BUILDING
RESERVES



RESERVE STUDY

Sunset Ridge North Association, Inc. - Townhome 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
Email: PROPOSALS@BUILDINGRESERVES.COM
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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TABLE OF CONTENTS

Page

1) Report Introduction

What is a Reserve Study? 1-1
Executive Summary - Current and Recommended Funding 1-2
Executive Summary - Property Overview 1-3
Executive Summary - Near-Term Expenditures, Years 1-5 1-4
Executive Summary - Analysis Methods and Funding Strategies 1-5
Executive Summary - Financial Parameters 1-5
Executive Summary - Recommended Reserve Funding Plan 1-6
Executive Summary - Budget Forecast 1-6
Executive Summary - Interest and Inflation Rate Comparison 1-7
Classification of Reserve Components and Non-Reserve Components 1-8
Cost Considerations - Soft Costs 1-9
Responsibility Matrix 1-10

2) Component Priority

Priority Rating System 2-1
Priority Scoring System 2-2

3) Reserve Analysis

Quantity and Cost Projections 3-1
Life Analysis and Condition Assessment 3-2
30-Year Cash Flow 3-3
30-Year Cash Flow & Expenditures Displaying Years: 1-15 3-4
30-Year Cash Flow & Expenditures Displaying Years: 16-30 3-5
Division 1: Cash Flow & Expenditures Displaying Years 1-5 3-6
Division 2: Cash Flow & Expenditures Displaying Years 6-10 3-7
Division 3: Cash Flow & Expenditures Displaying Years 11-15 3-8
Division 4: Cash Flow & Expenditures Displaying Years 16-20 3-9
Division 5: Cash Flow & Expenditures Displaying Years 21-25 3-10
Division 6: Cash Flow & Expenditures Displaying Years 26-30 3-11

4) Component Evaluation Framework

EXTERNAL BUILDING COMPONENTS
Balconies, Wood Structure, Railings, and Decking, Replacement, Phased 4-1
Gutters and Downspouts, Aluminum, Replacement, Phased 4-2
Roofs, Asphalt Shingles, Replacement, Phased 4-3
Shutters, Vinyl, Replacement, Phased 4-4
Walls, Masonry, Capital Repairs (Incl. Masonry Stoops) 4-5
Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement 4-6
Walls, Siding, Fascia and Soffits, Replacement 4-7

SITE COMPONENTS
Asphalt Alleys, Crack Repair, Patch and Seal Coat 4-8
Asphalt Alleys, Repaving, Replacement, Phased 4-9
Catch Basins, Capital Repairs, Phased 4-10
Concrete Sidewalks and Stoops, Partial Replacement 4-11
Fencing, Wood, Replacement, Phased 4-12

TABLE OF CONTENTS

	Page
Irrigation System, Replacement, Phased	4-13
Railings, Wood and Vinyl, Replacement	4-14

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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Client Reference Number: 21468-2026-U

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:	$193,703
Current Annual Reserve Contribution:	**$105,431**
Current Reserve Contribution Per Unit Per Month (Average):	$98.72
Current Total Income	$261,297
Current Percentage of Total Income to Reserve Account:	40.35%

(Unaudited Cash Status Of the Reserve Fund)

Full Funding and Percentage Funded

Fully Funded Balance (Refer to Terms & Definitions for More Information)	$1,779,347.21
Percent Funded (Refer to Terms & Definitions for More Information)	10.89%

Recommended Funding

Recommended Fund Start as of:	January 1, 2027
Recommended Annual Reserve Contribution:	**$121,700**
Per Unit Per Month (Average):	*$113.95*
Recommended Special Assessments:	**$0**
Per Unit Per Month (Average):	*$0.00*
Total Recommended Reserve Contribution:	**$121,700**
Per Unit Per Month (Average):	*$113.95*

Recommended Adjustment

Recommended Adjustment in Annual Reserve Contribution:	**$16,269**
Per Unit Per Month (Average):	*$15.23*

Total Suggested Annual Reserve Contributions For Next 30-Years

Year	$	% Adjustment	Year	$	% Adjustment	Year	$	% Adjustment
2027	$121,700	15.4%	2037	$242,100	4.4%	2047	$372,400	4.4%
2028	$138,000	13.4%	2038	$252,800	4.4%	2048	$388,800	4.4%
2029	$154,300	11.8%	2039	$263,900	4.4%	2049	$405,900	4.4%
2030	$170,600	10.6%	2040	$275,500	4.4%	2050	$423,800	4.4%
2031	$186,900	9.6%	2041	$287,600	4.4%	2051	$442,400	4.4%
2032	$195,100	4.4%	2042	$300,300	4.4%	2052	$461,900	4.4%
2033	$203,700	4.4%	2043	$313,500	4.4%	2053	$482,200	4.4%
2034	$212,700	4.4%	2044	$327,300	4.4%	2054	$503,400	4.4%
2035	$222,100	4.4%	2045	$341,700	4.4%	2055	$525,500	4.4%
2036	$231,900	4.4%	2046	$356,700	4.4%	2056	$548,600	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:	89
Number of Buildings:	15
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				
12	Fencing, Wood, Replacement, Phased	SITE COMPONENTS	70	Fair	$44,805
13	Irrigation System, Replacement, Phased	SITE COMPONENTS	73	Fair	$60,667
				2029 Total:	**$105,472**
	2030 Expenditures				
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	EXTERNAL BUILDING COMPONENTS	85	Fair	$116,420
4	Shutters, Vinyl, Replacement, Phased	EXTERNAL BUILDING COMPONENTS	60	Fair	$23,498
13	Irrigation System, Replacement, Phased	SITE COMPONENTS	73	Fair	$63,336
				2030 Total:	**$203,254**
	2031 Expenditures				
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	EXTERNAL BUILDING COMPONENTS	85	Fair	$121,543
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	EXTERNAL BUILDING COMPONENTS	58	Very Good	$114,679
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat	SITE COMPONENTS	74	Fair	$15,801
11	Concrete Sidewalks and Stoops, Partial Replacement	SITE COMPONENTS	64	Good	$10,048
12	Fencing, Wood, Replacement, Phased	SITE COMPONENTS	70	Fair	$48,834
13	Irrigation System, Replacement, Phased	SITE COMPONENTS	73	Fair	$66,123
14	Railings, Wood and Vinyl, Replacement	SITE COMPONENTS	66	Fair	$64,492
				2031 Total:	**$441,519**

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.

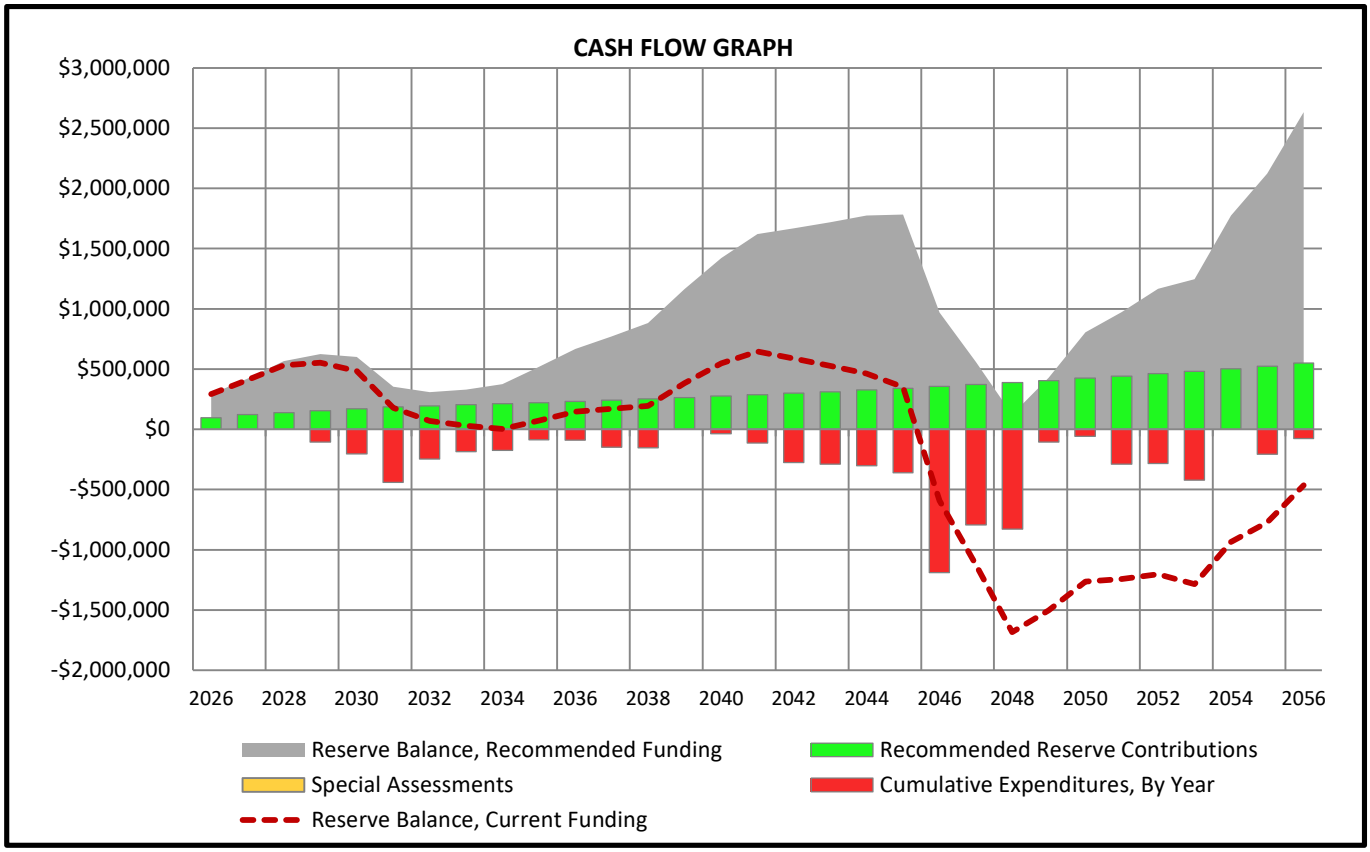
- Building Reserves has established recommended reserve contributions, which are adjusted upwards annually to stay ahead of inflationary costs of labor, equipment, and materials. The reserve recommendations help to ensure that the reserve balance is positive, healthy, and above a minimum threshold in 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	**89**
Current Total Income	**$261,296.88**
Obtained from the Annual Budget, provided by the Board of Directors and/or management.	
Current Annual Reserve Contribution	**$105,430.88**
Obtained from the Annual Budget, provided by the Board of Directors and/or management.	
Current Monthly Reserve Contribution	**$8,785.91**
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	**$193,702.89**
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	**$293,764.45**
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")	**10.89%**
*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	$155,866		$105,431		$261,297	

2027 - 2031 Budget Forecast						
Year	Operating	Operating % Adjustment	Reserve	Reserve % Adjustment	Total	Budget % Adjustment
2027	$162,724	4.4%	$121,700	15.4%	$284,424	8.9%
2028	$169,884	4.4%	$138,000	13.4%	$307,884	8.2%
2029	$177,359	4.4%	$154,300	11.8%	$331,659	7.7%
2030	$185,163	4.4%	$170,600	10.6%	$355,763	7.3%
2031	$193,310	4.4%	$186,900	9.6%	$380,210	6.9%

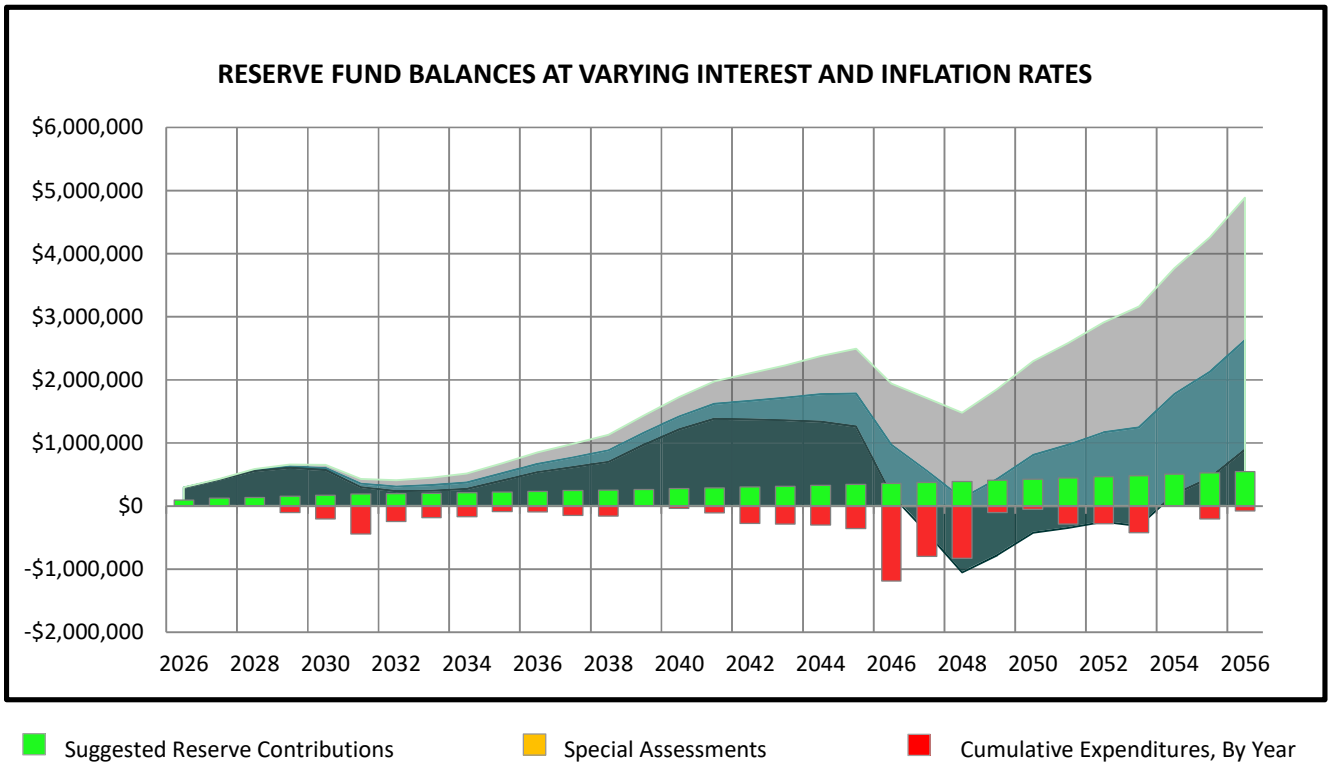
The scope of this Reserve Study is strictly limited to reserve contribution recommendations, and we cannot comment on the need to adjust operating expenses. Our recommendations for reserve contributions are independent of any changes to operating expenses.

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: $1,543,230.18

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

- 30-Year Cumulative Interest: $449,660.59
- 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: $120,284.30

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 **$4,000**

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.

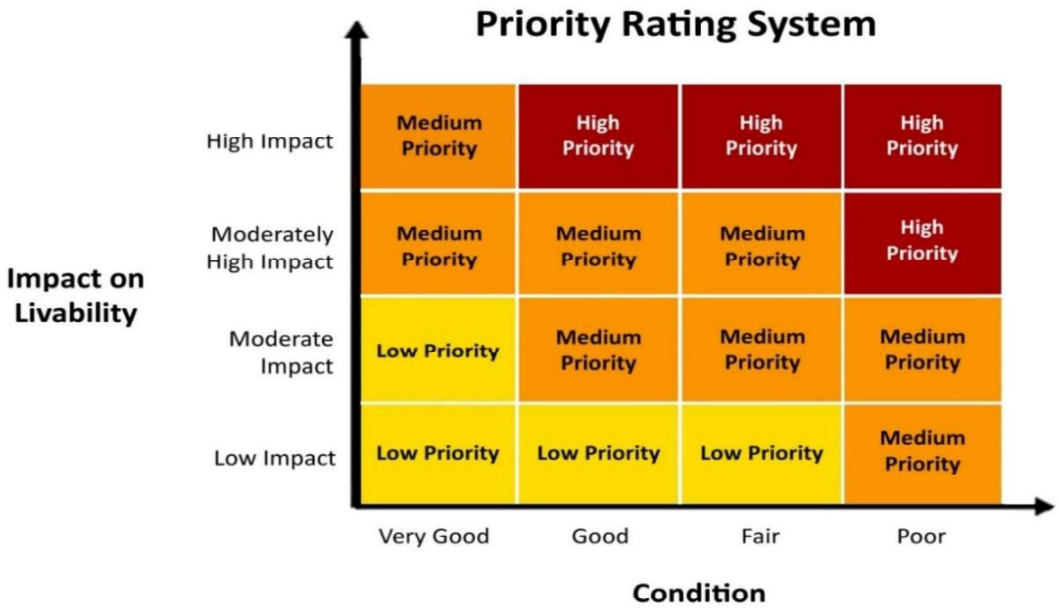
	association responsibility				
Component Name	**Reserve**	**Operating**	**Long-Lived**	**Owner**	**Other**
Asphalt Alleys, Crack Repair, Patch and Seal Coat	X				
Asphalt Alleys, Repaving, Replacement, Phased	X				
Attic Insulation				X	
Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	X				
Catch Basins, Capital Repairs, Phased	X				
Clubhouse and Pool					X
Concrete Sidewalks and Stoops, Partial Replacement	X				
Concrete, Driveways				X	
Concrete, Patios				X	
Doors				X	
Electrical Systems, Serving Individual Unit(s)				X	
Fencing, Wood, Paint Finishes		X			
Fencing, Wood, Replacement, Phased	X				
Fire Hydrants					X
Foundations			X		
Garage Doors and Operators				X	
Gutters and Downspouts, Aluminum, Replacement, Phased	X				
Heating, Ventilation, and Air Conditioning				X	
Interiors				X	
Irrigation System, Annual Repairs and Interim Controller Replacements		X			
Irrigation System, Replacement, Phased	X				
Irrigation, Serving Individual Unit(s)				X	
Items Maintained through the Alleys Cost Center					X
Items Maintained through the Master Cost Center					X
Landscape		X			
Light Fixtures, Exterior				X	
Mailbox Kiosks (United States Postal Service)					X
Maintenance Items Normally Funded through the Operating Budget		X			
Paint Finishes, Touch-Up		X			
Pipes, Subsurface Utilities, Laterals, Sanitary Sewer				X	
Pipes, Subsurface Utilities, Laterals, Water Supply				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, At Stoops				X	
Railings, Wood and Vinyl, Replacement	X				
Retaining Walls, Concrete			X		
Roof Inspections, Preventative Maintenance, and Repairs		X			
Roofs, Asphalt Shingles, Replacement, Phased	X				
Roofs, Metal			X		
Sealants and Caulking		X			
Sheds				X	
Shutters, Vinyl, Replacement, Phased	X				
Streets (Pavement, Curb and Gutter, Sidewalks, Light Poles, and Catch Basins)					X
Structural Building Frames			X		
Units and Lots, Single Family					X
Utility Boxes and Meters					X
Walls, Fiber Cement Siding, Complete Replacement			X		
Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)	X				

RESPONSIBILITY MATRIX

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	association responsibility				
Component Name	**Reserve**	**Operating**	**Long-Lived**	**Owner**	**Other**
Walls, Siding, Fascia and Soffits, Replacement	X				
Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	X				
Windows				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
	EXTERNAL BUILDING COMPONENTS			
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	Medium Priority	Fair	Moderately High Impact
2	Gutters and Downspouts, Aluminum, Replacement, Phased	Medium Priority	Good	Moderately High Impact
3	Roofs, Asphalt Shingles, Replacement, Phased	High Priority	Good	High Impact
4	Shutters, Vinyl, Replacement, Phased	Medium Priority	Fair	Moderate Impact
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)	Medium Priority	Good	Moderately High Impact
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	Medium Priority	Very Good	Moderately High Impact
7	Walls, Siding, Fascia and Soffits, Replacement			
	SITE COMPONENTS			
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat	Medium Priority	Fair	Moderate Impact
9	Asphalt Alleys, Repaving, Replacement, Phased	Medium Priority	Fair	Moderately High Impact
10	Catch Basins, Capital Repairs, Phased	Medium Priority	Fair	Moderate Impact
11	Concrete Sidewalks and Stoops, Partial Replacement	Medium Priority	Good	Moderate Impact
12	Fencing, Wood, Replacement, Phased	Medium Priority	Fair	Moderate Impact
13	Irrigation System, Replacement, Phased	Medium Priority	Fair	Moderate Impact
14	Railings, Wood and Vinyl, Replacement	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

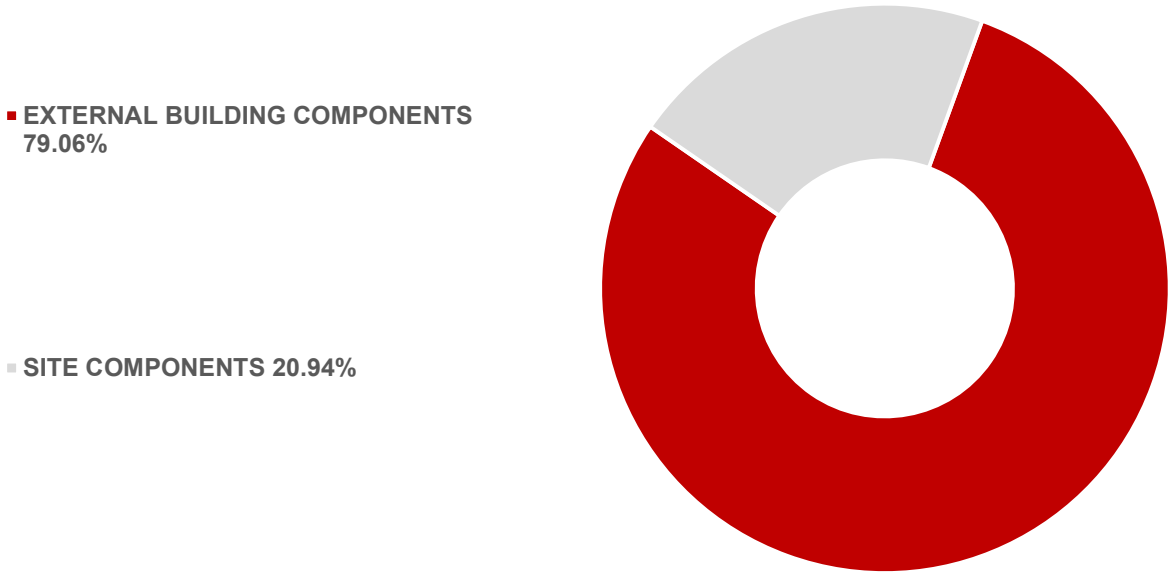
Weighted least heavily in the priority score rating

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
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	4	4	6	6	**85**
3	Roofs, Asphalt Shingles, Replacement, Phased	16	8	10	9	**80**
9	Asphalt Alleys, Repaving, Replacement, Phased	10	5	6	7	**79**
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)	8	6	7	6	**76**
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat	5	5	5	7	**74**
13	Irrigation System, Replacement, Phased	3	4	4	4	**73**
10	Catch Basins, Capital Repairs, Phased	10	5	5	5	**72**
12	Fencing, Wood, Replacement, Phased	3	4	3	6	**70**
2	Gutters and Downspouts, Aluminum, Replacement, Phased	16	8	8	7	**68**
14	Railings, Wood and Vinyl, Replacement	5	5	4	4	**66**
11	Concrete Sidewalks and Stoops, Partial Replacement	5	6	5	4	**64**
4	Shutters, Vinyl, Replacement, Phased	4	5	3	3	**60**
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	5	9	7	9	**58**

QUANTITY AND COST PROJECTIONS FOR NEXT 30-YEARS

Graph Illustrates Total Future Cost of Replacement By Property Class

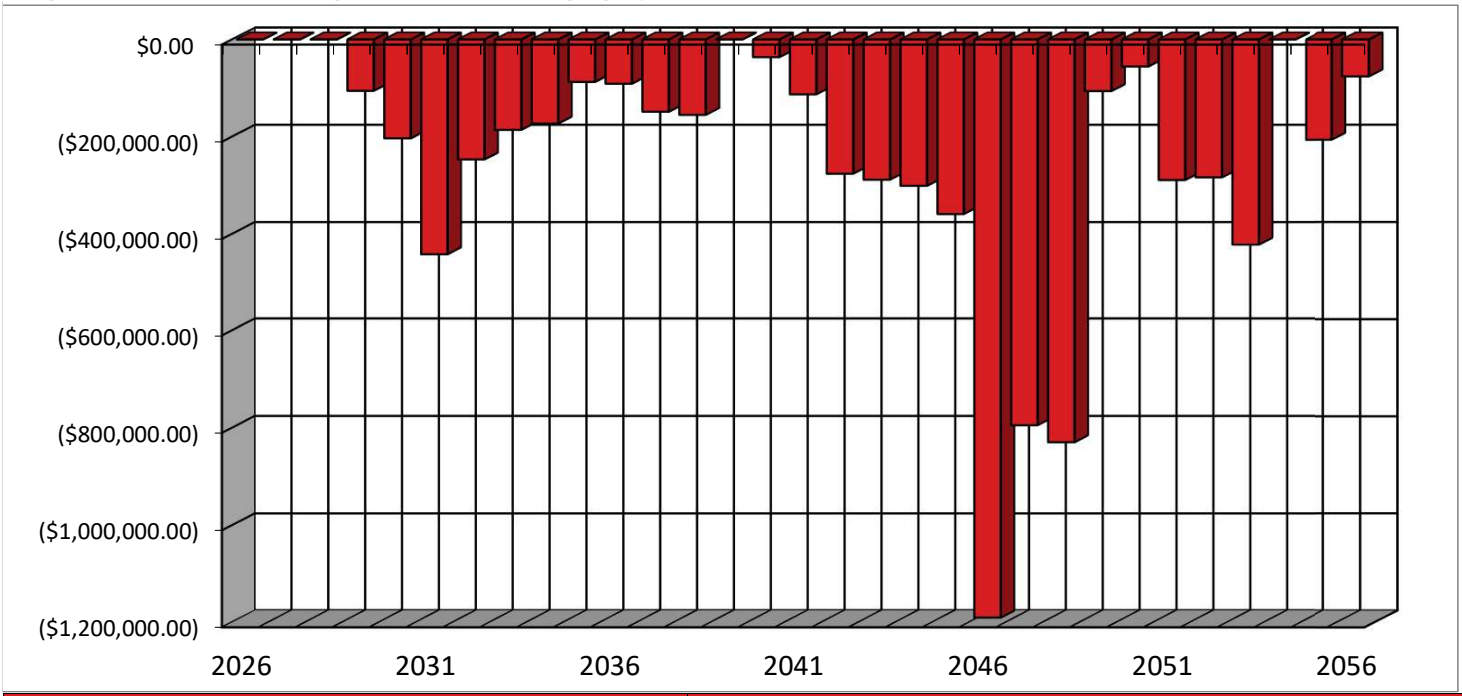
Total Future Cost of Replacement, All Property Classes: $7,461,496



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
	EXTERNAL BUILDING COMPONENTS						
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	Square Feet	1,400	5,600	$70.00	$98,000	$497,327
2	Gutters and Downspouts, Aluminum, Replacement, Phased	Linear Feet	3,419	13,675	$16.00	$54,700	$465,382
3	Roofs, Asphalt Shingles, Replacement, Phased	Squares	381	1,525	$220.00	$83,875	$713,599
4	Shutters, Vinyl, Replacement, Phased	Pairs	92	552	$215.00	$19,780	$258,157
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)	Square Feet	61,255	122,510	$2.00	$122,510	$462,748
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	Square Feet	40,203	241,215	$2.30	$92,466	$1,116,905
7	Walls, Siding, Fascia and Soffits, Replacement	Square Feet	26,802	80,405	$12.00	$321,620	$2,384,752
	SITE COMPONENTS						
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat	Square Yards	3,640	21,840	$3.50	$12,740	$145,735
9	Asphalt Alleys, Repaving, Replacement, Phased	Square Yards	910	3,640	$42.00	$38,220	$334,279
10	Catch Basins, Capital Repairs, Phased	Each	2	8	$1,600.00	$3,200	$27,988
11	Concrete Sidewalks and Stoops, Partial Replacement	Square Feet	426	2,559	$19.00	$8,102	$110,394
12	Fencing, Wood, Replacement, Phased	Linear Feet	563	4,500	$70.00	$39,375	$689,613
13	Irrigation System, Replacement, Phased	Square Feet	41,012	123,035	$1.30	$53,315	$190,126
14	Railings, Wood and Vinyl, Replacement	Linear Feet	800	800	$65.00	$52,000	$64,492

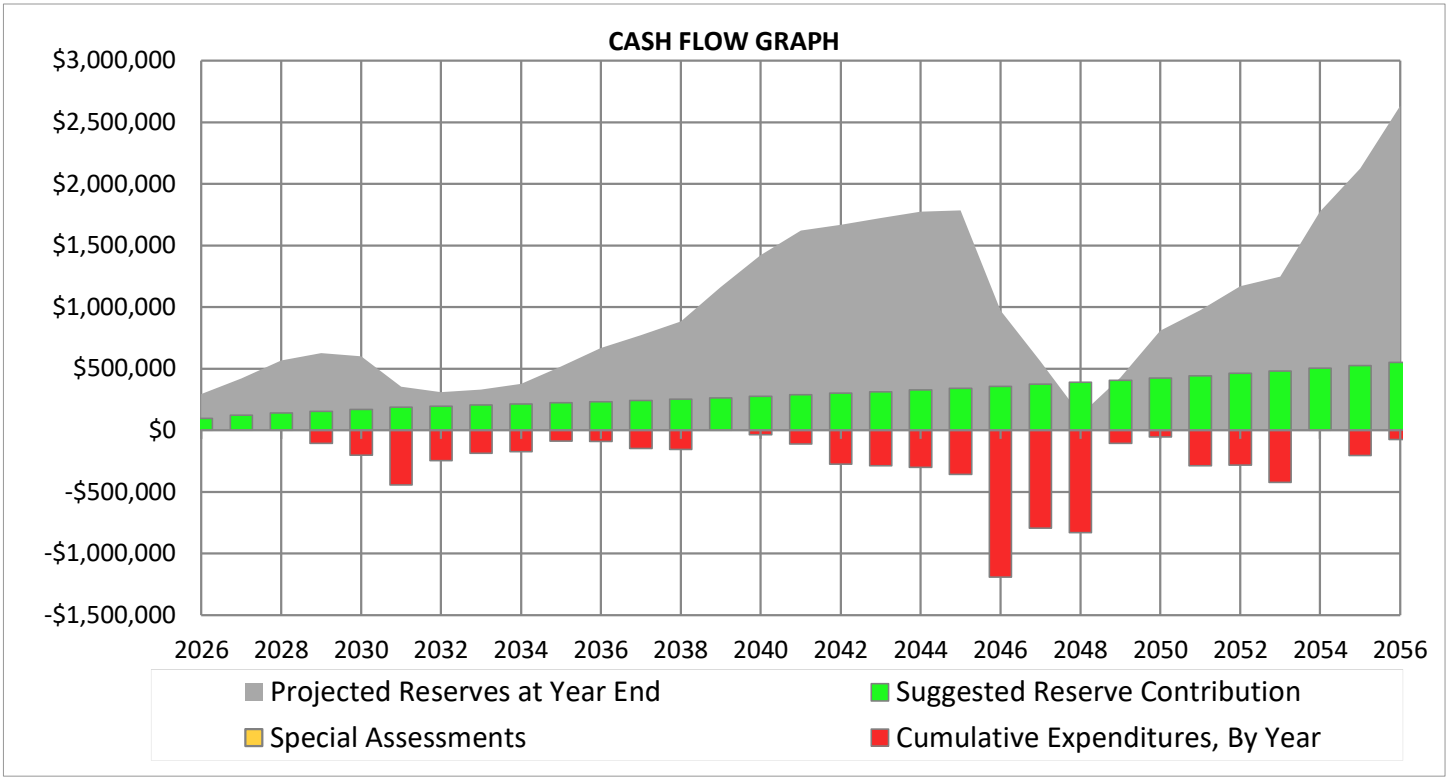
LIFE ANALYSIS AND CONDITION ASSESSMENT

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
	EXTERNAL BUILDING COMPONENTS					
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	25 to 35	4	2030	30	Fair
2	Gutters and Downspouts, Aluminum, Replacement, Phased	20 to 25	16	2042	1 to 4	Good
3	Roofs, Asphalt Shingles, Replacement, Phased	15 to 20	16	2042	1 to 4	Good
4	Shutters, Vinyl, Replacement, Phased	20 to 25	4	2030	Varies	Fair
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)	8 to 12	8	2034	Varies	Good
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	4 to 6	5	2031	to 1	Very Good
7	Walls, Siding, Fascia and Soffits, Replacement	50+	20	2046	30	
	SITE COMPONENTS					
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat	3 to 5	5	2031	Varies	Fair
9	Asphalt Alleys, Repaving, Replacement, Phased	15 to 20	10	2036	Varies	Fair
10	Catch Basins, Capital Repairs, Phased	15 to 20	10	2036	Varies	Fair
11	Concrete Sidewalks and Stoops, Partial Replacement	to 65	5	2031	Varies	Good
12	Fencing, Wood, Replacement, Phased	15 to 20	3	2029	<14	Fair
13	Irrigation System, Replacement, Phased	to 35	3	2029	to 30	Fair
14	Railings, Wood and Vinyl, Replacement	to 35	5	2031	Varies	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	$193,703	$293,764	$420,925	$566,470	$624,399	$601,109	$353,786	$307,323	$330,194	$375,394	$517,158
+	Suggested Reserve Contribution	$96,645	$121,700	$138,000	$154,300	$170,600	$186,900	$195,100	$203,700	$212,700	$222,100	$231,900
	Annual Reserve Adjustment (%)		15.4%	13.4%	11.8%	10.6%	9.6%	4.4%	4.4%	4.4%	4.4%	4.4%
+	Special Assessments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
+	Estimated Interest Earned	$3,417	$5,461	$7,545	$9,100	$9,364	$7,297	$5,052	$4,871	$5,392	$6,820	$9,050
+	Cumulative Expenditure, By Year	$0	$0	$0	-$105,472	-$203,254	-$441,519	-$246,615	-$185,700	-$172,892	-$87,156	-$90,870
=	Projected Reserves at Year End	$293,764	$420,925	$566,470	$624,399	$601,109	$353,786	$307,323	$330,194	$375,394	$517,158	$667,238

		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	$667,238	$771,848	$882,267	$1,161,786	$1,420,877	$1,619,005	$1,668,435	$1,719,691	$1,772,867	$1,782,863
+	Suggested Reserve Contribution	$242,100	$252,800	$263,900	$275,500	$287,600	$300,300	$313,500	$327,300	$341,700	$356,700
	Annual Reserve Adjustment (%)	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
+	Special Assessments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
+	Estimated Interest Earned	$10,996	$12,639	$15,619	$19,735	$23,228	$25,120	$25,889	$26,687	$27,170	$21,035
+	Cumulative Expenditure, By Year	-$148,486	-$155,020	$0	-$36,144	-$112,700	-$275,990	-$288,133	-$300,811	-$358,873	-$1,190,575
=	Projected Reserves at Year End	$771,848	$882,267	$1,161,786	$1,420,877	$1,619,005	$1,668,435	$1,719,691	$1,772,867	$1,782,863	$970,024

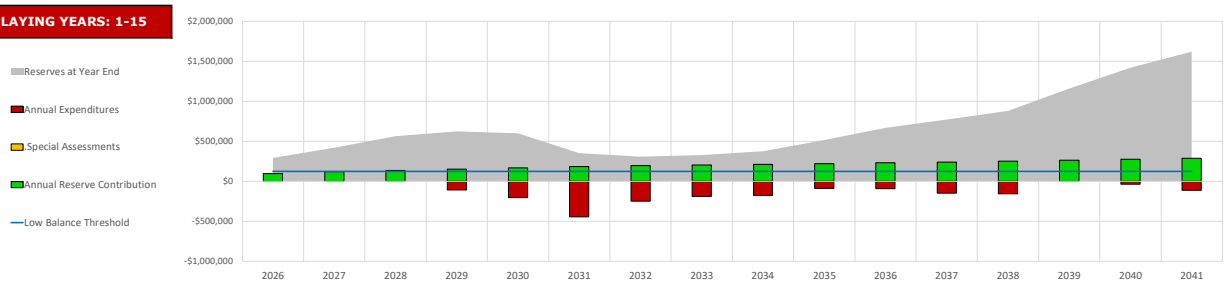
		21	22	23	24	25	26	27	28	29	30
		2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
+	Reserves at Beginning of Year	$970,024	$559,687	$124,333	$428,450	$806,088	$973,191	$1,168,189	$1,247,184	$1,773,667	$2,122,732
+	Suggested Reserve Contribution	$372,400	$388,800	$405,900	$423,800	$442,400	$461,900	$482,200	$503,400	$525,500	$548,600
	Annual Reserve Adjustment (%)	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
+	Special Assessments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
+	Estimated Interest Earned	$11,689	$5,227	$4,224	$9,433	$13,596	$16,363	$18,456	$23,083	$29,773	$36,330
+	Cumulative Expenditure, By Year	-$794,426	-$829,381	-$106,006	-$55,595	-$288,893	-$283,266	-$421,661	$0	-$206,208	-$75,849
=	Projected Reserves at Year End	$559,687	$124,333	$428,450	$806,088	$973,191	$1,168,189	$1,247,184	$1,773,667	$2,122,732	$2,631,812

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

Sunset Ridge North Association, Inc. - Townhome Cost Center

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Financial Inputs and Outputs	
Interest Rate:	1.54%
Inflation Rate:	4.40%
Reserve Balance:	$193,702.89
Reserve Balance Date:	01/31/26
Current Total Income:	$261,296.88
Current Annual Reserve Contribution:	$105,430.88
Current Monthly Reserve Contribution:	$8,785.91
Remaining Months Until Start Date of Recommendations:	11
Start Date of Recommendations:	01/01/27
Fiscal Year:	Jan. 1 - Dec. 31
Low Balance Threshold:	$124,000.00
Critical Year (Low Balance):	2048



.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	$193,703	$293,764	$420,925	$566,470	$624,399	$601,109	$353,786	$307,323	$330,194	$375,394	$517,158	$667,238	$771,848	$882,267	$1,161,786	$1,420,877
.Annual Reserve Contribution	$96,645	$121,700	$138,000	$154,300	$170,600	$186,900	$195,100	$203,700	$212,700	$222,100	$231,900	$242,100	$252,800	$263,900	$275,500	$287,600
.Annual Reserve Adjustment (%)		15.43%	13.39%	11.81%	10.56%	9.55%	4.39%	4.41%	4.42%	4.42%	4.41%	4.40%	4.42%	4.39%	4.40%	4.39%
.Recommended Adjustment /unit/month ave ($)		$15.23	$15.26	$15.26	$15.26	$15.26	$7.68	$8.05	$8.43	$8.80	$9.18	$9.55	$10.02	$10.39	$10.86	$11.33
.Special Assessments																
.Interest Earned	$3,417	$5,461	$7,545	$9,100	$9,364	$7,297	$5,052	$4,871	$5,392	$6,820	$9,050	$10,996	$12,639	$15,619	$19,735	$23,228
.Annual Expenditures	$0	$0	$0	-$105,472	-$203,254	-$441,519	-$246,615	-$185,700	-$172,892	-$87,156	-$90,870	-$148,486	-$155,020	$0	-$36,144	-$112,700
.Reserves at Year End	$293,764	$420,925	$566,470	$624,399	$601,109	$353,786	$307,323	$330,194	$375,394	$517,158	$667,238	$771,848	$882,267	$1,161,786	$1,420,877	$1,619,005
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

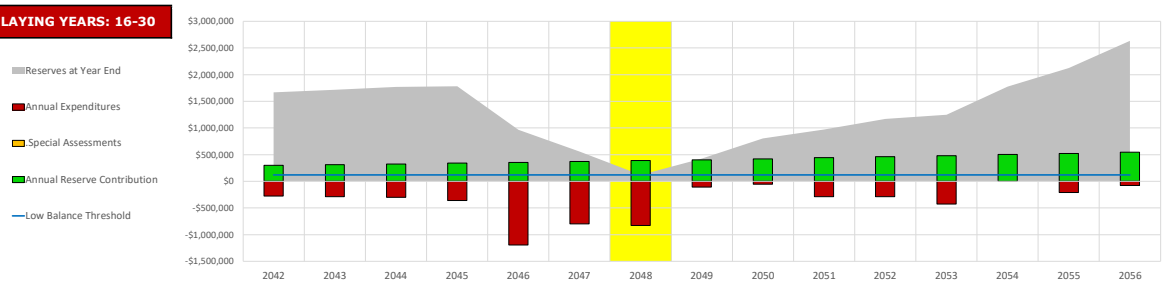
Line Item	Reserve Component	Priority Score - Priority Rating	Percentage of Future Expenditures	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
	EXTERNAL BUILDING COMPONENTS																		
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	85 - Medium Priority	6.67%					$116,420	$121,543	$126,890	$132,474								
2	Gutters and Downspouts, Aluminum, Replacement, Phased	68 - Medium Priority	6.24%																
3	Roofs, Asphalt Shingles, Replacement, Phased	80 - High Priority	9.56%																
4	Shutters, Vinyl, Replacement, Phased	60 - Medium Priority	3.46%					$23,498					$29,143					$36,144	
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)	76 - Medium Priority	6.20%									$172,892							
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	58 - Medium Priority	14.97%						$114,679	$119,725					$148,486	$155,020			
7	Walls, Siding, Fascia and Soffits, Replacement		31.96%																
	SITE COMPONENTS																		
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat	74 - Medium Priority	1.95%						$15,801					$14,697					$18,228
9	Asphalt Alleys, Repaving, Replacement, Phased	79 - Medium Priority	4.48%											$58,789					$72,912
10	Catch Basins, Capital Repairs, Phased	72 - Medium Priority	0.38%											$4,922					$6,105
11	Concrete Sidewalks and Stoops, Partial Replacement	64 - Medium Priority	1.48%						$10,048					$12,462					$15,456
12	Fencing, Wood, Replacement, Phased	70 - Medium Priority	9.24%				$44,805		$48,834		$53,226		$58,013						
13	Irrigation System, Replacement, Phased	73 - Medium Priority	2.55%				$60,667	$63,336	$66,123										
14	Railings, Wood and Vinyl, Replacement	66 - Medium Priority	0.86%						$64,492										

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

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BUILDING RESERVES



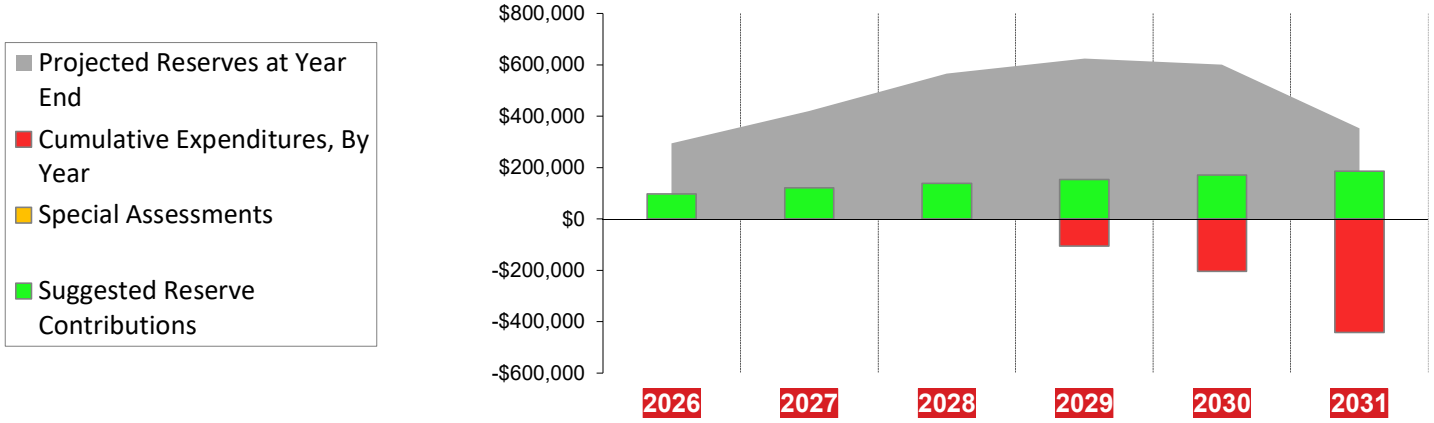
	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
.Inflation Rate (By Year)	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%
.Critical Year (Lowest Balance Year) ------>							Critical Year								
.Reserves at Beginning of Year	$1,619,005	$1,668,435	$1,719,691	$1,772,867	$1,782,863	$970,024	$559,687	$124,333	$428,450	$806,088	$973,191	$1,168,189	$1,247,184	$1,773,667	$2,122,732
.Annual Reserve Contribution	$300,300	$313,500	$327,300	$341,700	$356,700	$372,400	$388,800	$405,900	$423,800	$442,400	$461,900	$482,200	$503,400	$525,500	$548,600
.Annual Reserve Adjustment (%)	4.42%	4.40%	4.40%	4.40%	4.39%	4.40%	4.40%	4.40%	4.41%	4.39%	4.41%	4.39%	4.40%	4.39%	4.40%
.Recommended Adjustment /unit/month ave ($)	$11.89	$12.36	$12.92	$13.48	$14.04	$14.70	$15.36	$16.01	$16.76	$17.42	$18.26	$19.01	$19.85	$20.69	$21.63
.Special Assessments															
.Interest Earned	$25,120	$25,889	$26,687	$27,170	$21,035	$11,689	$5,227	$4,224	$9,433	$13,596	$16,363	$18,456	$23,083	$29,773	$36,330
.Annual Expenditures	-$275,990	-$288,133	-$300,811	-$358,873	-$1,190,574	-$794,426	-$829,381	-$106,006	-$55,595	-$288,893	-$283,266	-$421,661	$0	-$206,208	-$75,849
.Reserves at Year End	$1,668,435	$1,719,691	$1,772,867	$1,782,863	$970,024	$559,687	$124,333	$428,450	$806,088	$973,191	$1,168,189	$1,247,184	$1,773,667	$2,122,732	$2,631,812

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
	EXTERNAL BUILDING COMPONENTS																	
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	85 - Medium Priority	6.67%															
2	Gutters and Downspouts, Aluminum, Replacement, Phased	68 - Medium Priority	6.24%	$108,942	$113,735	$118,740	$123,964											
3	Roofs, Asphalt Shingles, Replacement, Phased	80 - High Priority	9.56%	$167,048	$174,398	$182,071	$190,082											
4	Shutters, Vinyl, Replacement, Phased	60 - Medium Priority	3.46%				$44,827					$55,595					$68,951	
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)	76 - Medium Priority	6.20%					$289,855										
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	58 - Medium Priority	14.97%											$283,266	$295,729			
7	Walls, Siding, Fascia and Soffits, Replacement		31.96%					$760,945	$794,426	$829,381								
	SITE COMPONENTS																	
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat	74 - Medium Priority	1.95%					$22,607					$28,038					$46,364
9	Asphalt Alleys, Repaving, Replacement, Phased	79 - Medium Priority	4.48%					$90,428					$112,151					
10	Catch Basins, Capital Repairs, Phased	72 - Medium Priority	0.38%					$7,571					$9,390					
11	Concrete Sidewalks and Stoops, Partial Replacement	64 - Medium Priority	1.48%					$19,169					$23,774					$29,485
12	Fencing, Wood, Replacement, Phased	70 - Medium Priority	9.24%								$106,006		$115,540		$125,931		$137,257	
13	Irrigation System, Replacement, Phased	73 - Medium Priority	2.55%															
14	Railings, Wood and Vinyl, Replacement	66 - Medium Priority	0.86%															

BUILDING RESERVES

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

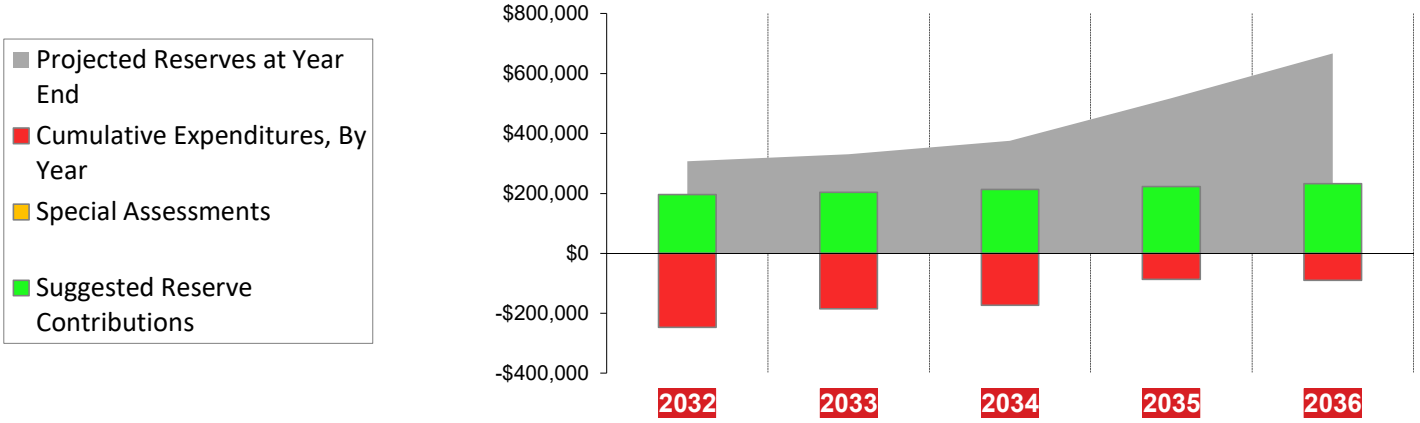
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves:** 1.54%



+	**Reserves at Beginning of Year**	**193,703**	**293,764**	**420,925**	**566,470**	**624,399**	**601,109**
+	**Suggested Reserve Contribution**	**96,645**	**121,700**	**138,000**	**154,300**	**170,600**	**186,900**
	Annual Reserve Adjustment (%)		**15.4%**	**13.4%**	**11.8%**	**10.6%**	**9.6%**
+	**Special Assessments**						
+	**Estimated Interest Earned on Invested Reserves**	**3,417**	**5,461**	**7,545**	**9,100**	**9,364**	**7,297**
+	**Cumulative Expenses, By Year**				**-105,472**	**-203,254**	**-441,519**
=	**Projected Reserves at Year End**	**293,764**	**420,925**	**566,470**	**624,399**	**601,109**	**353,786**
Line Item	**Reserve Component Listed by Property Class**	**2026**	**1**	**2**	**3**	**4**	**5**
		2026	**2027**	**2028**	**2029**	**2030**	**2031**
	EXTERNAL BUILDING COMPONENTS						
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased					116,420	121,543
2	Gutters and Downspouts, Aluminum, Replacement, Phased						
3	Roofs, Asphalt Shingles, Replacement, Phased						
4	Shutters, Vinyl, Replacement, Phased					23,498	
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)						
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement						114,679
7	Walls, Siding, Fascia and Soffits, Replacement						
	SITE COMPONENTS						
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat						15,801
9	Asphalt Alleys, Repaving, Replacement, Phased						
10	Catch Basins, Capital Repairs, Phased						
11	Concrete Sidewalks and Stoops, Partial Replacement						10,048
12	Fencing, Wood, Replacement, Phased				44,805		48,834
13	Irrigation System, Replacement, Phased				60,667	63,336	66,123
14	Railings, Wood and Vinyl, Replacement						64,492

DIVISION 2: CASHFLOW & EXPENDITURES DISPLAYING YEARS 6-10

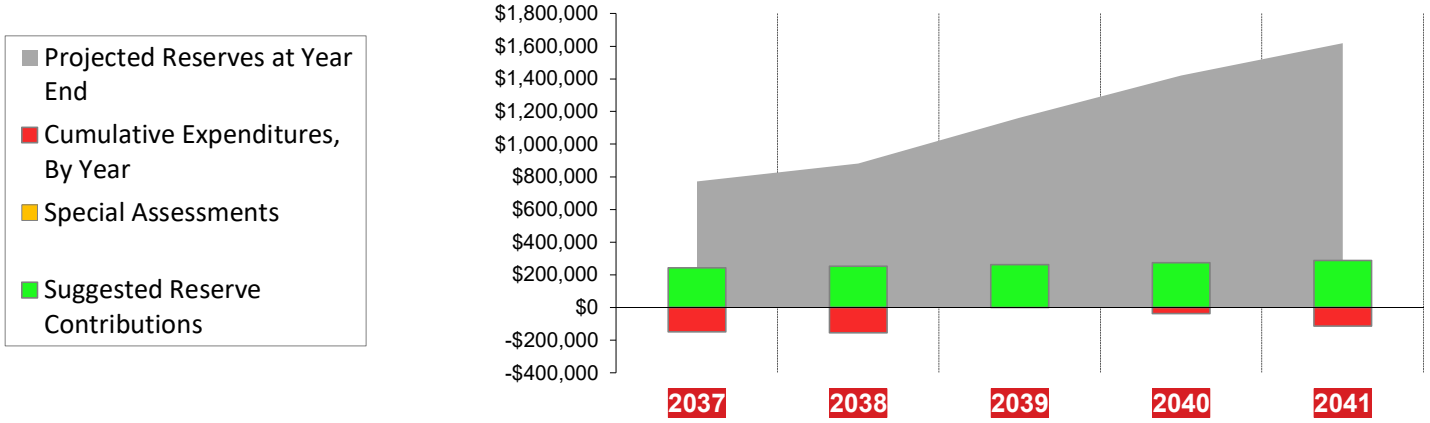
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves: 1.54%**



+	**Reserves at Beginning of Year**	**353,786**	**307,323**	**330,194**	**375,394**	**517,158**
+	**Suggested Reserve Contribution**	**195,100**	**203,700**	**212,700**	**222,100**	**231,900**
	Annual Reserve Adjustment (%)	**4.4%**	**4.4%**	**4.4%**	**4.4%**	**4.4%**
+	**Special Assessments**					
+	**Estimated Interest Earned on Invested Reserves**	**5,052**	**4,871**	**5,392**	**6,820**	**9,050**
+	**Cumulative Expenditure, By Year**	**-246,615**	**-185,700**	**-172,892**	**-87,156**	**-90,870**
=	**Projected Reserves at Year End**	**307,323**	**330,194**	**375,394**	**517,158**	**667,238**
Line Item	**Reserve Component Listed by Property Class**	**6**	**7**	**8**	**9**	**10**
		2032	**2033**	**2034**	**2035**	**2036**
	EXTERNAL BUILDING COMPONENTS					
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased	126,890	132,474			
2	Gutters and Downspouts, Aluminum, Replacement, Phased					
3	Roofs, Asphalt Shingles, Replacement, Phased					
4	Shutters, Vinyl, Replacement, Phased				29,143	
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)			172,892		
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	119,725				
7	Walls, Siding, Fascia and Soffits, Replacement					
	SITE COMPONENTS					
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat					14,697
9	Asphalt Alleys, Repaving, Replacement, Phased					58,789
10	Catch Basins, Capital Repairs, Phased					4,922
11	Concrete Sidewalks and Stoops, Partial Replacement					12,462
12	Fencing, Wood, Replacement, Phased		53,226		58,013	
13	Irrigation System, Replacement, Phased					
14	Railings, Wood and Vinyl, Replacement					

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

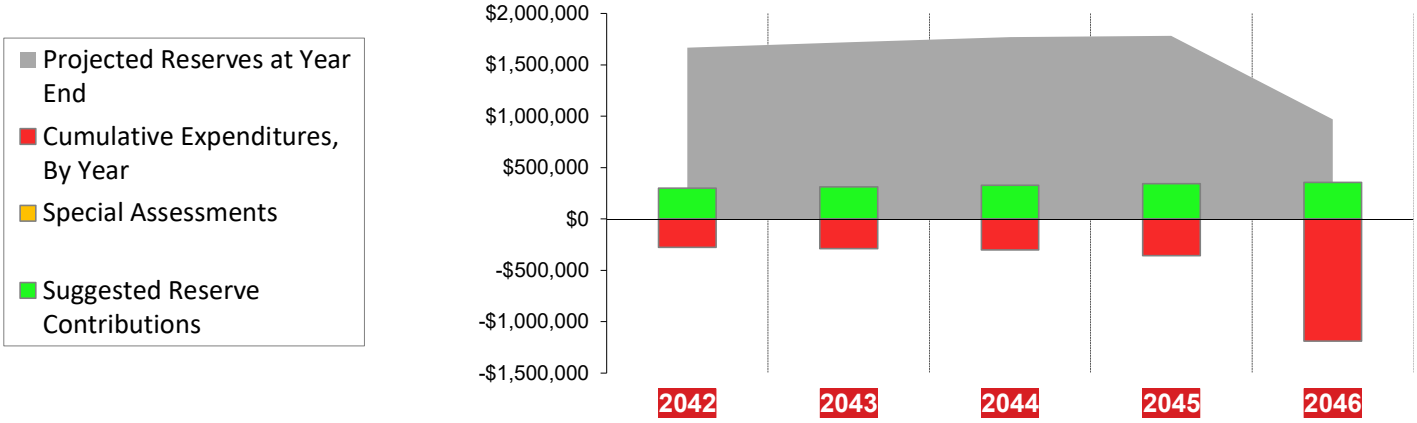
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves: 1.54%**



+	**Reserves at Beginning of Year**	**667,238**	**771,848**	**882,267**	**1,161,786**	**1,420,877**
+	**Suggested Reserve Contribution**	**242,100**	**252,800**	**263,900**	**275,500**	**287,600**
	Annual Reserve Adjustment (%)	**4.4%**	**4.4%**	**4.4%**	**4.4%**	**4.4%**
+	**Special Assessments**					
+	**Estimated Interest Earned on Invested Reserves**	**10,996**	**12,639**	**15,619**	**19,735**	**23,228**
+	**Cumulative Expenditure, By Year**	**-148,486**	**-155,020**		**-36,144**	**-112,700**
=	**Projected Reserves at Year End**	**771,848**	**882,267**	**1,161,786**	**1,420,877**	**1,619,005**
Line Item	**Reserve Component Listed by Property Class**	**11**	**12**	**13**	**14**	**15**
		2037	**2038**	**2039**	**2040**	**2041**
	EXTERNAL BUILDING COMPONENTS					
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased					
2	Gutters and Downspouts, Aluminum, Replacement, Phased					
3	Roofs, Asphalt Shingles, Replacement, Phased					
4	Shutters, Vinyl, Replacement, Phased				36,144	
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)					
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	148,486	155,020			
7	Walls, Siding, Fascia and Soffits, Replacement					
	SITE COMPONENTS					
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat					18,228
9	Asphalt Alleys, Repaving, Replacement, Phased					72,912
10	Catch Basins, Capital Repairs, Phased					6,105
11	Concrete Sidewalks and Stoops, Partial Replacement					15,456
12	Fencing, Wood, Replacement, Phased					
13	Irrigation System, Replacement, Phased					
14	Railings, Wood and Vinyl, Replacement					

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

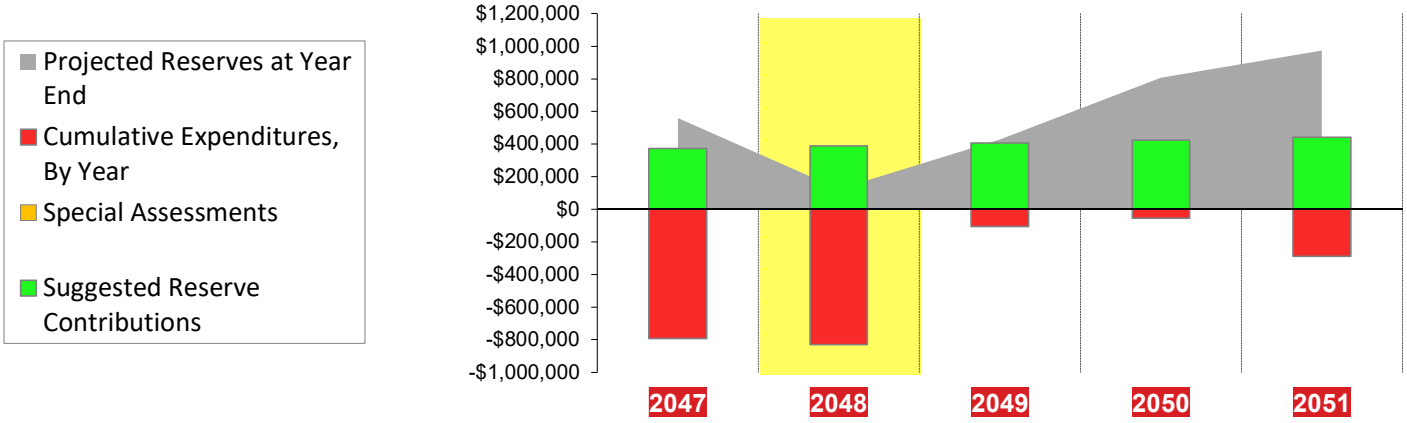
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves: 1.54%**



+	**Reserves at Beginning of Year**	**1,619,005**	**1,668,435**	**1,719,691**	**1,772,867**	**1,782,863**
+	**Suggested Reserve Contribution**	**300,300**	**313,500**	**327,300**	**341,700**	**356,700**
	Annual Reserve Adjustment (%)	**4.4%**	**4.4%**	**4.4%**	**4.4%**	**4.4%**
+	**Special Assessments**					
+	**Estimated Interest Earned on Invested Reserves**	**25,120**	**25,889**	**26,687**	**27,170**	**21,035**
+	**Cumulative Expenditure, By Year**	**-275,990**	**-288,133**	**-300,811**	**-358,873**	**-1,190,575**
=	**Projected Reserves at Year End**	**1,668,435**	**1,719,691**	**1,772,867**	**1,782,863**	**970,024**
Line Item	**Reserve Component Listed by Property Class**	**16**	**17**	**18**	**19**	**20**
		2042	**2043**	**2044**	**2045**	**2046**
	EXTERNAL BUILDING COMPONENTS					
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased					
2	Gutters and Downspouts, Aluminum, Replacement, Phased	108,942	113,735	118,740	123,964	
3	Roofs, Asphalt Shingles, Replacement, Phased	167,048	174,398	182,071	190,082	
4	Shutters, Vinyl, Replacement, Phased				44,827	
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)					289,855
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement					
7	Walls, Siding, Fascia and Soffits, Replacement					760,945
	SITE COMPONENTS					
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat					22,607
9	Asphalt Alleys, Repaving, Replacement, Phased					90,428
10	Catch Basins, Capital Repairs, Phased					7,571
11	Concrete Sidewalks and Stoops, Partial Replacement					19,169
12	Fencing, Wood, Replacement, Phased					
13	Irrigation System, Replacement, Phased					
14	Railings, Wood and Vinyl, Replacement					

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

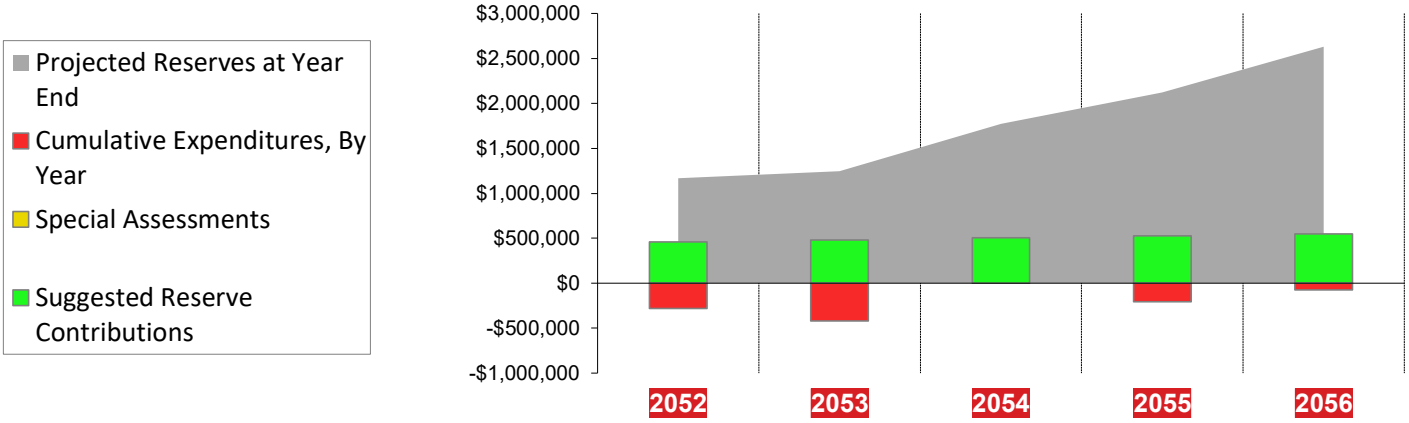
Local Inflationary Costs for Labor, Equipment and Materials: 4.40% **Interest Earned on Invested Reserves: 1.54%**



		2047	2048	2049	2050	2051
+	Reserves at Beginning of Year	970,024	559,687	124,333	428,450	806,088
+	Suggested Reserve Contribution	372,400	388,800	405,900	423,800	442,400
	Annual Reserve Adjustment (%)	4.4%	4.4%	4.4%	4.4%	4.4%
+	Special Assessments					
+	Estimated Interest Earned on Invested Reserves	11,689	5,227	4,224	9,433	13,596
+	Cumulative Expenditure, By Year	-794,426	-829,381	-106,006	-55,595	-288,893
=	Projected Reserves at Year End	559,687	124,333	428,450	806,088	973,191
Line Item	Reserve Component Listed by Property Class	21	22	23	24	25
		2047	2048	2049	2050	2051
	EXTERNAL BUILDING COMPONENTS					
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased					
2	Gutters and Downspouts, Aluminum, Replacement, Phased					
3	Roofs, Asphalt Shingles, Replacement, Phased					
4	Shutters, Vinyl, Replacement, Phased				55,595	
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)					
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement					
7	Walls, Siding, Fascia and Soffits, Replacement	794,426	829,381			
	SITE COMPONENTS					
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat					28,038
9	Asphalt Alleys, Repaving, Replacement, Phased					112,151
10	Catch Basins, Capital Repairs, Phased					9,390
11	Concrete Sidewalks and Stoops, Partial Replacement					23,774
12	Fencing, Wood, Replacement, Phased			106,006		115,540
13	Irrigation System, Replacement, Phased					
14	Railings, Wood and Vinyl, Replacement					

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%**



+	**Reserves at Beginning of Year**	**973,191**	**1,168,189**	**1,247,184**	**1,773,667**	**2,122,732**
+	**Suggested Reserve Contribution**	**461,900**	**482,200**	**503,400**	**525,500**	**548,600**
	Annual Reserve Adjustment (%)	**4.4%**	**4.4%**	**4.4%**	**4.4%**	**4.4%**
+	**Special Assessments**					
+	**Estimated Interest Earned on Invested Reserves**	**16,363**	**18,456**	**23,083**	**29,773**	**36,330**
+	**Cumulative Expenditure, By Year**	**-283,266**	**-421,661**		**-206,208**	**-75,849**
=	**Projected Reserves at Year End**	**1,168,189**	**1,247,184**	**1,773,667**	**2,122,732**	**2,631,812**
Line Item	**Reserve Component Listed by Property Class**	**26**	**27**	**28**	**29**	**30**
		2052	**2053**	**2054**	**2055**	**2056**
	EXTERNAL BUILDING COMPONENTS					
1	Balconies, Wood Structure, Railings, and Decking, Replacement, Phased					
2	Gutters and Downspouts, Aluminum, Replacement, Phased					
3	Roofs, Asphalt Shingles, Replacement, Phased					
4	Shutters, Vinyl, Replacement, Phased				68,951	
5	Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)					
6	Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement	283,266	295,729			
7	Walls, Siding, Fascia and Soffits, Replacement					
	SITE COMPONENTS					
8	Asphalt Alleys, Crack Repair, Patch and Seal Coat					46,364
9	Asphalt Alleys, Repaving, Replacement, Phased					
10	Catch Basins, Capital Repairs, Phased					
11	Concrete Sidewalks and Stoops, Partial Replacement					29,485
12	Fencing, Wood, Replacement, Phased		125,931		137,257	
13	Irrigation System, Replacement, Phased					
14	Railings, Wood and Vinyl, Replacement					

Balconies, Wood Structure, Railings, and Decking, Replacement, Phased

EXTERNAL BUILDING COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 6.67% **Line Item: 1**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	5,600	Square Feet	Current Unit Cost:	$70.00	
Replacement Per Phase:	1,400	Square Feet	Current Cost Per Phase:	$98,000	
Replaced in Next 30-Years:	5,600	Square Feet	Total Cost Next 30-Years:	$497,327	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	30		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	4		Useful Life in Holly Springs, NC	25 to 35	Years
Estimated First Year of Replacement:	2030		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	85	



Balconies overview



Typical balcony



Supporting structure at balcony



Balcony supporting structure 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	$116,420	**2040**	$0	**2050**	$0
2031	$121,543	**2041**	$0	**2051**	$0
2032	$126,890	**2042**	$0	**2052**	$0
2033	$132,474	**2043**	$0	**2053**	$0
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

Wood balconies and decks are located at 28 of the townhome units. These decks appear in overall fair condition and are reportedly original to construction. Based on condition, we recommend that the association budget for phased replacement of the balcony structures, railings, and decks from 2030-2033. Staining of the decks and railings is included in the exterior paint component.

Gutters and Downspouts, Aluminum, Replacement, Phased

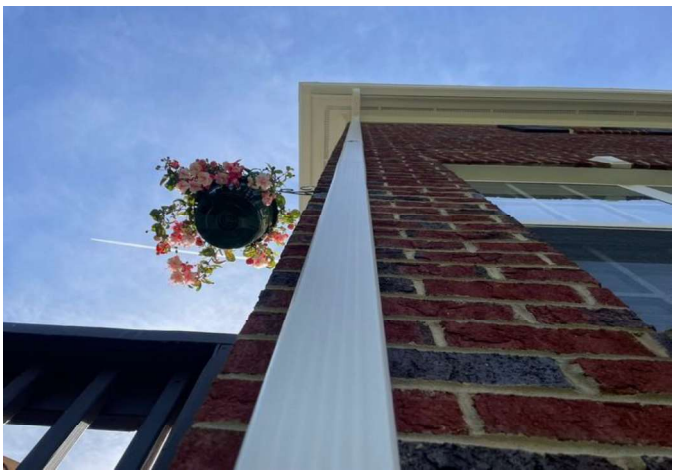
EXTERNAL BUILDING COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 6.24% **Line Item: 2**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	13,675	Linear Feet	Current Unit Cost:	$16.00	
Replacement Per Phase:	3,419	Linear Feet	Current Cost Per Phase:	$54,700	
Replaced in Next 30-Years:	13,675	Linear Feet	Total Cost Next 30-Years:	$465,382	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	1 to 4		Overall Current Condition:	Good	
Remaining Years Until Replacement:	16		Useful Life in Holly Springs, NC	20 to 25	Years
Estimated First Year of Replacement:	2042		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	68	



Gutter and downspout overview



Downspout overview



Fastener at downspout



Damaged downspout extension

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**	$108,942	**2052**	$0
2033	$0	**2043**	$113,735	**2053**	$0
2034	$0	**2044**	$118,740	**2054**	$0
2035	$0	**2045**	$123,964	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

Gutters and downspouts drain stormwater from the roofs to grade. The gutters and downspouts appear to have been replaced during the roof replacement project. We recommend the association budget for a subsequent phased replacement from 2042-2045, in coordination with the roofs. Periodic cleaning and repairs are recommended to be funded operationally in order to maximize the useful life and reduce damage to other components.

Roofs, Asphalt Shingles, Replacement, Phased

EXTERNAL BUILDING COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 9.56% **Line Item: 3**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	1,525	Squares	Current Unit Cost:	$220.00	
Replacement Per Phase:	381	Squares	Current Cost Per Phase:	$83,875	
Replaced in Next 30-Years:	1,525	Squares	Total Cost Next 30-Years:	$713,599	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	1 to 4		Overall Current Condition:	Good	
Remaining Years Until Replacement:	16		Useful Life in Holly Springs, NC	15 to 20	Years
Estimated First Year of Replacement:	2042		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	High Priority		Priority Score	80	



Asphalt shingle roof overview



Asphalt shingle roof in good condition



Asphalt shingles in good condition - note debris at gutter



Typical asphalt shingle roof

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**	$167,048	**2052**	$0
2033	$0	**2043**	$174,398	**2053**	$0
2034	$0	**2044**	$182,071	**2054**	$0
2035	$0	**2045**	$190,082	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

The asphalt shingles date to 2022-2025. The roofs appear in good condition, with no visible granular loss, shingle curling, or uplift. No active leaks were reported. We recommend the association budget for phased replacement of the roofs from 2042-2045. The association should fund inspections and repairs from the operating budget to maximize the remaining useful life of the roofs. Unit cost is based on the 2025 roof replacement quote.

Shutters, Vinyl, Replacement, Phased

EXTERNAL BUILDING COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 3.46% **Line Item: 4**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	368	Pairs	Current Unit Cost:	$215.00	
Replacement Per Phase:	92	Pairs	Current Cost Per Phase:	$19,780	
Replaced in Next 30-Years:	552	Pairs	Total Cost Next 30-Years:	$258,157	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	4		Useful Life in Holly Springs, NC	20 to 25	Years
Estimated First Year of Replacement:	2030		Full or Partial Replacement:	Full	150.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	60	



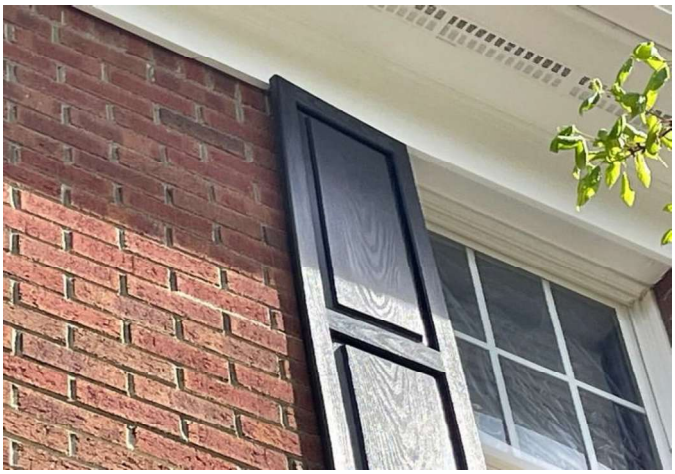
Vinyl shutters overview



Small pair of vinyl shutters



Shutter detail



Loose shutter

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	$23,498	**2040**	$36,144	**2050**	$55,595
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	$29,143	**2045**	$44,827	**2055**	$68,951
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

The association is responsible for replacement of the vinyl raised panel shutters located at homes and garages in the townhomes portion of the community. The vinyl shutters appear in overall fair condition and vary in age. Over time, the vinyl materials may become faded and brittle due to UV degradation. At the direction of management, we include an allowance to replace up to 25% of the shutters starting by 2030 and every 5 years thereafter.

Walls, Masonry, Capital Repairs (Incl. Masonry Stoops)

EXTERNAL BUILDING COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 6.20% **Line Item: 5**

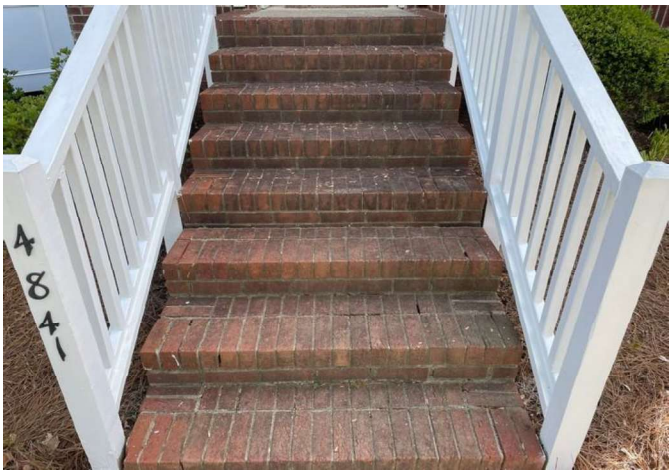
ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	61,255	Square Feet	Current Unit Cost:	$2.00	
Replacement Per Phase:	61,255	Square Feet	Current Cost Per Phase:	$122,510	
Replaced in Next 30-Years:	122,510	Square Feet	Total Cost Next 30-Years:	$462,748	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Good	
Remaining Years Until Replacement:	8		Useful Life in Holly Springs, NC	8 to 12	Years
Estimated First Year of Replacement:	2034		Full or Partial Replacement:	Full	200.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	76	



Masonry wall overview



Typical masonry



Masonry steps



Missing mortar at masonry steps

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	$0	**2043**	$0	**2053**	$0
2034	$172,892	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$289,855	**2056**	$0

Engineering Narrative

Brick masonry appears in good overall condition, though we note isolated locations of missing mortar. The masonry has a long useful life and should not require complete replacement. However, we recommend budgeting for partial mortar joint repointing, isolated masonry replacements, isolated lintel replacements, and improvements to flashing and weeps by 2034 and 2046.

Walls, Siding, Trim, Fascia and Soffits, Paint Finishes and Partial Replacement

EXTERNAL BUILDING COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 14.97% **Line Item: 6**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	80,405	Square Feet	Current Unit Cost:	$2.30	
Replacement Per Phase:	40,203	Square Feet	Current Cost Per Phase:	$92,466	
Replaced in Next 30-Years:	241,215	Square Feet	Total Cost Next 30-Years:	$1,116,905	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	to 1		Overall Current Condition:	Very Good	
Remaining Years Until Replacement:	5		Useful Life in Holly Springs, NC	4 to 6	Years
Estimated First Year of Replacement:	2031		Full or Partial Replacement:	Full	300.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	58	



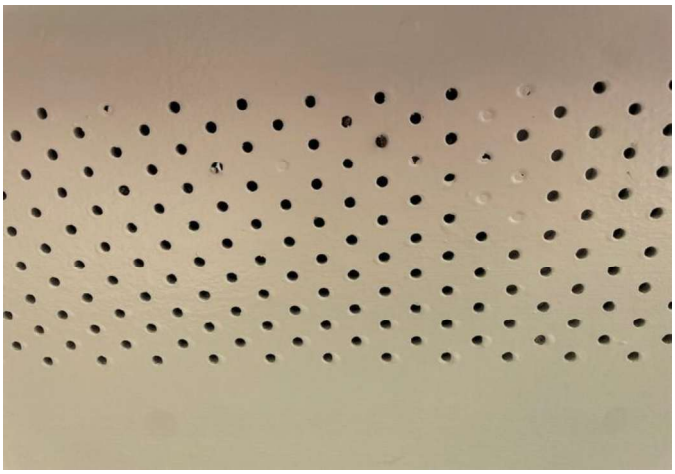
Exterior paint finishes overview



Surface finishes at soffits at fascia



Paint finish detail at siding



Paint finish at soffit - note partially obstructed vent holes

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$148,486	**2047**	$0
2028	$0	**2038**	$155,020	**2048**	$0
2029	$0	**2039**	$0	**2049**	$0
2030	$0	**2040**	$0	**2050**	$0
2031	$114,679	**2041**	$0	**2051**	$0
2032	$119,725	**2042**	$0	**2052**	$283,266
2033	$0	**2043**	$0	**2053**	$295,729
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$0	**2056**	$0

Engineering Narrative

The exterior paint finishes date to 2025 and 2026 and appear in overall very good condition. This work includes the costs for painting, partial replacements, caulking, and repairs to siding, soffits, fascia, trim, railings, and exterior walls. We recommend the association budget for phased paint finishes from 2031-2032 and every 6 years thereafter. Unit cost is based on recent work done. We discuss replacement of the siding on the next page.

Walls, Siding, Fascia and Soffits, Replacement

EXTERNAL BUILDING COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 31.96% **Line Item: 7**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	80,405	Square Feet	Current Unit Cost:	$12.00	
Replacement Per Phase:	26,802	Square Feet	Current Cost Per Phase:	$321,620	
Replaced in Next 30-Years:	80,405	Square Feet	Total Cost Next 30-Years:	$2,384,752	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	30		Overall Current Condition:	N/A	
Remaining Years Until Replacement:	20		Useful Life in Holly Springs, NC	50+	Years
Estimated First Year of Replacement:	2046		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	N/A		Priority Score	N/A	



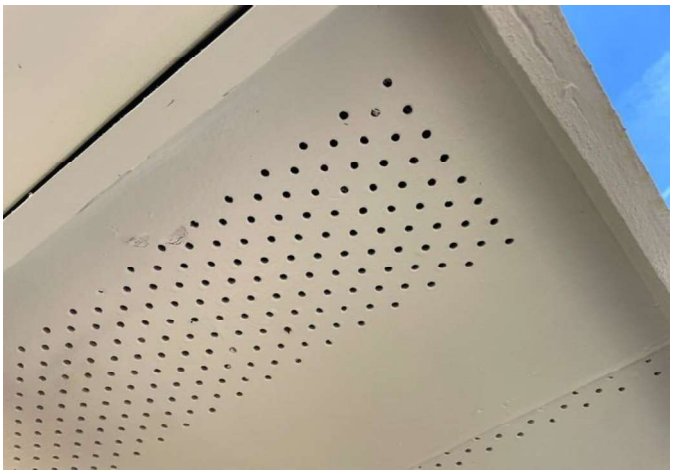
Fiber cement siding overview



Typical fiber cement siding



Composite soffit and fascia



Composite soffit and fascia detail

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$794,426
2028	$0	**2038**	$0	**2048**	$829,381
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	$0	**2043**	$0	**2053**	$0
2034	$0	**2044**	$0	**2054**	$0
2035	$0	**2045**	$0	**2055**	$0
2036	$0	**2046**	$760,945	**2056**	$0

Engineering Narrative

Fiber cement siding is the primary cladding on the buildings. This type of siding has a long useful life and requires periodic paint finish applications. This type of siding is resistant to moisture and pest damage. We recommend the association budget for phased replacement of the siding, soffits and faiscia from 2046-2048. We discuss paint finishes and repairs previously in this report.

Asphalt Alleys, Crack Repair, Patch and Seal Coat

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 1.95% **Line Item: 8**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	3,640	Square Yards	Current Unit Cost:	$3.50	
Replacement Per Phase:	3,640	Square Yards	Current Cost Per Phase:	$12,740	
Replaced in Next 30-Years:	21,840	Square Yards	Total Cost Next 30-Years:	$145,735	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	5		Useful Life in Holly Springs, NC	3 to 5	Years
Estimated First Year of Replacement:	2031		Full or Partial Replacement:	Full	600.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	74	



Satellite image of association maintained alleys outlined in red



Alley pavement overview - note crack



Crack at alley pavement

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	$15,801	**2041**	$18,228	**2051**	$28,038
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	$14,697	**2046**	$22,607	**2056**	$46,364

Engineering Narrative

Asphalt alleys, behind the townhome buildings and outlined in the satellite image above, are the responsibility of the townhomes. Other alleys are the responsibility of others. We include alley asphalt repairs, which include crack repairs, patching, and seal coating, every 5 years beginning by 2031. In instances where repairs coincide with replacement of pavement, we include repairs to only the areas not being replaced.

Asphalt Alleys, Repaving, Replacement, Phased

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 4.48% **Line Item: 9**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	3,640	Square Yards	Current Unit Cost:	$42.00	
Replacement Per Phase:	910	Square Yards	Current Cost Per Phase:	$38,220	
Replaced in Next 30-Years:	3,640	Square Yards	Total Cost Next 30-Years:	$334,279	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	10		Useful Life in Holly Springs, NC	15 to 20	Years
Estimated First Year of Replacement:	2036		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	79	



Satellite image of association maintained alleys outlined in red



Alley pavement overview



Cracked and damaged pavement

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**	$72,912	**2051**	$112,151
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	$58,789	**2046**	$90,428	**2056**	$0

Engineering Narrative

The alley pavement appears in overall fair condition with isolated instances of cracks and damage. Based on the varying ages, we recommend that the association budget for phased replacement of the asphalt alleys. We include phased replacement of alleys from 2036-2051. We discuss the need for timely repairs previously in this report.

Catch Basins, Capital Repairs, Phased

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 0.38% **Line Item: 10**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	8	Each	Current Unit Cost:	$1,600.00	
Replacement Per Phase:	2	Each	Current Cost Per Phase:	$3,200	
Replaced in Next 30-Years:	8	Each	Total Cost Next 30-Years:	$27,988	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	10		Useful Life in Holly Springs, NC	15 to 20	Years
Estimated First Year of Replacement:	2036		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	72	



Catch basin overview



Damage at catch basin



Catch basin interior



Catch basin interior

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**	$6,105	**2051**	$9,390
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	$4,922	**2046**	$7,571	**2056**	$0

Engineering Narrative

Storm water catch basins collect water from the alleys and direct it into an underground pipe system. Over time, the concrete collars, mortar and pipe connections may deteriorate, shift or sustain damage from vehicle loading. As the integrity of the basins is compromised, soil erosion may create voids that lead to potholes. We recommend the association budget for phased catch basin repairs in coordination with repaving, due to the interrelated nature of these elements.

Concrete Sidewalks and Stoops, Partial Replacement

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 1.48% **Line Item: 11**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	7,310	Square Feet	Current Unit Cost:	$19.00	
Replacement Per Phase:	426	Square Feet	Current Cost Per Phase:	$8,102	
Replaced in Next 30-Years:	2,559	Square Feet	Total Cost Next 30-Years:	$110,394	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		Overall Current Condition:	Good	
Remaining Years Until Replacement:	5		Useful Life in Holly Springs, NC	to 65	Years
Estimated First Year of Replacement:	2031		Full or Partial Replacement:	Partial	35.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	64	



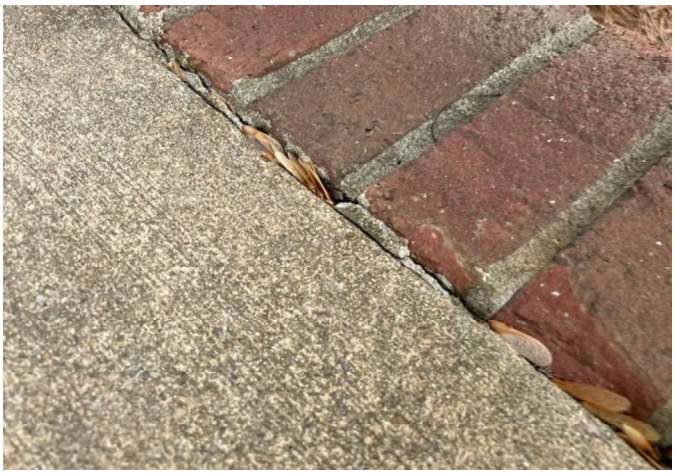
Concrete stoop overview



New unit walk



Replaced section of unit walk



Concrete stoop 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	$10,048	**2041**	$15,456	**2051**	$23,774
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	$12,462	**2046**	$19,169	**2056**	$29,485

Engineering Narrative

Component includes concrete stoops and walks at the front entries of the townhome units. The age of the concrete flatwork varies, and it appears in good overall 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 35% 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.

Fencing, Wood, Replacement, Phased

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 9.24% **Line Item: 12**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	2,250	Linear Feet	Current Unit Cost:	$70.00	
Replacement Per Phase:	563	Linear Feet	Current Cost Per Phase:	$39,375	
Replaced in Next 30-Years:	4,500	Linear Feet	Total Cost Next 30-Years:	$689,613	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	<14		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	3		Useful Life in Holly Springs, NC	15 to 20	Years
Estimated First Year of Replacement:	2029		Full or Partial Replacement:	Full	200.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	70	



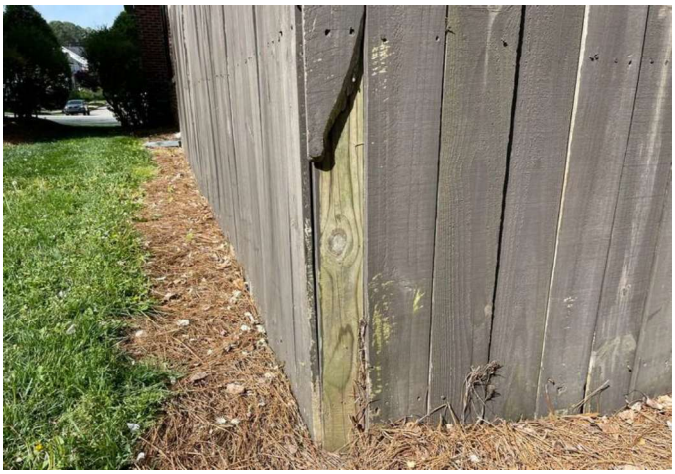
Wood fencing overview



Wood fencing at unit



Gap at fencing



Damaged fencing

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$44,805	**2039**	$0	**2049**	$106,006
2030	$0	**2040**	$0	**2050**	$0
2031	$48,834	**2041**	$0	**2051**	$115,540
2032	$0	**2042**	$0	**2052**	$0
2033	$53,226	**2043**	$0	**2053**	$125,931
2034	$0	**2044**	$0	**2054**	$0
2035	$58,013	**2045**	$0	**2055**	$137,257
2036	$0	**2046**	$0	**2056**	$0

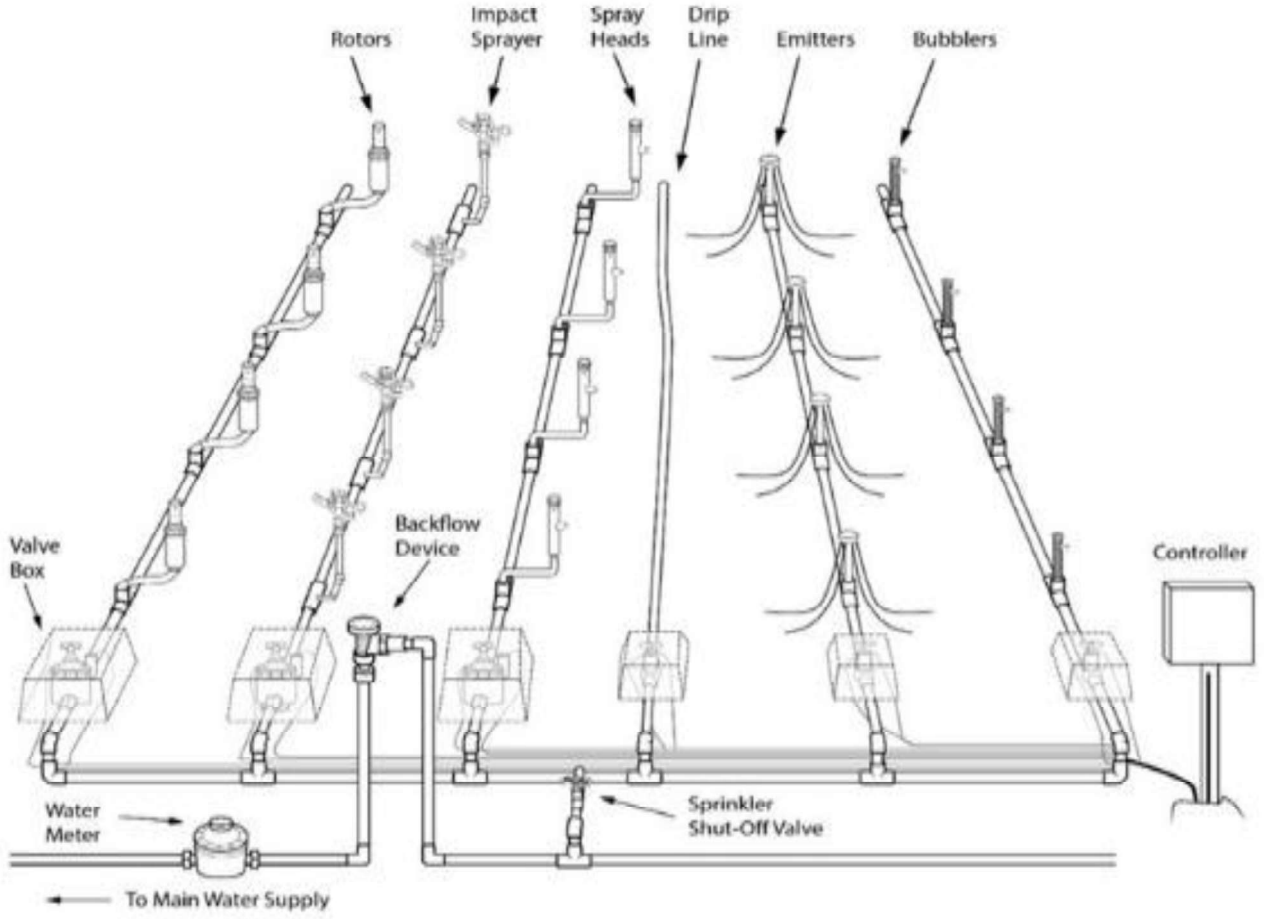
Engineering Narrative

Wood fencing is located at the rear of units without garages, as well as between townhome units and single family units in the south part of the property. The fencing appears in overall poor to fair condition with some sections requiring near term replacement. We recommend the association budget for phased replacement of the wood fencing from 2029-2035 and again from 2049-2055. Paint finishes and repairs at the fencing should be funded operationally.

Irrigation System, Replacement, Phased

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS:	2.55%		Line Item: 13		
ESTIMATED UNIT QUANTITY			**ESTIMATED REPLACEMENT COSTS**		
Present:	123,035	Square Feet	Current Unit Cost:	$1.30	
Replacement Per Phase:	41,012	Square Feet	Current Cost Per Phase:	$53,315	
Replaced in Next 30-Years:	123,035	Square Feet	Total Cost Next 30-Years:	$190,126	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	to 30		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	3		Useful Life in Holly Springs, NC	to 35	Years
Estimated First Year of Replacement:	2029		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			**PRIORITY SCORE**		
Priority Rating	Medium Priority		Priority Score	73	



Irrigation diagram for representative purposes only

Schedule of Replacements Costs

2026	$0				
2027	$0	**2037**	$0	**2047**	$0
2028	$0	**2038**	$0	**2048**	$0
2029	$60,667	**2039**	$0	**2049**	$0
2030	$63,336	**2040**	$0	**2050**	$0
2031	$66,123	**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 the phased replacement of the townhome irrigation system, located at the greenspaces adjacent to the townhome buildings, including all subs-surface piping, controller(s), valves, sprinkler heads, etc. Annual head repairs and interim replacement of the system's controller(s) should be funded as needed from the association's operating budget. Irrigation system specifications were not available at the time of this report.

Railings, Wood and Vinyl, Replacement

SITE COMPONENTS

PERCENTAGE OF TOTAL FUTURE COSTS: 0.86% **Line Item: 14**

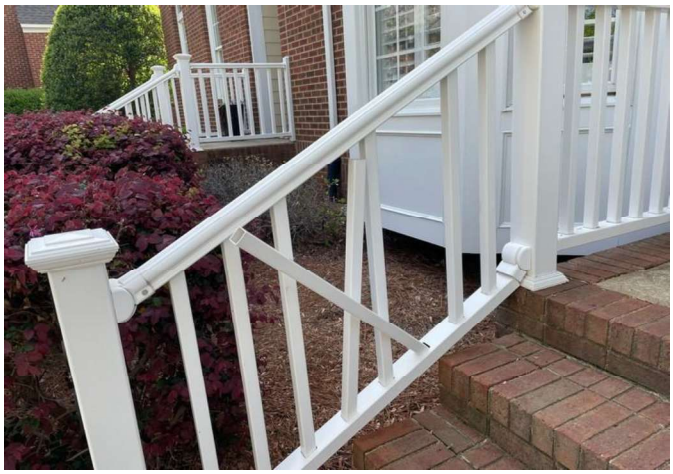
ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	800	Linear Feet	Current Unit Cost:	$65.00	
Replacement Per Phase:	800	Linear Feet	Current Cost Per Phase:	$52,000	
Replaced in Next 30-Years:	800	Linear Feet	Total Cost Next 30-Years:	$64,492	
ESTIMATED AGE AND REPLACEMENT YEARS			**CONDITION AND USEFUL LIFE**		
Estimated Current Age in Years:	Varies		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	Medium Priority		Priority Score	66	



Wood railings overview



Vinyl railings at unit entry



Damaged railings



Vinyl railing - note damage at cap

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	$64,492	**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

Wood and vinyl railings are located at front entry steps throughout the community. Any painting required is anticipated to be completed out of the wall painting component discussed earlier in this report. We recommend budgeting for replacement of the railings by 2031.

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. - Townhome 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. - Townhome 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.

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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
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