alleys and Townhomes Cost Centers					X
Landscape, Capital Improvements	X				
Landscape, Maintenance		X			
Light Fixtures, Landscaping, Replacement, Phased	X				
Maintenance Items Normally Funded through the Operating Budget		X			
Pipes, Subsurface Utilities, Mains and Laterals, Gas					X
Pipes, Subsurface Utilities, Mains, Sanitary Sewer, Public					X
Pipes, Subsurface Utilities, Mains, Water Supply, Public					X
Pipes, Subsurface Utilities, Storm Water, Public					X
Railings, Metal, Along Crossway Lane, Replacement	X				
Retaining Walls, Masonry and Concrete					X
Signage, Monument, Renovations (Signs and Walls)	X				
Site Furnishings		X			
Streets (Pavement, Curb and Gutter, Walks, Light Poles, and Catch Basins)					X
Utility Boxes and Meters					X

PRIORITY RATING SYSTEM



Reserve Inventory		Priority Rating, Condition & Impact on Livability Assessment		
Line Item	Reserve Component Listed by Property Class	Priority	Current Condition	Impact on Livability
	SITE COMPONENTS			
1	Concrete Flatwork, Partial Replacement	Medium Priority	Good	Moderate Impact
2	Fountain, Replacement	Low Priority	Very Good	Moderate Impact
3	Irrigation System, Replacement (Common Master Areas Only)	Medium Priority	Fair	Moderate Impact
4	Landscape, Capital Improvements	Medium Priority	Good	Moderate Impact
5	Light Fixtures, Landscaping, Replacement, Phased	Medium Priority	Good	Moderate Impact
6	Railings, Metal, Along Crossway Lane, Replacement	Low Priority	Fair	Low Impact
7	Signage, Monument, Renovations (Signs and Walls)	Medium Priority	Fair	Moderate Impact

PRIORITY SCORING SYSTEM

CONDITION - The state of a building system, equipment, or material with regard to its working order, deficiency level or appearance.

1 to 10 Rating: 1 = Poor Condition; 10 = Very Good Condition

Weighted most heavily in the priority score rating

IMPACT ON LIVABILITY - The degree to which a building system, equipment, or material is required in order to maintain owner safety and well-being.

1 to 10 Rating: 1 = Low Impact on Livability; 10 = High Impact on Livability

Weighted to a moderate degree in the priority score rating

DESIRABILITY - The degree to which a building system, equipment, or material is favorable, attractive, or the degree to which intrinsic community value is added.

1 to 10 Rating: 1 = Low Desirability; 10 = High Desirability

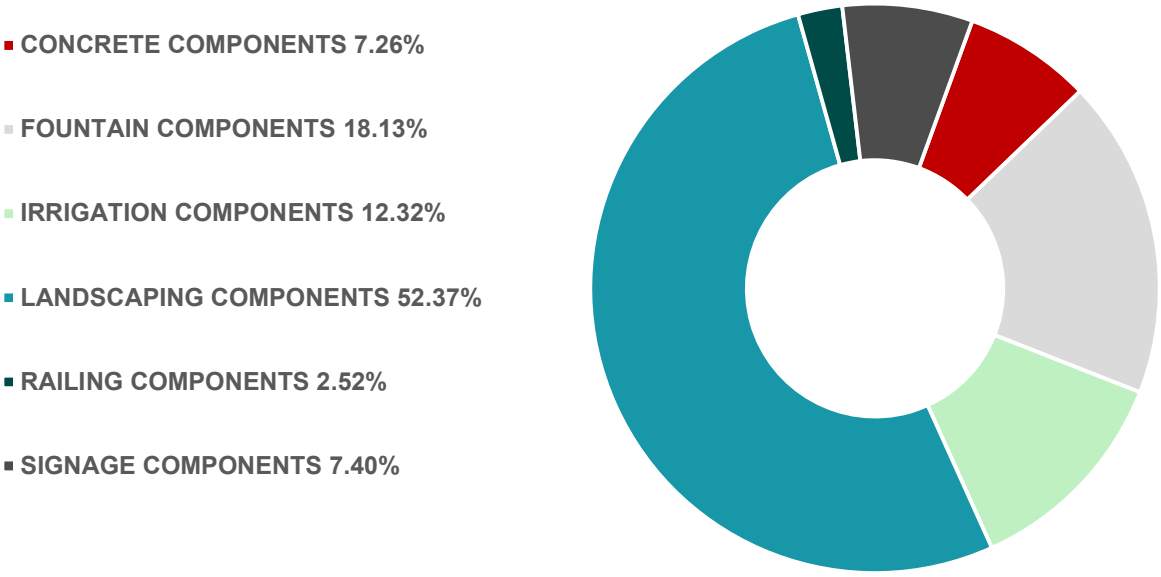
Weighted least heavily in the priority score rating

Reserve Inventory		Life Analysis	Condition, Impact on Livability, and Desirability Ratings			Priority
Line Item	Reserve Component Listed by Priority	Remaining Useful Life	Condition Rating	Impact on Livability Rating	Desirability Rating	Priority Score
3	Irrigation System, Replacement (Common Master Areas Only)	14	5	4	5	**67**
1	Concrete Flatwork, Partial Replacement	3	6	5	5	**65**
7	Signage, Monument, Renovations (Signs and Walls)	7	5	3	7	**64**
4	Landscape, Capital Improvements	3	6	3	6	**56**
5	Light Fixtures, Landscaping, Replacement, Phased	16	6	3	6	**56**
6	Railings, Metal, Along Crossway Lane, Replacement	5	5	2	3	**55**
2	Fountain, Replacement	26	9	3	8	**37**

QUANTITY AND COST PROJECTIONS FOR NEXT 30-YEARS

Graph Illustrates Total Future Cost of Replacement By Property Class

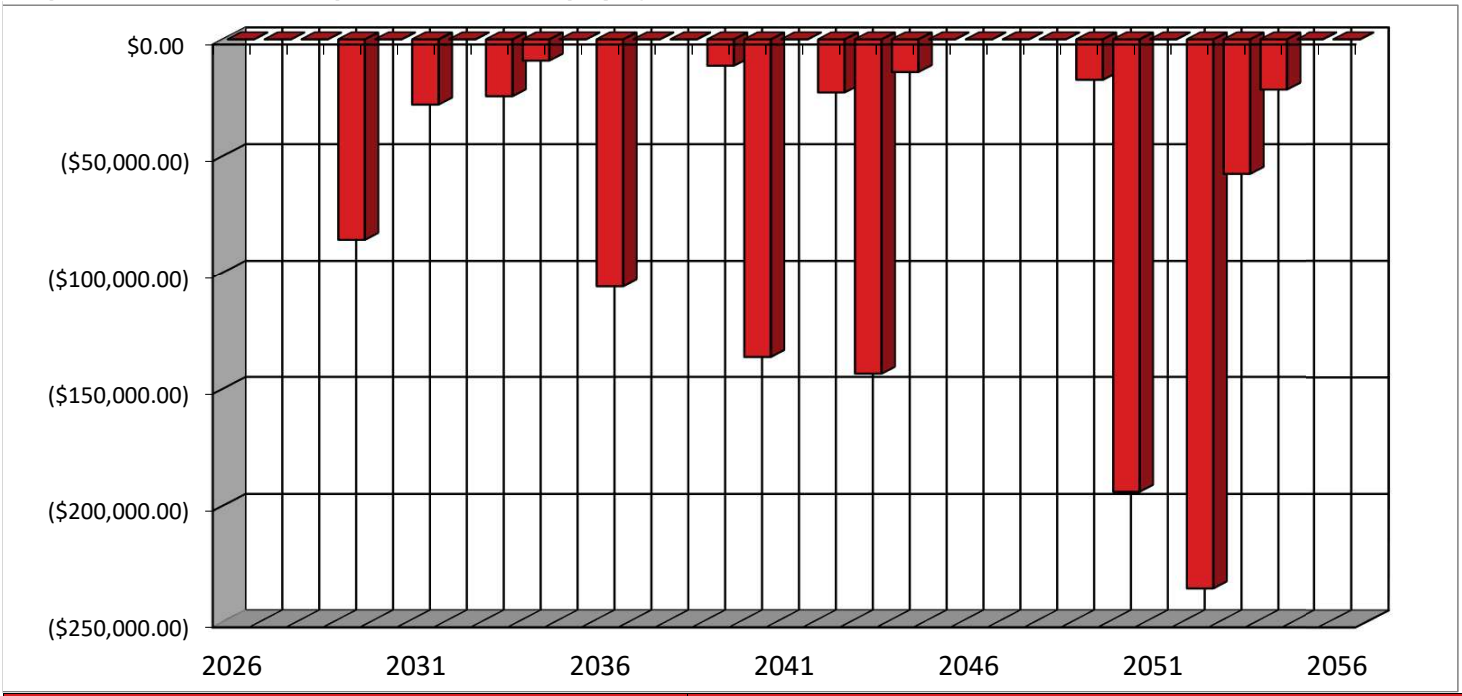
Total Future Cost of Replacement, All Property Classes: $1,106,938



Reserve Inventory		Replacement Quantities			Replacement Costs		
Line Item	Reserve Component Listed by Property Class	Units	Per Phase	Total for 30-Years	Unit Cost	Current Cost Per Phase	Total Future Cost
	SITE COMPONENTS						
1	Concrete Flatwork, Partial Replacement	Square Feet	306	1,837	$21.00	$6,430	$80,378
2	Fountain, Replacement	Each	1	1	$65,500.00	$65,500	$200,657
3	Irrigation System, Replacement (Common Master Areas Only)	Square Feet	57,400	57,400	$1.30	$74,620	$136,352
4	Landscape, Capital Improvements	Allowance	1	4	$69,000.00	$69,000	$522,055
5	Light Fixtures, Landscaping, Replacement, Phased	Each	28	55	$415.00	$11,413	$57,691
6	Railings, Metal, Along Crossway Lane, Replacement	Linear Feet	300	300	$75.00	$22,500	$27,905
7	Signage, Monument, Renovations (Signs and Walls)	Allowance	1	2	$18,000.00	$18,000	$81,901

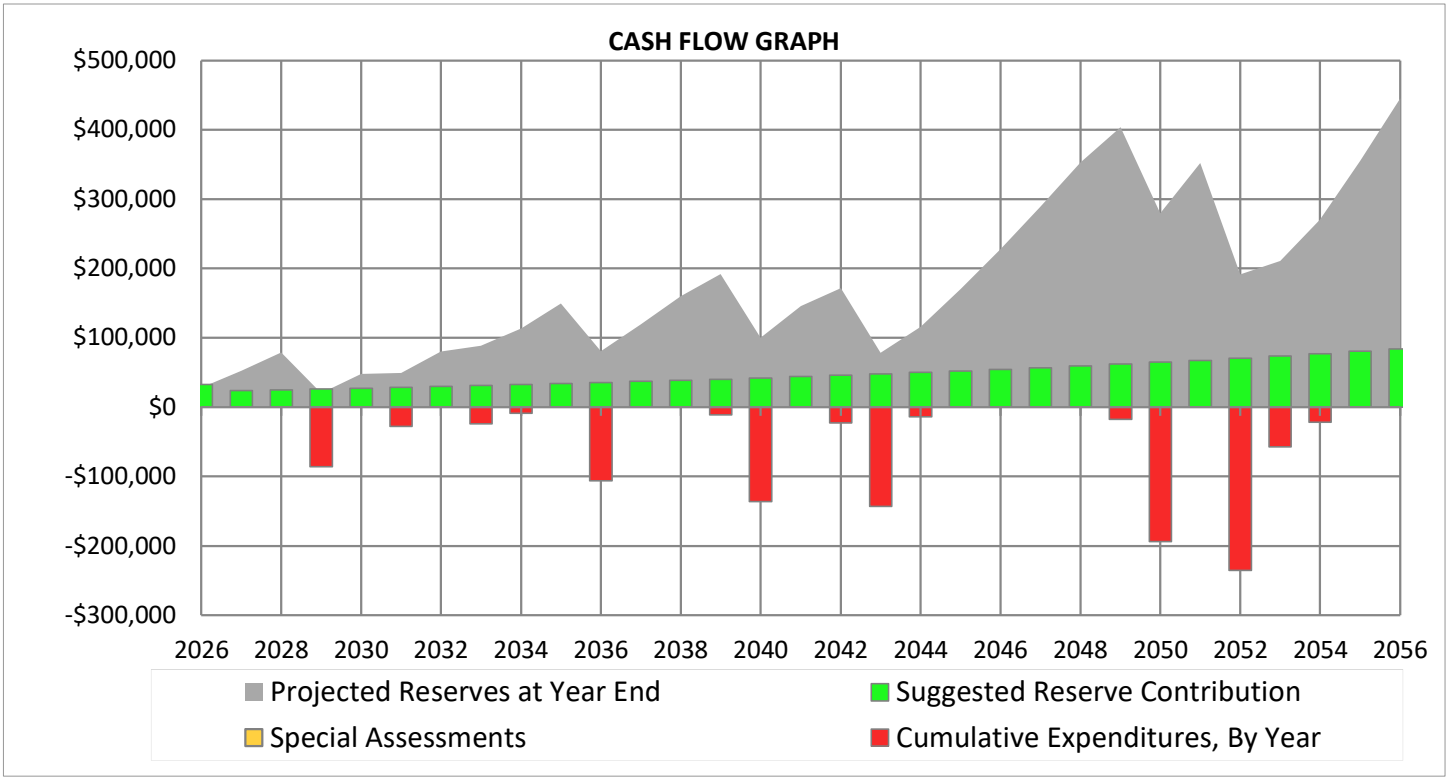
LIFE ANALYSIS AND CONDITION ASSESSMENT

Graph Illustrates Reserve Expenses Per Year, Displaying Years 1-30



Reserve Inventory		Life Analysis and Condition Assessment				
Line Item	Reserve Component Listed by Property Class	Useful life	Remaining Useful Life	Estimated 1st Replacement Year	Estimated Current Age	Current Condition
	SITE COMPONENTS					
1	Concrete Flatwork, Partial Replacement	to 65	3	2029	Varies	Good
2	Fountain, Replacement	10 to 15	26	2052	4	Very Good
3	Irrigation System, Replacement (Common Master Areas Only)	30 to 35	14	2040	Varies	Fair
4	Landscape, Capital Improvements	Varies	3	2029	Varies	Good
5	Light Fixtures, Landscaping, Replacement, Phased	25 to 30	16	2042	Not Available	Good
6	Railings, Metal, Along Crossway Lane, Replacement	to 35	5	2031	to 30	Fair
7	Signage, Monument, Renovations (Signs and Walls)	15 to 20	7	2033	to 30	Fair

30-YEAR CASH FLOW



NOTE: 2026 includes funding data from 1/31/2026 - End of Fiscal Year

		Start Year	1	2	3	4	5	6	7	8	9	10
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
+	Reserves at Beginning of Year	-$4,458	$28,164	$52,783	$78,889	$20,014	$47,933	$49,372	$80,263	$88,420	$113,490	$149,500
+	Suggested Reserve Contribution	$32,456	$24,000	$25,100	$26,200	$27,400	$28,600	$29,900	$31,200	$32,600	$34,000	$35,500
	Annual Reserve Adjustment (%)		-32.2%	4.6%	4.4%	4.6%	4.4%	4.5%	4.3%	4.5%	4.3%	4.4%
+	Special Assessments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
+	Estimated Interest Earned	$166	$619	$1,006	$756	$519	$744	$991	$1,289	$1,543	$2,010	$1,758
+	Cumulative Expenditure, By Year	$0	$0	$0	-$85,831	$0	-$27,905	$0	-$24,332	-$9,074	$0	-$106,134
=	Projected Reserves at Year End	$28,164	$52,783	$78,889	$20,014	$47,933	$49,372	$80,263	$88,420	$113,490	$149,500	$80,624

		11	12	13	14	15	16	17	18	19	20
		2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
+	Reserves at Beginning of Year	$80,624	$119,251	$160,085	$191,921	$100,000	$145,980	$171,678	$78,118	$115,742	$170,227
+	Suggested Reserve Contribution	$37,100	$38,700	$40,400	$42,200	$44,100	$46,000	$48,000	$50,100	$52,300	$54,600
	Annual Reserve Adjustment (%)	4.5%	4.3%	4.4%	4.5%	4.5%	4.3%	4.3%	4.4%	4.4%	4.4%
+	Special Assessments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
+	Estimated Interest Earned	$1,527	$2,134	$2,690	$2,231	$1,880	$2,427	$1,909	$1,481	$2,185	$3,042
+	Cumulative Expenditure, By Year	$0	$0	-$11,253	-$136,352	$0	-$22,729	-$143,469	-$13,957	$0	$0
=	Projected Reserves at Year End	$119,251	$160,085	$191,921	$100,000	$145,980	$171,678	$78,118	$115,742	$170,227	$227,869

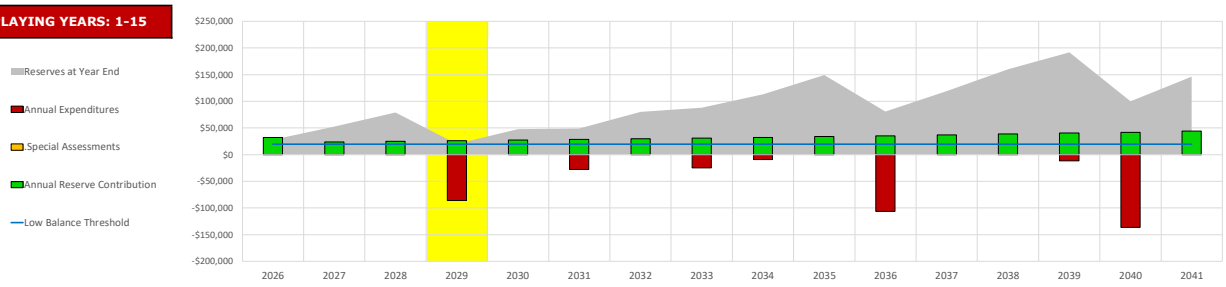
		21	22	23	24	25	26	27	28	29	30
		2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
+	Reserves at Beginning of Year	$227,869	$288,817	$353,223	$403,798	$279,885	$352,417	$191,655	$210,963	$270,171	$355,351
+	Suggested Reserve Contribution	$57,000	$59,500	$62,100	$64,800	$67,700	$70,700	$73,800	$77,000	$80,400	$83,900
	Annual Reserve Adjustment (%)	4.4%	4.4%	4.4%	4.3%	4.5%	4.4%	4.4%	4.3%	4.4%	4.4%
+	Special Assessments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
+	Estimated Interest Earned	$3,948	$4,906	$5,785	$5,224	$4,832	$4,157	$3,076	$3,676	$4,780	$6,118
+	Cumulative Expenditure, By Year	$0	$0	-$17,310	-$193,937	$0	-$235,619	-$57,569	-$21,468	$0	$0
=	Projected Reserves at Year End	$288,817	$353,223	$403,798	$279,885	$352,417	$191,655	$210,963	$270,171	$355,351	$445,369

15-YEAR CASH FLOW & EXPENDITURES DISPLAYING YEARS: 1-15

Sunset Ridge North Association, Inc. - Master Cost Center

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Financial Inputs and Outputs	
Interest Rate:	1.54%
Inflation Rate:	4.40%
Reserve Balance:	-$4,458.46
Reserve Balance Date:	01/31/26
Current Total Income:	$165,324.00
Current Annual Reserve Contribution:	$35,407.00
Current Monthly Reserve Contribution:	$2,950.58
Remaining Months Until Start Date of Recommendations:	11
Start Date of Recommendations:	01/01/27
Fiscal Year:	Jan. 1 - Dec. 31
Low Balance Threshold:	$20,000.00
Critical Year (Low Balance):	2029



.Inflation Rate (By Year)		4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%
Critical Year (Lowest Balance Year) ------>				Critical Year												
.Reserves at Beginning of Year	-$4,458	$28,164	$52,783	$78,889	$20,014	$47,933	$49,372	$80,263	$88,420	$113,490	$149,500	$80,624	$119,251	$160,085	$191,921	$100,000
.Annual Reserve Contribution	$32,466	$24,000	$25,100	$26,200	$27,400	$28,600	$29,900	$31,200	$32,600	$34,000	$35,500	$37,100	$38,700	$40,400	$42,200	$44,100
.Annual Reserve Adjustment (%)		-32.22%	4.58%	4.38%	4.58%	4.38%	4.55%	4.35%	4.49%	4.29%	4.41%	4.51%	4.31%	4.39%	4.46%	4.50%
.Recommended Adjustment /unit/month ave ($)		-$1.60	$0.15	$0.15	$0.17	$0.17	$0.18	$0.18	$0.20	$0.20	$0.21	$0.22	$0.22	$0.24	$0.25	$0.27
.Special Assessments																
.Interest Earned	$166	$619	$1,006	$756	$519	$744	$991	$1,289	$1,543	$2,010	$1,758	$1,527	$2,134	$2,690	$2,231	$1,880
.Annual Expenditures	$0	$0	$0	-$85,831	$0	-$27,905	$0	-$24,332	-$9,074	$0	-$106,134	$0	$0	-$11,253	-$136,352	$0
.Reserves at Year End	$28,164	$52,783	$78,889	$20,014	$47,933	$49,372	$80,263	$88,420	$113,490	$149,500	$80,624	$119,251	$160,085	$191,921	$100,000	$145,980
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

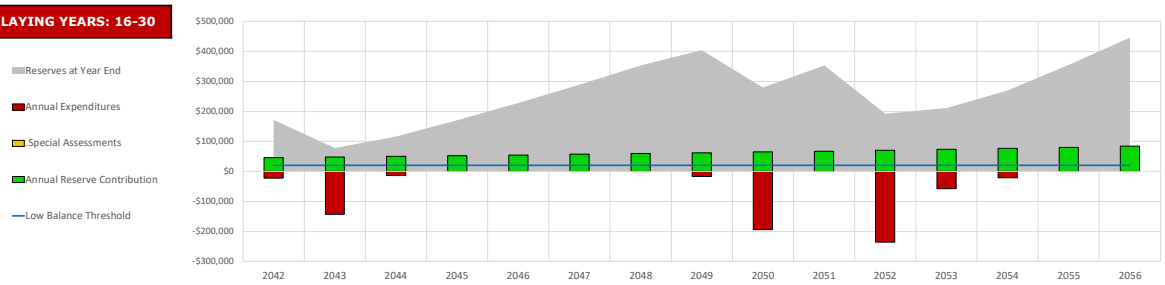
Line Item	Reserve Component	Priority Score - Priority Rating	Percentage of Future Expenditures	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
	SITE COMPONENTS																		
1	Concrete Flatwork, Partial Replacement	65 - Medium Priority	7.26%				$7,316					$9,074					$11,253		
2	Fountain, Replacement	37 - Low Priority	18.13%																
3	Irrigation System, Replacement (Common Master Areas Only)	67 - Medium Priority	12.32%															$136,352	
4	Landscape, Capital Improvements	56 - Medium Priority	47.16%				$78,515							$106,134					
5	Light Fixtures, Landscaping, Replacement, Phased	56 - Medium Priority	5.21%																
6	Railings, Metal, Along Crossway Lane, Replacement	55 - Low Priority	2.52%						$27,905										
7	Signage, Monument, Renovations (Signs and Walls)	64 - Medium Priority	7.40%								$24,332								

15-YEAR CASH FLOW & EXPENDITURES DISPLAYING YEARS: 16-30

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BUILDING RESERVES



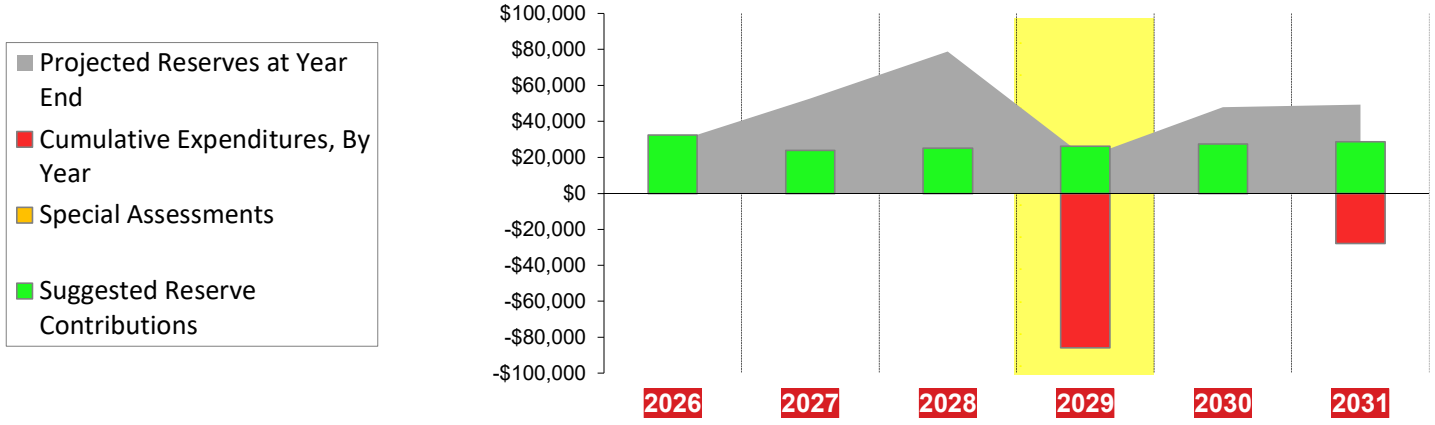
.Inflation Rate (By Year)	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%
.Critical Year (Lowest Balance Year) ------>															
.Reserves at Beginning of Year	$145,980	$171,678	$78,118	$115,742	$170,227	$227,869	$288,817	$353,223	$403,798	$279,885	$352,417	$191,655	$210,963	$270,171	$355,351
.Annual Reserve Contribution	$46,000	$48,000	$50,100	$52,300	$54,600	$57,000	$59,500	$62,100	$64,800	$67,700	$70,700	$73,800	$77,000	$80,400	$83,900
.Annual Reserve Adjustment (%)	4.31%	4.35%	4.38%	4.39%	4.40%	4.40%	4.39%	4.37%	4.35%	4.48%	4.43%	4.38%	4.34%	4.42%	4.35%
.Recommended Adjustment /unit/month ave ($)	$0.27	$0.28	$0.29	$0.31	$0.32	$0.34	$0.35	$0.36	$0.38	$0.41	$0.42	$0.43	$0.45	$0.48	$0.49
.Special Assessments															
.Interest Earned	$2,427	$1,909	$1,481	$2,185	$3,042	$3,948	$4,906	$5,785	$5,224	$4,832	$4,157	$3,076	$3,676	$4,780	$6,118
.Annual Expenditures	-$22,729	-$143,469	-$13,957	$0	$0	$0	$0	-$17,310	-$193,937	$0	-$235,619	-$57,569	-$21,468	$0	$0
.Reserves at Year End	$171,678	$78,118	$115,742	$170,227	$227,869	$288,817	$353,223	$403,798	$279,885	$352,417	$191,655	$210,963	$270,171	$355,351	$445,369
	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

Line Item	Reserve Component	Priority Score - Priority Rating	Percentage of Future Expenditures	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
	SITE COMPONENTS																	
1	Concrete Flatwork, Partial Replacement	65 - Medium Priority	7.26%			$13,957					$17,310					$21,468		
2	Fountain, Replacement	37 - Low Priority	18.13%											$200,657				
3	Irrigation System, Replacement (Common Master Areas Only)	67 - Medium Priority	12.32%															
4	Landscape, Capital Improvements	56 - Medium Priority	47.16%		$143,469							$193,937						
5	Light Fixtures, Landscaping, Replacement, Phased	56 - Medium Priority	5.21%	$22,729										$34,962				
6	Railings, Metal, Along Crossway Lane, Replacement	55 - Low Priority	2.52%															
7	Signage, Monument, Renovations (Signs and Walls)	64 - Medium Priority	7.40%												$57,569			

BUILDING RESERVES

DIVISION 1: CASH FLOW & EXPENDITURES DISPLAYING YEARS 1-5

Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves:** 1.54%

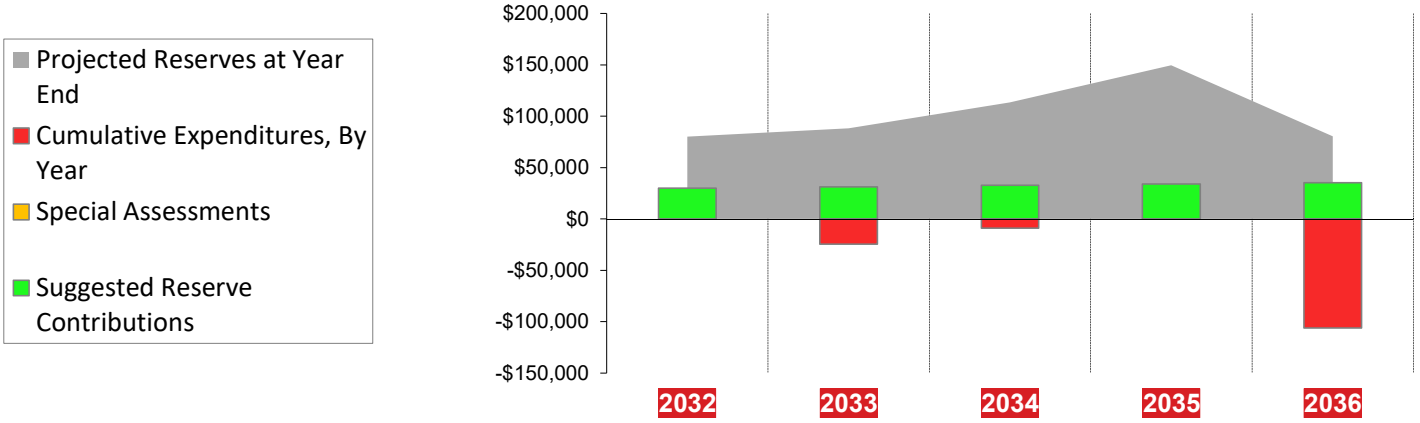


		2026	2027	2028	2029	2030	2031
+	Reserves at Beginning of Year	(4,458)	28,164	52,783	78,889	20,014	47,933
+	Suggested Reserve Contribution	32,456	24,000	25,100	26,200	27,400	28,600
	Annual Reserve Adjustment (%)		-32.2%	4.6%	4.4%	4.6%	4.4%
+	Special Assessments						
+	Estimated Interest Earned on Invested Reserves	166	619	1,006	756	519	744
+	Cumulative Expenses, By Year				-85,831		-27,905
=	Projected Reserves at Year End	28,164	52,783	78,889	20,014	47,933	49,372

Line Item	Reserve Component Listed by Property Class	2026	1	2	3	4	5
		2026	2027	2028	2029	2030	2031
	SITE COMPONENTS						
1	Concrete Flatwork, Partial Replacement				7,316		
2	Fountain, Replacement						
3	Irrigation System, Replacement (Common Master Areas Only)						
4	Landscape, Capital Improvements				78,515		
5	Light Fixtures, Landscaping, Replacement, Phased						
6	Railings, Metal, Along Crossway Lane, Replacement						27,905
7	Signage, Monument, Renovations (Signs and Walls)						

DIVISION 2: CASHFLOW & EXPENDITURES DISPLAYING YEARS 6-10

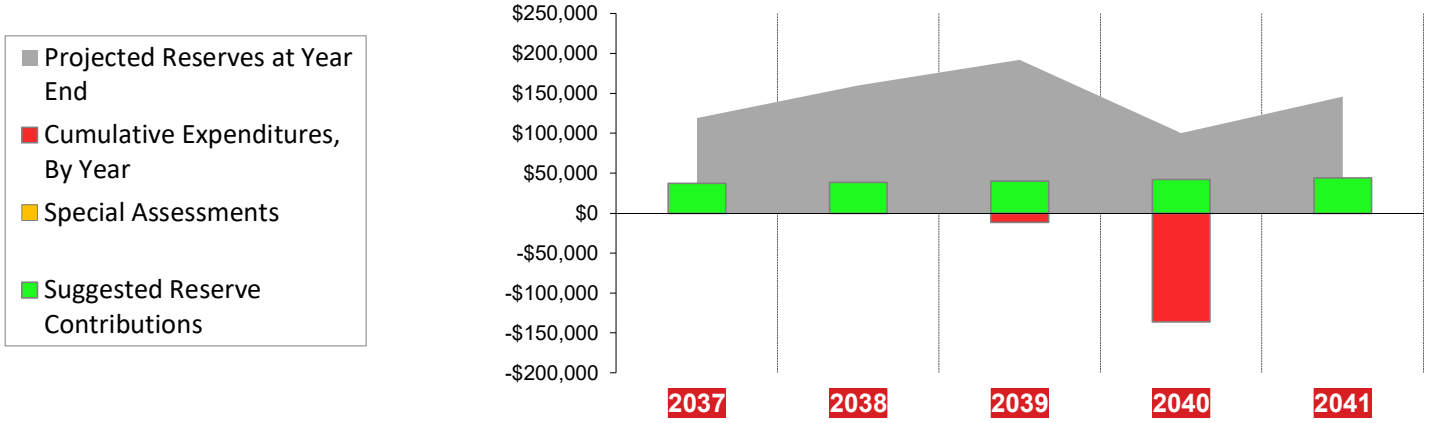
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves: 1.54%**



+	**Reserves at Beginning of Year**	**49,372**	**80,263**	**88,420**	**113,490**	**149,500**
+	**Suggested Reserve Contribution**	**29,900**	**31,200**	**32,600**	**34,000**	**35,500**
	Annual Reserve Adjustment (%)	**4.5%**	**4.3%**	**4.5%**	**4.3%**	**4.4%**
+	**Special Assessments**					
+	**Estimated Interest Earned on Invested Reserves**	**991**	**1,289**	**1,543**	**2,010**	**1,758**
+	**Cumulative Expenditure, By Year**		**-24,332**	**-9,074**		**-106,134**
=	**Projected Reserves at Year End**	**80,263**	**88,420**	**113,490**	**149,500**	**80,624**
Line Item	**Reserve Component Listed by Property Class**	**6**	**7**	**8**	**9**	**10**
		2032	**2033**	**2034**	**2035**	**2036**
	SITE COMPONENTS					
1	Concrete Flatwork, Partial Replacement			9,074		
2	Fountain, Replacement					
3	Irrigation System, Replacement (Common Master Areas Only)					
4	Landscape, Capital Improvements					106,134
5	Light Fixtures, Landscaping, Replacement, Phased					
6	Railings, Metal, Along Crossway Lane, Replacement					
7	Signage, Monument, Renovations (Signs and Walls)		24,332			

DIVISION 3: CASH FLOW & EXPENDITURES DISPLAYING YEARS 11-15

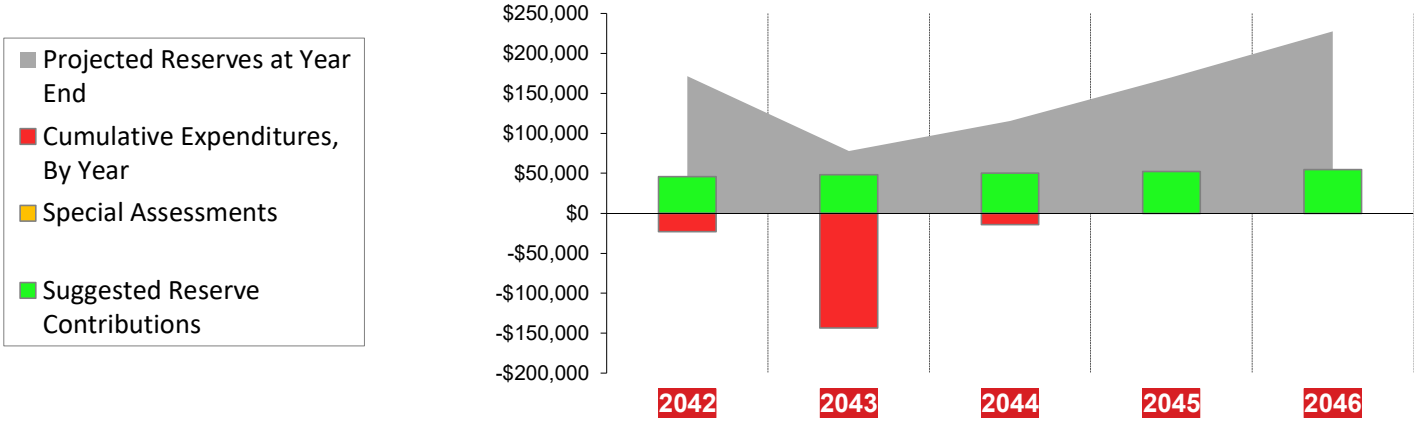
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves: 1.54%**



+	Reserves at Beginning of Year	80,624	119,251	160,085	191,921	100,000
+	Suggested Reserve Contribution	37,100	38,700	40,400	42,200	44,100
	Annual Reserve Adjustment (%)	4.5%	4.3%	4.4%	4.5%	4.5%
+	Special Assessments					
+	Estimated Interest Earned on Invested Reserves	1,527	2,134	2,690	2,231	1,880
+	Cumulative Expenditure, By Year			-11,253	-136,352	
=	Projected Reserves at Year End	119,251	160,085	191,921	100,000	145,980
Line Item	Reserve Component Listed by Property Class	11	12	13	14	15
		2037	2038	2039	2040	2041
	SITE COMPONENTS					
1	Concrete Flatwork, Partial Replacement			11,253		
2	Fountain, Replacement					
3	Irrigation System, Replacement (Common Master Areas Only)				136,352	
4	Landscape, Capital Improvements					
5	Light Fixtures, Landscaping, Replacement, Phased					
6	Railings, Metal, Along Crossway Lane, Replacement					
7	Signage, Monument, Renovations (Signs and Walls)					

DIVISION 4: CASH FLOW & EXPENDITURES DISPLAYING YEARS 16-20

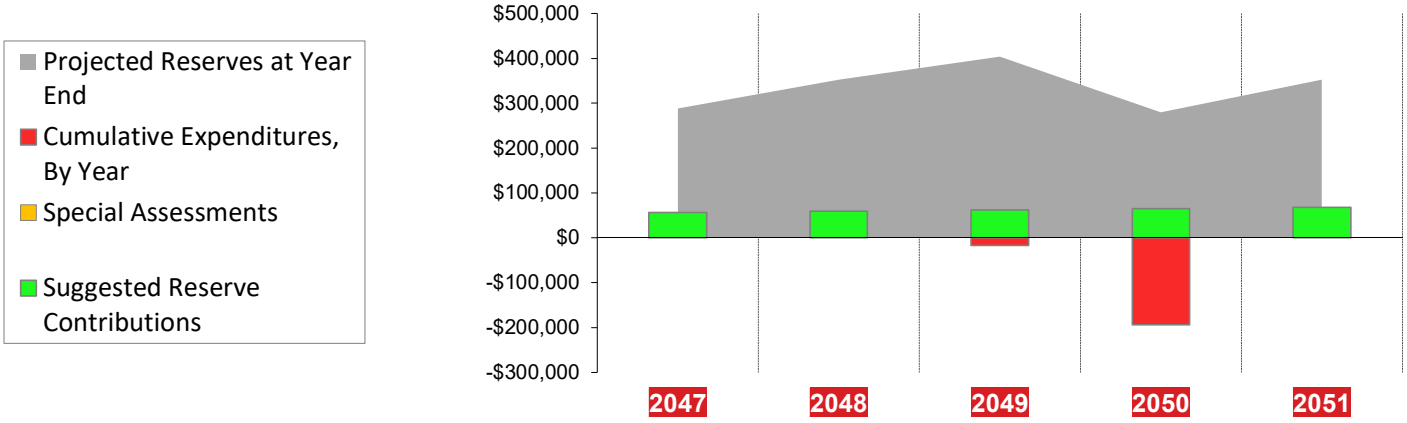
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves:** 1.54%



+	Reserves at Beginning of Year	145,980	171,678	78,118	115,742	170,227
+	Suggested Reserve Contribution	46,000	48,000	50,100	52,300	54,600
	Annual Reserve Adjustment (%)	4.3%	4.3%	4.4%	4.4%	4.4%
+	Special Assessments					
+	Estimated Interest Earned on Invested Reserves	2,427	1,909	1,481	2,185	3,042
+	Cumulative Expenditure, By Year	-22,729	-143,469	-13,957		
=	Projected Reserves at Year End	171,678	78,118	115,742	170,227	227,869
Line Item	Reserve Component Listed by Property Class	16	17	18	19	20
		2042	2043	2044	2045	2046
	SITE COMPONENTS					
1	Concrete Flatwork, Partial Replacement			13,957		
2	Fountain, Replacement					
3	Irrigation System, Replacement (Common Master Areas Only)					
4	Landscape, Capital Improvements		143,469			
5	Light Fixtures, Landscaping, Replacement, Phased	22,729				
6	Railings, Metal, Along Crossway Lane, Replacement					
7	Signage, Monument, Renovations (Signs and Walls)					

DIVISION 5: CASH FLOW & EXPENDITURES DISPLAYING YEARS 21-25

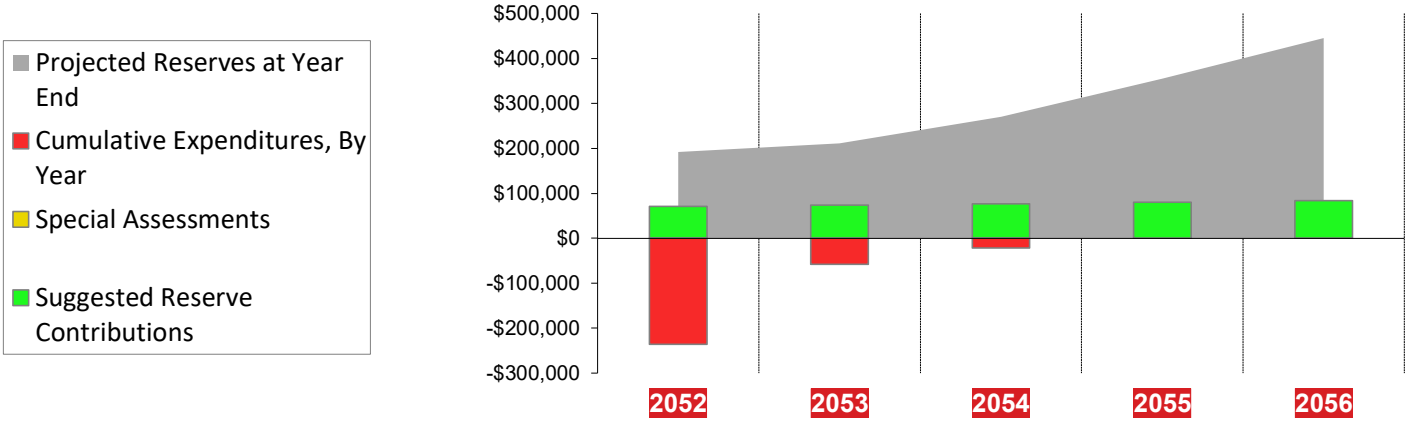
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves:** 1.54%



+	**Reserves at Beginning of Year**	227,869	288,817	353,223	403,798	279,885
+	**Suggested Reserve Contribution**	57,000	59,500	62,100	64,800	67,700
	Annual Reserve Adjustment (%)	4.4%	4.4%	4.4%	4.3%	4.5%
+	**Special Assessments**					
+	**Estimated Interest Earned on Invested Reserves**	3,948	4,906	5,785	5,224	4,832
+	**Cumulative Expenditure, By Year**			-17,310	-193,937	
=	**Projected Reserves at Year End**	288,817	353,223	403,798	279,885	352,417
Line Item	**Reserve Component Listed by Property Class**	21	22	23	24	25
		2047	2048	2049	2050	2051
	SITE COMPONENTS					
1	Concrete Flatwork, Partial Replacement			17,310		
2	Fountain, Replacement					
3	Irrigation System, Replacement (Common Master Areas Only)					
4	Landscape, Capital Improvements				193,937	
5	Light Fixtures, Landscaping, Replacement, Phased					
6	Railings, Metal, Along Crossway Lane, Replacement					
7	Signage, Monument, Renovations (Signs and Walls)					

DIVISION 6: CASH FLOW & EXPENDITURES DISPLAYING YEARS 26-30

Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves: 1.54%**



		2052	2053	2054	2055	2056
+	Reserves at Beginning of Year	352,417	191,655	210,963	270,171	355,351
+	Suggested Reserve Contribution	70,700	73,800	77,000	80,400	83,900
	Annual Reserve Adjustment (%)	4.4%	4.4%	4.3%	4.4%	4.4%
+	Special Assessments					
+	Estimated Interest Earned on Invested Reserves	4,157	3,076	3,676	4,780	6,118
+	Cumulative Expenditure, By Year	-235,619	-57,569	-21,468		
=	Projected Reserves at Year End	191,655	210,963	270,171	355,351	445,369
Line Item	Reserve Component Listed by Property Class	26	27	28	29	30
		2052	2053	2054	2055	2056
	SITE COMPONENTS					
1	Concrete Flatwork, Partial Replacement			21,468		
2	Fountain, Replacement	200,657				
3	Irrigation System, Replacement (Common Master Areas Only)					
4	Landscape, Capital Improvements					
5	Light Fixtures, Landscaping, Replacement, Phased	34,962				
6	Railings, Metal, Along Crossway Lane, Replacement					
7	Signage, Monument, Renovations (Signs and Walls)		57,569			

Concrete Flatwork, Partial Replacement

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 7.26% **Line Item: 1**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	3,340	Square Feet	Current Unit Cost:	$21.00	
Replacement Per Phase:	306	Square Feet	Current Cost Per Phase:	$6,430	
Replaced in Next 30-Years:	1,837	Square Feet	Total Cost Next 30-Years:	$80,378	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Good	
Remaining Years Until Replacement:	3		Useful Life in Holly Springs, NC	to 65	Years
Estimated First Year of Replacement:	2029		Full or Partial Replacement:	Partial	55.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	65	



Concrete overview



Typical stamped concrete at fountain area



Potential trip hazard



Concrete detail

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$7,316	**2039**	$11,253	**2049**	$17,310
2030	$0	**2040**	$0	**2050**	$0
2031	$0	**2041**	$0	**2051**	$0
2032	$0	**2042**	$0	**2052**	$0
2033	$0	**2043**	$0	**2053**	$0
2034	$9,074	**2044**	$13,957	**2054**	$21,468
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

This component includes the stamped and colored concrete at the fountain. Other walks along streets are the responsibility of others, and townhome walks are part of the townhome responsibility. The concrete sidewalks are primarily original and appear in overall good condition. Concrete has a long useful life and generally fails in a progressive manner as it approaches the end of its useful life. Simultaneous failure of the concrete is unlikely. We recommend the association budget for replacement of 55% of the concrete flatwork over the next 30 years. Isolated repairs may be necessary prior to the recommended partial replacements and should be funded through the operating budgeted as needed.

Fountain, Replacement

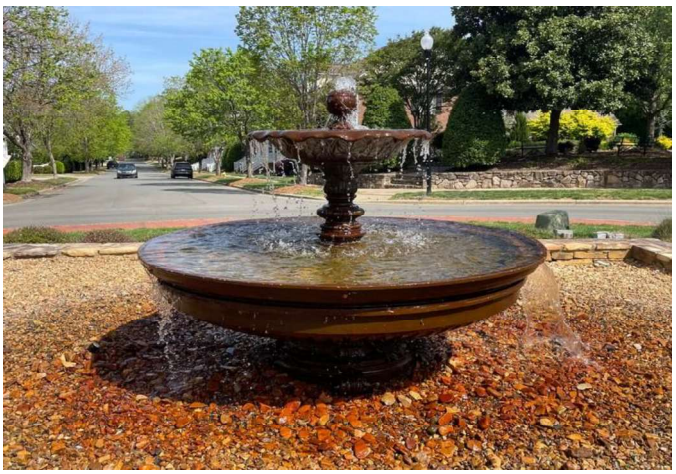
SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 18.13% **Line Item: 2**

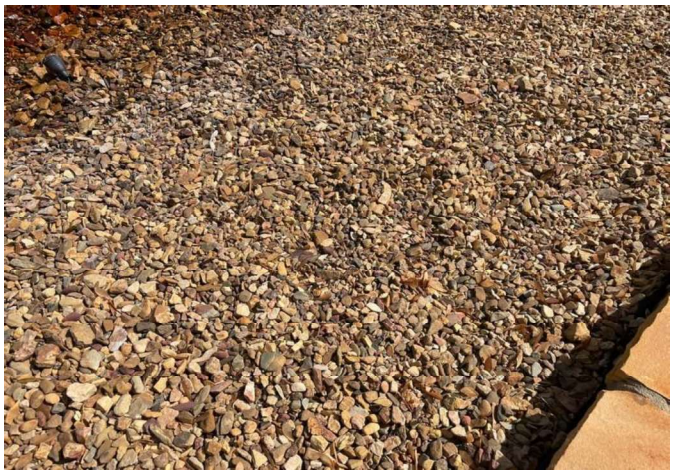
ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	1	Each	Current Unit Cost:	$65,500.00	
Replacement Per Phase:	1	Each	Current Cost Per Phase:	$65,500	
Replaced in Next 30-Years:	1	Each	Total Cost Next 30-Years:	$200,657	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	4		Overall Current Condition:	Very Good	
Remaining Years Until Replacement:	26		Useful Life in Holly Springs, NC	10 to 15	Years
Estimated First Year of Replacement:	2052		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Low Priority		Priority Score	37	



Fountain overview



Fountain in very good condition



Ballast at fountain



Masonry at fountain

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$0	**2039**	$0	**2049**	$0
2030	$0	**2040**	$0	**2050**	$0
2031	$0	**2041**	$0	**2051**	$0
2032	$0	**2042**	$0	**2052**	$200,657
2033	$0	**2043**	$0	**2053**	$0
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

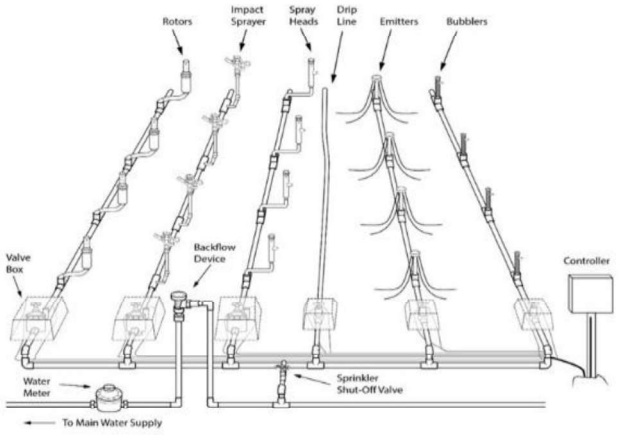
The fountain dates to 2022 and appears in overall very good condition. Management does not report any leaks or unusual water loss at the fountain. We recommend budgeting for replacement of the fountain by 2052, in coordination with landscape lighting. Unit cost is partially based on the actual replacement from 2022.

Irrigation System, Replacement (Common Master Areas Only)

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 12.32% **Line Item: 3**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	57,400	Square Feet	Current Unit Cost:	$1.30	
Replacement Per Phase:	57,400	Square Feet	Current Cost Per Phase:	$74,620	
Replaced in Next 30-Years:	57,400	Square Feet	Total Cost Next 30-Years:	$136,352	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	14		Useful Life in Holly Springs, NC	30 to 35	Years
Estimated First Year of Replacement:	2040		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	67	



Irrigation system diagram for representative purposes only



Sprinkler head



Drip line near fountain



Irrigation control valve cover

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$0	**2039**	$0	**2049**	$0
2030	$0	**2040**	$136,352	**2050**	$0
2031	$0	**2041**	$0	**2051**	$0
2032	$0	**2042**	$0	**2052**	$0
2033	$0	**2043**	$0	**2053**	$0
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

An irrigation system comprising 1 controller and 20 zones waters the fountain, faux bridges and other common areas. The system is original and reported in satisfactory, operational condition. Over time, erosion and plant growth may cause damage to the system. As the system ages, annual repairs will likely become increasingly costly, and replacement versus repairs becomes a more viable option. As such, we recommend the association budget for replacement of the system by 2040. The association should fund interim head and controller replacements through the operating budget as needed.

Landscape, Capital Improvements

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 47.16% **Line Item: 4**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	1	Allowance	Current Unit Cost:	$69,000.00	
Replacement Per Phase:	1	Allowance	Current Cost Per Phase:	$69,000	
Replaced in Next 30-Years:	4	Allowance	Total Cost Next 30-Years:	$522,055	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Good	
Remaining Years Until Replacement:	3		Useful Life in Holly Springs, NC	Varies	Years
Estimated First Year of Replacement:	2029		Full or Partial Replacement:	Full	400.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	56	



Landscaping overview



Landscaping at fountain area



Shrubbery at fountain area



Planting bed at fountain

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$78,515	**2039**	$0	**2049**	$0
2030	$0	**2040**	$0	**2050**	$193,937
2031	$0	**2041**	$0	**2051**	$0
2032	$0	**2042**	$0	**2052**	$0
2033	$0	**2043**	$143,469	**2053**	$0
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$106,134	**2046**	$0	**2056**	$0

Engineering Narrative

An allowance is provided to maintain the health and appearance of the property's landscaping at common areas. Maintenance of the landscaping should be funded through the operating budget. However, at times, whether due to drought, disease, or the desire to update the look of portions of the community, it can make sense to fund landscape replacements through reserves. At the direction of management, we include an allowance of $69,000, plus inflation, every 7 years beginning by 2029. Landscaping expenditures are intended for those projects above and beyond the operating budget.

Light Fixtures, Landscaping, Replacement, Phased

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 5.21% **Line Item: 5**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	55	Each	Current Unit Cost:	$415.00	
Replacement Per Phase:	28	Each	Current Cost Per Phase:	$11,413	
Replaced in Next 30-Years:	55	Each	Total Cost Next 30-Years:	$57,691	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Not Available		Overall Current Condition:	Good	
Remaining Years Until Replacement:	16		Useful Life in Holly Springs, NC	25 to 30	Years
Estimated First Year of Replacement:	2042		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	56	



Landscaping light fixture at faux bridge



Tree mounted light fixture - note one light is not functioning



Dirt at landscaping light fixture



Tree mounted light fixture

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$0	**2039**	$0	**2049**	$0
2030	$0	**2040**	$0	**2050**	$0
2031	$0	**2041**	$0	**2051**	$0
2032	$0	**2042**	$22,729	**2052**	$34,962
2033	$0	**2043**	$0	**2053**	$0
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

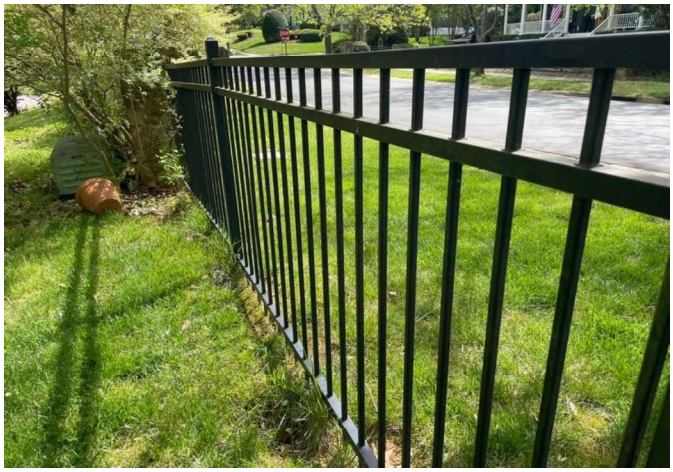
Landscape light fixtures are located along the faux bridges structures and at the fountain area. The fountain lights date to 2022, the age of the other light fixtures was not available at the time of our inspection. We recommend budgeting for phased replacement of the landscape light fixtures from 2042-2052. Unit cost is partially based on the bid for lighting at the fountain.

Railings, Metal, Along Crossway Lane, Replacement

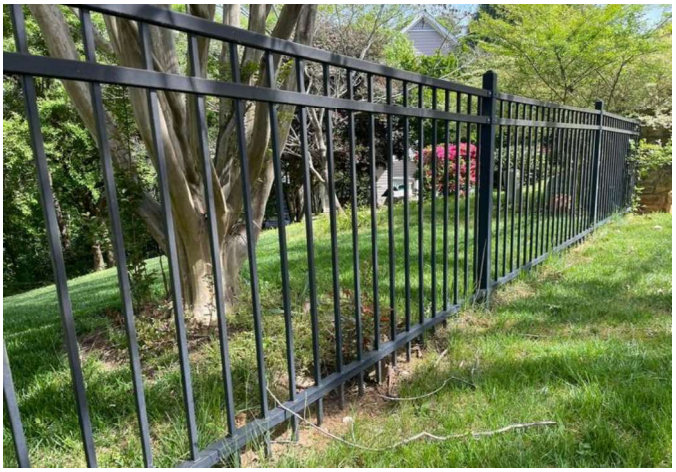
SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 2.52% **Line Item: 6**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	300	Linear Feet	Current Unit Cost:	$75.00	
Replacement Per Phase:	300	Linear Feet	Current Cost Per Phase:	$22,500	
Replaced in Next 30-Years:	300	Linear Feet	Total Cost Next 30-Years:	$27,905	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	to 30		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	5		Useful Life in Holly Springs, NC	to 35	Years
Estimated First Year of Replacement:	2031		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Low Priority		Priority Score	55	



Railings overview



Aluminum railings along Crossway Lane



Minor rust



Aluminum railing detail

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$0	**2039**	$0	**2049**	$0
2030	$0	**2040**	$0	**2050**	$0
2031	$27,905	**2041**	$0	**2051**	$0
2032	$0	**2042**	$0	**2052**	$0
2033	$0	**2043**	$0	**2053**	$0
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

Component includes replacement of the metal picket style railings along Crossway Lane. The railings appear in overall fair condition with minor instances of rust. We recommend budgeting for replacement by 2031.

Signage, Monument, Renovations (Signs and Walls)

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 7.40% **Line Item: 7**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	1	Allowance	Current Unit Cost:	$18,000.00	
Replacement Per Phase:	1	Allowance	Current Cost Per Phase:	$18,000	
Replaced in Next 30-Years:	2	Allowance	Total Cost Next 30-Years:	$81,901	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	to 30		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	7		Useful Life in Holly Springs, NC	15 to 20	Years
Estimated First Year of Replacement:	2033		Full or Partial Replacement:	Full	200.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	64	



Monument sign overview



Masonry wall at faux bridge



Masonry wall detail



Gap at cap stone

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$0	**2039**	$0	**2049**	$0
2030	$0	**2040**	$0	**2050**	$0
2031	$0	**2041**	$0	**2051**	$0
2032	$0	**2042**	$0	**2052**	$0
2033	$24,332	**2043**	$0	**2053**	$57,569
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

This component includes the masonry signs and walls located at the site entries and along the faux bridge structures along the common way. The entrance monument provides a good first impression to guests and potential owners and the times and costs of repairs and replacement are usually driven by aesthetic concerns. We recommend the association budget for renovations by 2033 and again by 2053.

TERMS AND DEFINITIONS
(Definitions are derived from the standards set forth by the Community Association Institute, C.A.I.)

CASH FLOW METHOD: A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

CURRENT COST OF REPLACEMENT: That amount required today derived from the quantity of the Reserve Component and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current local market prices for materials, labor and manufacturing equipment, contractor' overhead, profit and fees, but without provisions for building permits, over time, bonuses for labor or premiums for material and equipment. We include removal and disposal costs in the cost of replacement where applicable.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate Association representative(s) of the association or cooperative.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED BALANCE: Fully Funded Balance = (Current Cost * Effective Age / Useful Life) + [(Current Cost * Effective Age / Useful Life) / (1+Interest Rate) ^ Remaining Life] - [(Current Cost * Effective Age / Useful Life) / (1+Inflation Rate) ^ Remaining Life]

FUNDING PLAN: An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUTURE COST OF REPLACEMENT: Reserve Expenditure derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for material, labor and equipment.

LONG-LIVED COMPONENTS: Property components of Association responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

PERCENT FUNDED: Current Reserve Balance / Fully Funded Balance for All Reserve Components

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

RECOMMENDED FUNDING: The stated purpose of this Reserve Study to determine the adequate, not excessive, future annual, reasonable Reserve Contributions to fund future Reserve Expenditures.

REMAINING YEARS UNTIL REPLACEMENT: Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash ReservesBased upon information provided and not audited.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present

RESOURCES USED

Building Reserves INC., uses different national and local data to conduct its professional services. A concise list of several of these resources follows.

Association of Construction Inspectors - The largest professional organization for those involved in providing inspection and construction project management. ACI is the leading association providing standards, guild lines, regulations, education and training.

Community Association Institute – America's leading advocate for responsible communities noted as the only national organization. Their mission is to assist communities in promoting harmony, community, and responsible leadership.

Marshall & Swift/ Boeckh (MS/B) – The worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at http://www.msbinfo.com

R.S. Means Costworks – North America's leading supplier of construction cost information. A member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects, found on the web at http://www.rsmeans.com

Service Contract

Contract Date: 2/25/2026

Customer: Sunset Ridge North Association, Inc. - Master Cost Center

SERVICE CONTRACT ("Agreement")
This Agreement is between Building Reserves, Inc. ("BR"), 310 Busse Highway #280, Park Ridge, IL 60068, and the above-named Customer ("Customer"). This Agreement incorporates BR's Proposal and any riders (collectively, the "Proposal"). If there is a conflict, the Proposal controls as to scope/fees, and this Agreement controls as to legal terms.
1) Services; Professional Standard; Purpose; Conflicts Disclosure
BR performs reserve study and/or transition study services as an independent contractor in accordance with applicable professional practice standards (including CAI National Reserve Study Standards, as applicable). BR's compensation is not contingent upon any conclusion, opinion, or outcome. Reserve Study purpose: A reserve study is a practical budgeting and capital planning tool that identifies reserve funding status, prioritizes anticipated capital repair/replacement projects, and presents BR's professional opinions regarding timing and estimated cost of future repair/replacement expenditures for commonly-owned and/or Association-owned infrastructure, based on information reasonably available at the time of the Study.
Transition Study purpose: A transition study documents observable physical condition of commonly-owned components at/near turnover, based on a non-invasive visual inspection. It is not a warranty inspection, guarantee of condition, or certification of proper installation/performance. Other involvement(s) / conflicts: BR shall disclose any existing or anticipated involvement(s) between BR (or any BR affiliate, employee, or subcontractor) and the Property/Customer (including, without limitation, maintenance programs, vendor introductions, insurance/lender engagements, construction consulting, or other paid or unpaid services) that could create an actual or perceived conflict of interest. Unless expressly stated in the Proposal, BR's role under this Agreement is limited to the services described herein and BR does not act as Customer's property manager, contractor, broker, fiduciary, or agent.
2) Scope; Deliverables; Preventive Maintenance & Structural Inspection Disclosures
BR will complete the services selected in the Proposal, subject to Customer-provided information and safe site access. Depending on selected services, the Study may include document/financial review, a Responsibility Matrix, and a non-invasive on-site inspection led by a degreed engineer supported by photos/field notes. Deliverables include the PDF report(s) and supporting Excel model(s)/tools (as applicable), plus reasonable virtual post-delivery support (collectively, the "Reports"). Optional planning add-ons may include the Preventative Maintenance Blueprint™ and Calendar™ Package and/or an Insurance Advisory Report if included in the Proposal.
Preventive Maintenance disclosure: Preventive maintenance materially affects component life-cycle costs and can affect structural safety. Customer acknowledges (i) BR does not create or implement Customer's preventive maintenance program unless expressly included in the Proposal, and (ii) BR's reserve study will include a disclosure summarizing preventive maintenance discussions with association representatives and the extent of preventive maintenance being employed as disclosed by Customer. Component notes: Any information provided by Customer regarding ongoing maintenance or repair being performed on any component will be included, to the extent practicable, within the notes for that component in every full or site-visit reserve study. Client disclosure limitation: BR can only be aware of preventive maintenance plans/programs and maintenance/repair activity that have been disclosed to BR by Customer in writing and/or during the inspection process. Periodic structural inspection disclosure: The reserve study shall include a summary of any discussion regarding periodic structural inspection reports (or the lack thereof). Customer acknowledges BR typically lacks information to incorporate necessary corrective maintenance costs and timing unless Customer provides BR a copy of the most recent periodic structural inspection report(s) (if any) and related findings.
3) Subject Matter Experts; Outside Scope Recommendations
The Reports are not a substitute for specialized professional services outside BR's scope or business model. Where conditions, risks, or uncertainties warrant, BR may recommend that Customer consult appropriate subject matter experts, which may include (as applicable): structural engineer, building envelope/façade consultant, roofing consultant, mechanical/electrical/plumbing engineer, geotechnical engineer, fire protection/life safety specialist, environmental consultant (e.g., asbestos/mold), code/ADA consultant, construction attorney, insurance broker/coverage counsel, and/or licensed contractors for invasive investigation, design/specification, testing, code compliance, and/or repair means/methods.
4) Fees; Payment
Customer will pay the fee per the Proposal. Unless otherwise stated: 50% retainer due at signing (before inspection and/or delivery of the Initial Report) and 50% due within 30 days after delivery of the Initial Report. Late balances accrue 1.5% per month (or the maximum allowed by law, if less). BR may stop work and/or withhold deliverables if amounts are not paid when due.

Service Contract

Contract Date: 2/25/2026

Customer: Sunset Ridge North Association, Inc. - Master Cost Center

5) Customer Cooperation; Information; Assumptions; Update-Report Reliance
Customer will provide timely access for any onsite inspection (if included) and will use best efforts to provide governing documents, financials, plans/specs (if available), warranties, punch lists, prior reports, and other information reasonably requested by BR. BR may rely on information provided by Customer and/or third parties without independent verification.
FOR UPDATES ONLY – Previous Reports: For update reports, Customer acknowledges the current reserve study is reliant on the validity and accuracy of prior reserve studies and prior component listings/assumptions except as modified by new information or updated observations.
FOR UPDATES ONLY – Component Quantities: For update with site visit and update with no site visit levels of service, Customer is deemed to have affirmed that previously developed component quantities are accurate and reliable unless Customer provides written corrections.
6) Inspection Limitations; Exclusions; Periodic Building Inspections; UAVs
Any onsite inspection is a visual, non-invasive observation only; BR performs no testing.
Periodic Building Inspections / structural integrity: Structural integrity evaluations, invasive investigation, and periodic building inspections (including structural inspection reports) are not included in the reserve study unless expressly noted in the Proposal. BR does not investigate or opine on statutory/regulatory/code compliance; concealed/latent conditions; or conditions not readily apparent/accessible at the time of inspection. For transition studies, BR does not open walls, remove finishes, dismantle components, perform destructive testing, operate every system, or verify installation details not readily observable; BR does not determine cause or assign fault/liability to any party. BR does not investigate or assume responsibility for hazardous materials/environmental conditions (asbestos, mold, toxins, contamination). Sloped roofs are observed from ground level; flat roofs only when safe access is available as determined by BR.
UAVs: Customer grants BR the right to operate unmanned aerial vehicles (UAVs/drones) on/from the premises where BR deems appropriate, subject to safety and applicable law. If no onsite inspection is included, BR's work relies on Customer-provided information and BR disclaims liability arising from missing/incorrect onsite conditions.
7) Unfunded Components; 30-Year Horizon
Unless specifically noted, the components included within the Study are those with an anticipated remaining useful life that falls within thirty (30) years from the time the field observations used in preparing the Study were performed. Items outside that window, components not observable/accessible, or components not identified as common/association responsibility may be excluded or treated as unfunded unless otherwise stated.
8) Reports; Revisions; Reliance; Scope Limitations & Outside Expertise
BR will deliver an initial report (the "Initial Report"). If Customer requests revisions within six (6) months of the Initial Report and provides new information in writing (preferably in a concise list), BR will provide up to two (2) revised reports (the "Final Report(s)"). If no revision is requested within six (6) months, the Initial Report is deemed final.
The Reports represent a snapshot in time as of the inspection/analysis period. BR's opinions/estimates are not a representation, warranty, or guarantee of actual costs, quantities, conditions, useful life, timing, insurability, code compliance, or performance.
Scope limitations & recommendations: Clear recommendations may appear within the reserve study where the association has been advised to retain outside expertise to supplement BR's evaluation. Customer agrees that decisions to retain and schedule, or defer such outside investigations or repairs are solely Customer's responsibility.
Reliance and permitted sharing: Customer may use/share the Reports solely for planning and decision-making for the Property with its directors/officers, members, property manager, accountants, attorneys, lenders, and insurance professionals who have a legitimate need to review them. No other third party may rely on the Reports. Customer will not post, sell, or provide the Reports to any party that performs reserve studies (or similar services) without BR's written consent.
Dispute support: Expert services, adverse meetings, depositions, testimony, or litigation/arbitration support are outside scope unless separately agreed in writing at BR's then-current rates.
Insurance Advisory Report (if included): Planning only; BR is not an insurance broker/agent; BR does not review policies, determine coverage/limits/deductibles, or guarantee underwriting/claims outcomes.

Service Contract

Contract Date: 2/25/2026

Customer: Sunset Ridge North Association, Inc. - Master Cost Center

9) Intellectual Property; Confidentiality; Data and Photo Use
All Reports, templates, methodologies, models, and BR work product are BR intellectual property. Customer owns its pre-existing documents/data provided to BR. Customer license to BR: Customer grants BR a non-exclusive, worldwide, royalty-free, perpetual license to use, store, reproduce, analyze, and create derivative works from (i) information provided by/for Customer and (ii) data collected or generated during performance of the Study, including photos, video, notes, measurements, counts, component attributes, and observations (collectively, "Inspection Data") for purposes including, but not limited to: performing the services and supporting Customer; internal quality control/training/audit/defensibility; developing and improving BR cost databases, estimating methods, benchmarking/analytics, reserve-planning tools; and developing/operating/improving BR products and services (including digital tools and automation).
10) Client List: Customer grants BR the right to list Customer's name (and general market/location and property type) in BR marketing materials and client lists.
11) Indemnification: Customer will indemnify, defend, and hold harmless BR and its officers, directors, employees, and agents from and against losses, claims, damages, and expenses (including reasonable attorneys' fees) arising from (i) false/misleading/incomplete/late information supplied by/for Customer; (ii) misuse of the Reports or providing the Reports to unauthorized third parties; or (iii) Customer's breach of this Agreement. Customer warrants it has rights necessary to provide any proprietary information to BR.
12) Limitation of Liability; No Consequential Damages NOTWITHSTANDING ANY OTHER PROVISION, BR'S TOTAL AGGREGATE LIABILITY (IF ANY) ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE SERVICES, OR THE REPORTS SHALL NOT EXCEED THE FEES ACTUALLY PAID TO BR FOR THE SERVICES UNDER THIS AGREEMENT. IN NO EVENT SHALL BR BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES (INCLUDING LOST PROFITS, LOST SAVINGS, OR BUSINESS INTERRUPTION), HOWEVER CAUSED, EVEN IF ADVISED OF THE POSSIBILITY.
13) Miscellaneous This Agreement and the Proposal are the entire agreement and supersede prior discussions. Amendments must be in writing and signed by both parties. If any provision is held invalid/unenforceable, the remainder will remain in effect. No waiver is effective unless in writing. This Agreement is governed by Wisconsin law (without conflict-of-laws rules). Exclusive venue and jurisdiction are the state or federal courts in Waukesha County, Wisconsin.


BUILDING
RESERVES