# RESERVE STUDY

## Promontory Pointe Homeowners Association, Inc.


**San Antonio, Texas**

**June 2, 2022**

RESERVE™ ADVISORS

Long-term thinking. Everyday commitment.

RESERVE ADVISORS
Long-term thinking. Everyday commitment.

Corporate Office
Reserve Advisors, LLC
735 N. Water Street, Suite 175
Milwaukee, WI 53202

Promontory Pointe Homeowners Association, Inc.
San Antonio, Texas

Dear Board of Directors of Promontory Pointe Homeowners Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Promontory Pointe Homeowners Association, Inc. in San Antonio, Texas and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, June 2, 2022.

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

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

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

Respectfully submitted on June 20, 2022 by

*Reserve Advisors, LLC*

Visual Inspection and Report by: Jaison T. Thomas, RS[1]
Review by: Alan M. Ebert, RS, PRA[2], Director of Quality Assurance


[1] RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.
[2] PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at http://www.apra-usa.com.

RESERVE
ADVISORS
Long-term thinking. Everyday commitment.

# Table of Contents

# 1. RESERVE STUDY EXECUTIVE SUMMARY

**Client:** Promontory Pointe Homeowners Association, Inc. (Promontory Pointe)
**Location:** San Antonio, Texas
**Reference:** 152057

**Property Basics:** Promontory Pointe Homeowners Association, Inc. is a homeowners association responsible for the common elements shared by 771 single family homes. The community was built from 1995 to 2007 and contains four sub-sections (The Pointe: 399 Homes, The Heights: 52 Homes, The Peak: 262 Homes and The Reserve: 58 Homes)

**Reserve Components Identified:**

- 21 Common Reserve Components
- 7 Pointe Reserve Components
- 11 Heights Reserve Components
- 14 Peak Reserve Components
- 13 Reserve Reserve Components

**Inspection Date:** June 2, 2022. We conducted the original inspection on December 9, 2015.

**Funding Goal:** The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes the following threshold funding years:

- ***Common*** – 2037 due to replacement of the irrigation system
- ***Pointe*** – 2030, 2031 and 2032 due to replacement of the panelized perimeter walls, and 2037 and 2039 due to replacement of the irrigation system
- ***Heights*** –2025 and 2045 due to repaving of the asphalt pavement and in 2028 due to replacement of the masonry pavers
- ***Peak*** – 2029 and 2049 due to repaving of the asphalt pavement
- ***Reserves*** – 2029 due to replacement of the masonry pavers and 2048 due to repaving of the asphalt pavement

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

- Current and future local costs of replacement
- 0.5% average current annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs
-

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

**Project Prioritization:** We note anticipated Reserve Expenditures for the next 30 years in the ***Reserve Expenditures*** tables and include a ***Five-Year Outlook*** table following the ***Reserve Funding Plan*** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- ***Common*** – Repaving of the asphalt parking area due to age, color coat application to the basketball court due to evidence coating deterioration, replacement of the shade structure canvas due to age and replacement of the pool plaster finish due to age and to extend the useful life of the structure
- ***Pointe*** – Paint finishes to the steel fences due to evidence of finish deterioration and rust and to extend the useful life of the fences, phased replacements of the panelized walls along Knights Crossings due to evidence of deterioration and paint finishes and repairs to the stucco walls due to evidence of stucco cracks and to extend the useful life of the walls
- ***Heights*** – Repaving of the asphalt pavement due to age and evidence of pavement deterioration and paint finishes and repairs to the stucco walls due to evidence of stucco cracks and to extend the useful life of the walls
- ***Peak*** – Crack repair and patch to the asphalt pavement due to evidence of pavement deterioration and to extend the useful life of the pavement, paint finishes to the steel fences due to evidence of finish deterioration and rust and paint finishes and repairs to the stucco walls due to evidence of stucco cracks and to extend the useful life of the walls
- ***Reserves*** – Crack repair and patch to the asphalt pavement due to evidence of pavement deterioration and to extend the useful life of the pavement, paint finishes to the steel fences due to evidence of finish deterioration and rust and paint finishes and repairs to the stucco walls due to evidence of stucco cracks and to extend the useful life of the walls

## Common

**Unaudited Cash Status of Reserve Fund:**

- $444,905 as of April 30, 2022
- 2022 budgeted Reserve Contributions of $1,000

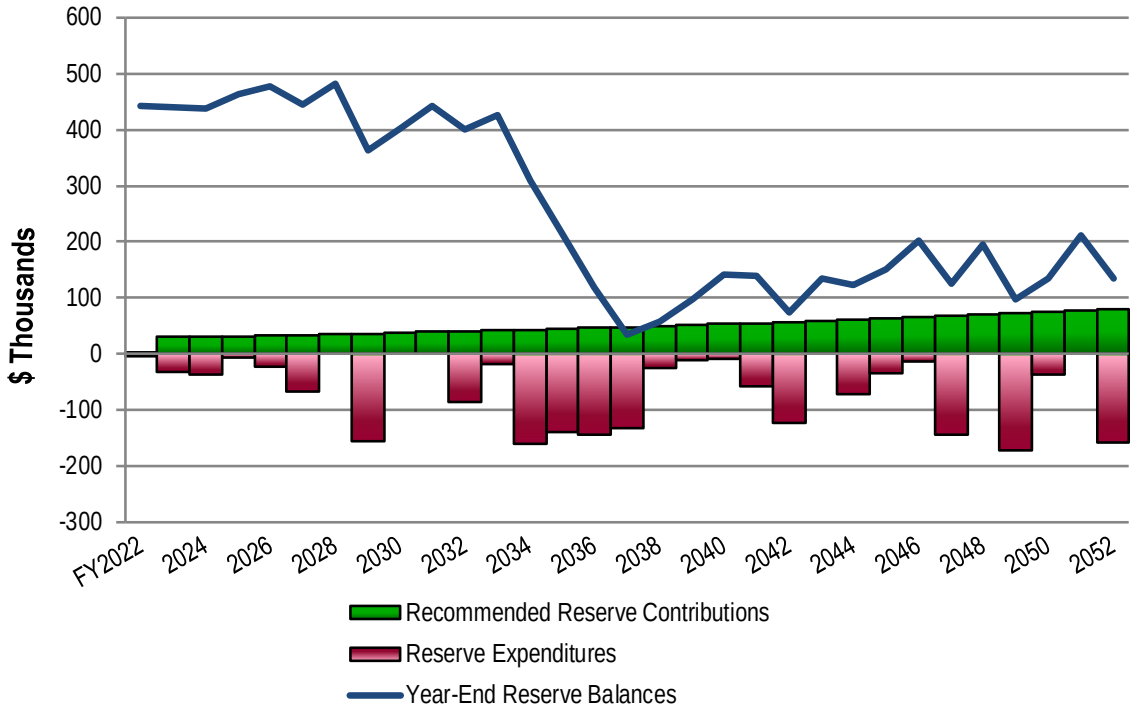
**Recommended Reserve Funding:** We recommend the following in order to achieve a stable and equitable Funding Plan:

- Increase to $29,500 in 2023
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment of $28,500 is equivalent to an increase of $36.96 in the annual contributions per homeowner

**Common**

Recommended Reserve Funding Table and Graph

| Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 29,500 | 441,075 | 2033 | 41,600 | 424,925 | 2043 | 58,800 | 133,202 |
| 2024 | 30,500 | 437,254 | 2034 | 43,100 | 309,485 | 2044 | 60,900 | 122,460 |
| 2025 | 31,600 | 463,670 | 2035 | 44,600 | 215,054 | 2045 | 63,000 | 150,555 |
| 2026 | 32,700 | 476,448 | 2036 | 46,200 | 116,964 | 2046 | 65,200 | 201,704 |
| 2027 | 33,800 | 445,033 | 2037 | 47,800 | 32,915 | 2047 | 67,500 | 124,716 |
| 2028 | 35,000 | 482,114 | 2038 | 49,500 | 56,606 | 2048 | 69,900 | 195,334 |
| 2029 | 36,200 | 363,340 | 2039 | 51,200 | 96,485 | 2049 | 72,300 | 96,141 |
| 2030 | 37,500 | 402,559 | 2040 | 53,000 | 141,196 | 2050 | 74,800 | 133,596 |
| 2031 | 38,800 | 443,258 | 2041 | 54,900 | 139,725 | 2051 | 77,400 | 211,771 |
| 2032 | 40,200 | 399,869 | 2042 | 56,800 | 73,937 | 2052 | 80,100 | 134,767 |



## Pointe

**Unaudited Cash Status of Reserve Fund:**

- $71,421 as of April 30, 2022
- 2022 budgeted Reserve Contributions of $19,000

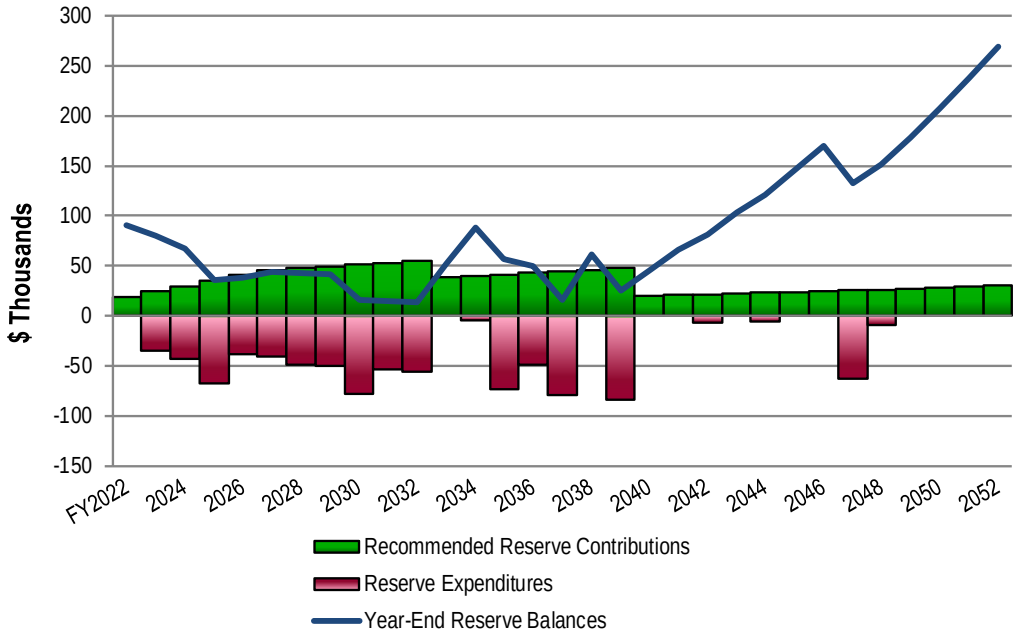
**Recommended Reserve Funding:** We recommend the following in order to achieve a stable and equitable Funding Plan:

- Phased increases of $5,400 from 2023 through 2027
- Inflationary increases from 2028 through 2032
- Decrease to $38,600 by 2033 due to fully funding for replacement of panelized perimeter walls
- Inflationary increases from 2034 through 2039
- Decrease to $20,000 by 2040 due to fully funding for replacement of the irrigation system
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment of $5,400 is equivalent to an increase of $13.53 in the annual contributions per homeowner.

**Pointe**

Recommended Reserve Funding Table and Graph

| Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 24,400 | 80,465 | 2033 | 38,600 | 52,164 | 2043 | 22,100 | 103,112 |
| 2024 | 29,800 | 67,374 | 2034 | 40,000 | 88,248 | 2044 | 22,900 | 120,546 |
| 2025 | 35,200 | 35,644 | 2035 | 41,400 | 56,467 | 2045 | 23,700 | 144,842 |
| 2026 | 40,600 | 37,622 | 2036 | 42,800 | 50,095 | 2046 | 24,500 | 170,049 |
| 2027 | 46,000 | 43,660 | 2037 | 44,300 | 15,802 | 2047 | 25,400 | 132,853 |
| 2028 | 47,600 | 42,874 | 2038 | 45,900 | 61,876 | 2048 | 26,300 | 150,617 |
| 2029 | 49,300 | 42,085 | 2039 | 47,500 | 25,222 | 2049 | 27,200 | 178,556 |
| 2030 | 51,000 | 15,496 | 2040 | 20,000 | 45,381 | 2050 | 28,200 | 207,623 |
| 2031 | 52,800 | 14,501 | 2041 | 20,700 | 66,332 | 2051 | 29,200 | 237,823 |
| 2032 | 54,600 | 13,417 | 2042 | 21,400 | 80,600 | 2052 | 30,200 | 269,161 |



## Heights

**Unaudited Cash Status of Reserve Fund:**

- $130,837 as of April 30, 2022
- 2022 budgeted Reserve Contributions of $10,000

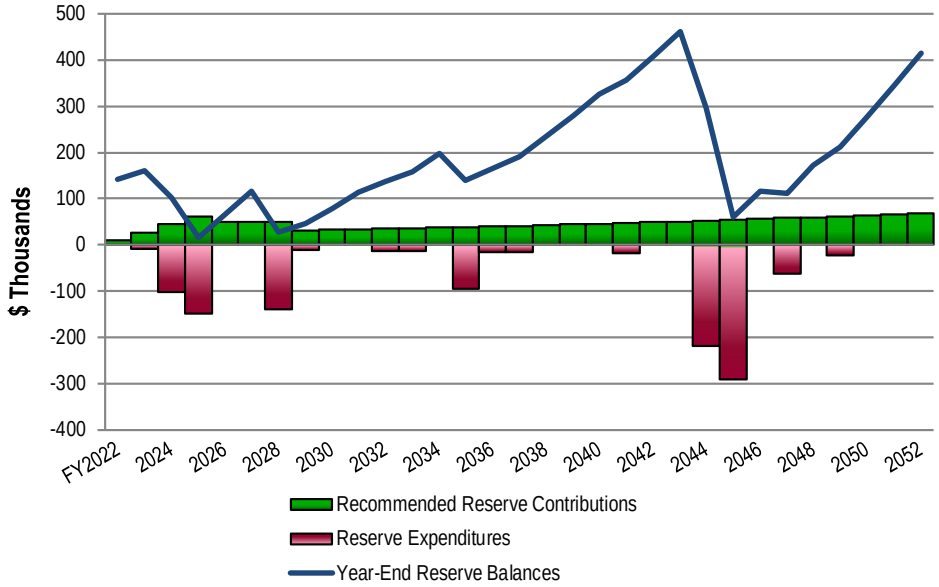
**Recommended Reserve Funding:** We recommend the following in order to achieve a stable and equitable Funding Plan:

- Phased increases of $17,000 from 2023 through 2025
- Decrease to $50,000 by 2026 due to fully funding for repaving of the asphalt pavement
- Stable contributions of $50,000 from in 2027 and 2028
- Decrease to $31,200 by 2029 due to fully funding for replacement of the masonry pavers
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment of $17,000 is equivalent to an increase of $326.92 in the annual contributions per homeowner.

### Heights

Recommended Reserve Funding Table and Graph

| Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 27,000 | 160,228 | 2033 | 35,800 | 158,837 | 2043 | 50,400 | 460,225 |
| 2024 | 44,000 | 102,903 | 2034 | 37,100 | 196,735 | 2044 | 52,200 | 296,497 |
| 2025 | 61,000 | 14,868 | 2035 | 38,400 | 139,865 | 2045 | 54,000 | 59,869 |
| 2026 | 50,000 | 65,047 | 2036 | 39,700 | 164,839 | 2046 | 55,900 | 116,164 |
| 2027 | 50,000 | 115,452 | 2037 | 41,100 | 191,191 | 2047 | 57,900 | 110,956 |
| 2028 | 50,000 | 27,482 | 2038 | 42,500 | 234,647 | 2048 | 59,900 | 171,490 |
| 2029 | 31,200 | 47,042 | 2039 | 44,000 | 279,802 | 2049 | 62,000 | 210,855 |
| 2030 | 32,300 | 79,626 | 2040 | 45,500 | 326,663 | 2050 | 64,200 | 276,148 |
| 2031 | 33,400 | 113,459 | 2041 | 47,100 | 357,458 | 2051 | 66,400 | 343,940 |
| 2032 | 34,600 | 135,924 | 2042 | 48,700 | 407,876 | 2052 | 68,700 | 414,342 |



## Peak

**Unaudited Cash Status of Reserve Fund:**

- $307,385 as of April 30, 2022
- 2022 budgeted Reserve Contributions of $13,000

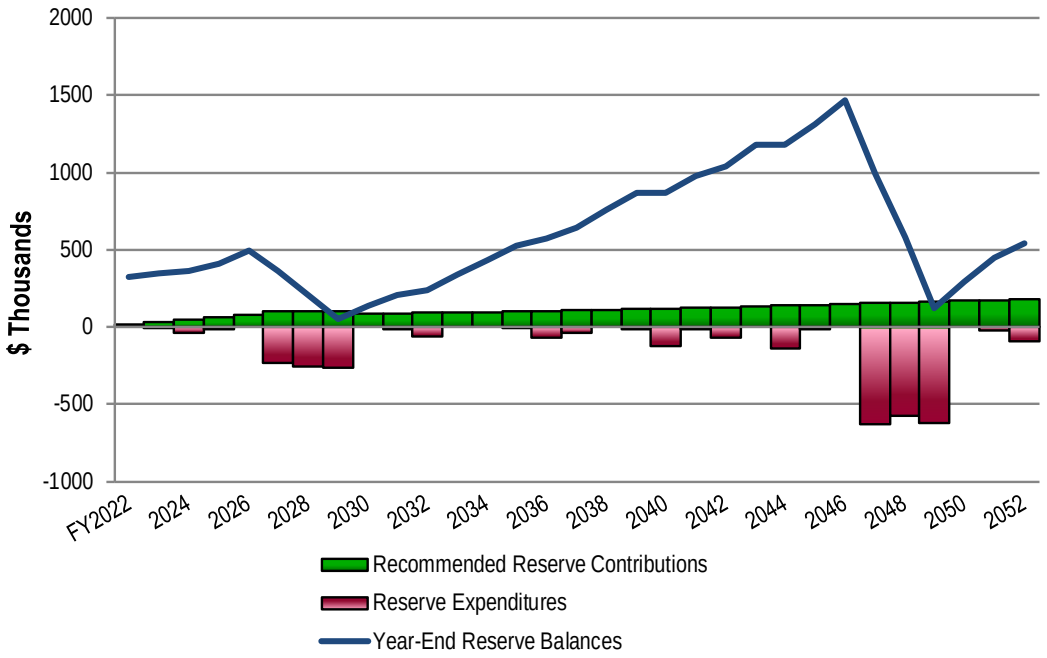
**Recommended Reserve Funding:** We recommend the following in order to achieve a stable and equitable Funding Plan:

- Phased increases of $17,000 from 2023 through 2027
- Inflationary increases from 2028 through 2029
- Decrease to $85,000 by 2030 due to fully funding for repaving of the asphalt pavement
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment of $17,000 is equivalent to an increase of $64.89 in the annual contributions per homeowner.

**Peak**

Recommended Reserve Funding Table and Graph

| Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 30,000 | 346,409 | 2033 | 94,300 | 336,506 | 2043 | 133,000 | 1,176,419 |
| 2024 | 47,000 | 359,966 | 2034 | 97,600 | 435,840 | 2044 | 137,700 | 1,180,436 |
| 2025 | 64,000 | 411,846 | 2035 | 101,000 | 529,310 | 2045 | 142,500 | 1,310,881 |
| 2026 | 81,000 | 494,882 | 2036 | 104,500 | 569,594 | 2046 | 147,500 | 1,464,612 |
| 2027 | 98,000 | 361,205 | 2037 | 108,200 | 645,675 | 2047 | 152,700 | 991,793 |
| 2028 | 101,400 | 207,356 | 2038 | 112,000 | 760,833 | 2048 | 158,000 | 577,720 |
| 2029 | 104,900 | 51,149 | 2039 | 115,900 | 864,229 | 2049 | 163,500 | 124,271 |
| 2030 | 85,000 | 136,570 | 2040 | 120,000 | 867,008 | 2050 | 169,200 | 294,411 |
| 2031 | 88,000 | 207,625 | 2041 | 124,200 | 978,047 | 2051 | 175,100 | 446,768 |
| 2032 | 91,100 | 240,910 | 2042 | 128,500 | 1,038,447 | 2052 | 181,200 | 538,398 |



## Reserve

**Unaudited Cash Status of Reserve Fund:**

- $134,865 as of April 30, 2022
- 2022 budgeted Reserve Contributions of $8,500

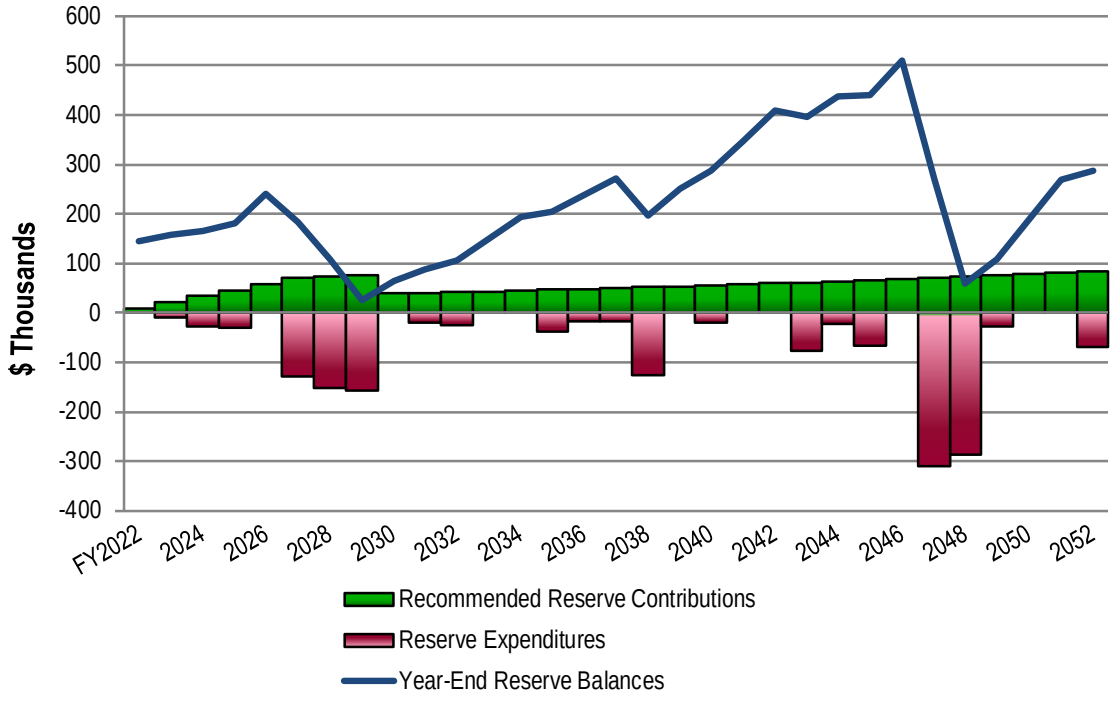
**Recommended Reserve Funding:** We recommend the following in order to achieve a stable and equitable Funding Plan:

- Phased increases of $12,500 from 2023 through 2027
- Inflationary increases in 2028 and 2029
- Decrease to $39,300 by 2030 due to fully funding for replacement of the masonry pavers
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment of $12,500 is equivalent to an increase of $215.52 in the annual contributions per homeowner.

**Reserve**

Recommended Reserve Funding Table and Graph

| Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 21,000 | 156,970 | 2033 | 43,600 | 149,312 | 2043 | 61,500 | 395,731 |
| 2024 | 33,500 | 164,765 | 2034 | 45,100 | 195,185 | 2044 | 63,700 | 438,561 |
| 2025 | 46,000 | 182,213 | 2035 | 46,700 | 204,936 | 2045 | 65,900 | 440,250 |
| 2026 | 58,500 | 241,665 | 2036 | 48,300 | 236,957 | 2046 | 68,200 | 510,585 |
| 2027 | 71,000 | 184,285 | 2037 | 50,000 | 270,580 | 2047 | 70,600 | 271,939 |
| 2028 | 73,500 | 107,368 | 2038 | 51,800 | 197,196 | 2048 | 73,100 | 59,851 |
| 2029 | 76,100 | 25,367 | 2039 | 53,600 | 251,804 | 2049 | 75,700 | 109,463 |
| 2030 | 39,300 | 64,870 | 2040 | 55,500 | 288,698 | 2050 | 78,300 | 188,432 |
| 2031 | 40,700 | 86,830 | 2041 | 57,400 | 347,526 | 2051 | 81,000 | 270,462 |
| 2032 | 42,100 | 105,141 | 2042 | 59,400 | 408,624 | 2052 | 83,800 | 286,269 |



# 2. RESERVE STUDY REPORT

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

**Promontory Pointe Homeowners Association, Inc.**

**San Antonio, Texas**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, June 2, 2022. We conducted the original inspection on December 9, 2015.

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

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

# IDENTIFICATION OF PROPERTY


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

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

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

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

- Promontory Pointe responsibility

- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

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

- Electrical Systems, Common
- Foundation, Pool House
- Pipes, Interior Building, Domestic Water and Sanitary Waste, Pool House
- Pipes, Subsurface Utilities, Amenity Area and Gated Sections
- Pool Structure and Deck
- Structural Frames, Pool House

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

- General Maintenance to the Common Elements
- Expenditures less than $4,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Asphalt Pavement, Amenity Center Parking, Crack Repair and Patching
- Boardwalk
- Concrete Sidewalks, Common Areas
- Doors, Pool House (Replace as needed)
- Drainage Easements and Railings
- Emergency Access Gates
- Irrigation System, Controls and Maintenance
- Landscape
- Masonry Wall, Near Pool House, Inspections and Repairs
- Paint Finishes, Touch Up
- Pool House, Exterior Paint Finishes
- Signage, Monuments
- Site Furniture (Excl. Metal Furniture at Pool)
- Speed Bumps, Gated Areas
- Trellis, Wood, Bear Ridge and Prospect Hill
- Volleyball Court
- Walking Paths, Gravel (Maintain as needed)
- Other Repairs normally funded through the Operating Budget

**Volleyball court**

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

- Fences at Lot Lines (Excluding Masonry Perimeter Walls)
- Homes and Lots
- Sidewalks, Within Lot Lines (Gated Sections Only)

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

- Light Poles and Fixtures (CPS Energy)
- Mailbox Stations (United States Postal Service)
- Pipes, Subsurface Utilities (Excluding Gated Sections) (City of San Antonio)
- Sidewalks, Parallel to Streets (Excluding Gated Sections) (City of San Antonio)
- Signage, Traffic and Street Identification (City of San Antonio)
- Street Systems (Excluding Gated Sections) (City of San Antonio)

# 3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

**Reserve Expenditures**

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
  - useful life
  - remaining useful life
- 2022 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

**Reserve Funding Plan**

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end

**Five-Year Outlook**

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

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

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

Common

# RESERVE EXPENDITURES

Years 2022 to 2037

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

**Explanatory Notes:**

1) **3.5%** **is the estimated Inflation Rate for estimating Future Replacement Costs.**
2) **FY2022 is Fiscal Year beginning December 1, 2021 and ending December 31, 2022.**

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Costs, $ Unit (2022) | Per Phase (2022) | Total (2022) | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | **Property Site Elements** | | | | | | | | | | | | | | | | | | | | | | | |
| 4.045 | 690 | **690** | Square Yards | Asphalt Pavement System, Parking Area, Total Replacement | 2027 | 15 to 20 | 5 | 35.00 | 24,150 | 24,150 | **4.6%** | | | | | | 28,683 | | | | | | | | | | |
| 4.420 | 3 | **1** | Allowance | Irrigation System, Phased | 2035 | to 40 | 13 to 15 | 73,500.00 | 73,500 | 220,500 | **19.1%** | | | | | | | | | | | | | | 114,951 | 118,974 | 123,138 |
| 4.560 | 8 | **8** | Each | Light Poles and Fixtures, Amenity Centers | 2032 | to 30 | 10 | 3,000.00 | 24,000 | 24,000 | **1.8%** | | | | | | | | | | | 33,854 | | | | | |
| 4.660 | 1 | **1** | Allowance | Playground Equipment (Incl. Exercise Stations) | 2029 | 15 to 20 | 7 | 68,000.00 | 68,000 | 68,000 | **13.8%** | | | | | | | | 86,515 | | | | | | | | |
| 4.700 | 1,700 | **1,700** | Square Feet | Shade Strucures, Playground, Canvas (Incl. Canvas at Playsets) | 2026 | 6 to 8 | 4 | 8.50 | 14,450 | 14,450 | **5.6%** | | | | | 16,582 | | | | | | | | 21,835 | | | |
| 4.701 | 1,440 | **1,440** | Square Feet | Shade Strucures, Playground, Total Replacement | 2034 | to 25 | 12 | 22.00 | 31,680 | 31,680 | **2.6%** | | | | | | | | | | | | | 47,871 | | | |
| 4.830 | 4,500 | **4,500** | Square Feet | Sport Court, Basketball, Color Coat | 2022 | 4 to 6 | 0 | 1.20 | 5,400 | 5,400 | **2.8%** | 5,400 | | | | | 6,414 | | | | | 7,617 | | | | | 9,047 |
| 4.840 | 280 | **280** | Linear Feet | Sport Court, Basketball, Fence | 2033 | 20 to 25 | 11 | 45.00 | 12,600 | 12,600 | **1.0%** | | | | | | | | | | | | 18,396 | | | | |
| 4.860 | 4,500 | **4,500** | Square Feet | Sport Court, Basketball, Surface Replacement | 2052 | to 40+ | 30 | 12.50 | 56,250 | 56,250 | **8.4%** | | | | | | | | | | | | | | | | |
| | | | | **Pool and Pool House Elements** | | | | | | | | | | | | | | | | | | | | | | | |
| 5.200 | 6,440 | **6,440** | Square Feet | Concrete Deck, Inspections, Partial Replacements and Repairs | 2027 | 8 to 12 | 5 | 2.50 | 16,100 | 16,100 | **4.3%** | | | | | | 19,122 | | | | | | | | 26,061 | | |
| 5.400 | 380 | **380** | Linear Feet | Fences, Metal, Paint Finishes | 2026 | 6 to 8 | 4 | 12.50 | 4,750 | 4,750 | **1.4%** | | | | | 5,451 | | | | | | | | | | | |
| 5.405 | 380 | **380** | Linear Feet | Fences, Metal, Replacement | 2032 | to 35 | 10 | 65.00 | 24,700 | 24,700 | **1.9%** | | | | | | | | | | | 34,842 | | | | | |
| 5.500 | 1 | **1** | Allowance | Furniture | 2023 | to 15 | 1 | 15,000.00 | 15,000 | 15,000 | **2.2%** | | 15,525 | | | | | | | | | | | | | | |
| 5.600 | 2 | **1** | Allowance | Mechanical Equipment, Phased | 2025 | to 15 | 3 to 10 | 6,500.00 | 6,500 | 13,000 | **2.3%** | | | | 7,207 | | | | | | | 9,169 | | | | | |
| 5.800 | 3,080 | **3,080** | Square Feet | Pool Finish, Plaster | 2024 | 8 to 12 | 2 | 11.00 | 33,880 | 33,880 | **8.5%** | | | 36,293 | | | | | | | | | | 51,195 | | | |
| 5.801 | 650 | **650** | Linear Feet | Pool Finish, Tiles | 2034 | 15 to 25 | 12 | 40.00 | 26,000 | 26,000 | **2.1%** | | | | | | | | | | | | | 39,288 | | | |
| 5.850 | 2 | **2** | Each | Rest Rooms, Renovation | 2027 | to 20 | 5 | 5,500.00 | 11,000 | 11,000 | **2.1%** | | | | | | 13,065 | | | | | | | | | | |
| 5.860 | 30 | **30** | Squares | Roof Assembly, Metal | 2042 | to 30 | 20 | 1,400.00 | 42,000 | 42,000 | **4.5%** | | | | | | | | | | | | | | | | |
| 5.870 | 1 | **1** | Allowance | Security and Access Systems | 2029 | 10 to 15 | 7 | 13,500.00 | 13,500 | 13,500 | **2.3%** | | | | | | | | 17,176 | | | | | | | | |
| 5.880 | 1,900 | **1,900** | Square Feet | Shade Structures, Canvas Replacement | 2023 | 6 to 8 | 1 | 8.50 | 16,150 | 16,150 | **5.9%** | | 16,715 | | | | | | | | | | | | 25,258 | | |
| 5.890 | 1,900 | **1,900** | Square Feet | Shade Structures, Total Replacement | 2029 | to 25 | 7 | 22.00 | 41,800 | 41,800 | **2.8%** | | | | | | | | 53,181 | | | | | | | | |
| | | | | **Anticipated Expenditures, By Year ($1,871,080 over 30 years)** | | | | | | | | 5,400 | 32,240 | 36,293 | 7,207 | 22,033 | 67,284 | 0 | 156,872 | 0 | 0 | 85,482 | 18,396 | 160,189 | 140,209 | 145,035 | 132,185 |

Common

# RESERVE EXPENDITURES

Years 2038 to 2052

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Costs, $ Unit (2022) | Per Phase (2022) | Total (2022) | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | **Property Site Elements** | | | | | | | | | | | | | | | | | | | | | | |
| 4.045 | 690 | **690** | Square Yards | Asphalt Pavement System, Parking Area, Total Replacement | 2027 | 15 to 20 | 5 | 35.00 | 24,150 | 24,150 | **4.6%** | | | | | | | | | | 57,072 | | | | | |
| 4.420 | 3 | **1** | Allowance | Irrigation System, Phased | 2035 | to 40 | 13 to 15 | 73,500.00 | 73,500 | 220,500 | **19.1%** | | | | | | | | | | | | | | | |
| 4.560 | 8 | **8** | Each | Light Poles and Fixtures, Amenity Centers | 2032 | to 30 | 10 | 3,000.00 | 24,000 | 24,000 | **1.8%** | | | | | | | | | | | | | | | |
| 4.660 | 1 | **1** | Allowance | Playground Equipment (Incl. Exercise Stations) | 2029 | 15 to 20 | 7 | 68,000.00 | 68,000 | 68,000 | **13.8%** | | | | | | | | | | | | 172,147 | | | |
| 4.700 | 1,700 | **1,700** | Square Feet | Shade Strucures, Playground, Canvas (Incl. Canvas at Playsets) | 2026 | 6 to 8 | 4 | 8.50 | 14,450 | 14,450 | **5.6%** | | | | | 28,752 | | | | | | | | 37,861 | | |
| 4.701 | 1,440 | **1,440** | Square Feet | Shade Strucures, Playground, Total Replacement | 2034 | to 25 | 12 | 22.00 | 31,680 | 31,680 | **2.6%** | | | | | | | | | | | | | | | |
| 4.830 | 4,500 | **4,500** | Square Feet | Sport Court, Basketball, Color Coat | 2022 | 4 to 6 | 0 | 1.20 | 5,400 | 5,400 | **2.8%** | | | | | 10,745 | | | | | 12,762 | | | | | |
| 4.840 | 280 | **280** | Linear Feet | Sport Court, Basketball, Fence | 2033 | 20 to 25 | 11 | 45.00 | 12,600 | 12,600 | **1.0%** | | | | | | | | | | | | | | | |
| 4.860 | 4,500 | **4,500** | Square Feet | Sport Court, Basketball, Surface Replacement | 2052 | to 40+ | 30 | 12.50 | 56,250 | 56,250 | **8.4%** | | | | | | | | | | | | | | | 157,882 |
| | | | | **Pool and Pool House Elements** | | | | | | | | | | | | | | | | | | | | | | |
| 5.200 | 6,440 | **6,440** | Square Feet | Concrete Deck, Inspections, Partial Replacements and Repairs | 2027 | 8 to 12 | 5 | 2.50 | 16,100 | 16,100 | **4.3%** | | | | | | | | 35,518 | | | | | | | |
| 5.400 | 380 | **380** | Linear Feet | Fences, Metal, Paint Finishes | 2026 | 6 to 8 | 4 | 12.50 | 4,750 | 4,750 | **1.4%** | | | 8,823 | | | | | | | 11,225 | | | | | |
| 5.405 | 380 | **380** | Linear Feet | Fences, Metal, Replacement | 2032 | to 35 | 10 | 65.00 | 24,700 | 24,700 | **1.9%** | | | | | | | | | | | | | | | |
| 5.500 | 1 | **1** | Allowance | Furniture | 2023 | to 15 | 1 | 15,000.00 | 15,000 | 15,000 | **2.2%** | 26,010 | | | | | | | | | | | | | | |
| 5.600 | 2 | **1** | Allowance | Mechanical Equipment, Phased | 2025 | to 15 | 3 to 10 | 6,500.00 | 6,500 | 13,000 | **2.3%** | | 11,665 | | | | | | | 14,842 | | | | | | |
| 5.800 | 3,080 | **3,080** | Square Feet | Pool Finish, Plaster | 2024 | 8 to 12 | 2 | 11.00 | 33,880 | 33,880 | **8.5%** | | | | | | | 72,216 | | | | | | | | |
| 5.801 | 650 | **650** | Linear Feet | Pool Finish, Tiles | 2034 | 15 to 25 | 12 | 40.00 | 26,000 | 26,000 | **2.1%** | | | | | | | | | | | | | | | |
| 5.850 | 2 | **2** | Each | Rest Rooms, Renovation | 2027 | to 20 | 5 | 5,500.00 | 11,000 | 11,000 | **2.1%** | | | | | | | | | | 25,996 | | | | | |
| 5.860 | 30 | **30** | Squares | Roof Assembly, Metal | 2042 | to 30 | 20 | 1,400.00 | 42,000 | 42,000 | **4.5%** | | | | | 83,571 | | | | | | | | | | |
| 5.870 | 1 | **1** | Allowance | Security and Access Systems | 2029 | 10 to 15 | 7 | 13,500.00 | 13,500 | 13,500 | **2.3%** | | | | 25,954 | | | | | | | | | | | |
| 5.880 | 1,900 | **1,900** | Square Feet | Shade Structures, Canvas Replacement | 2023 | 6 to 8 | 1 | 8.50 | 16,150 | 16,150 | **5.9%** | | | | 31,048 | | | | | | 38,166 | | | | | |
| 5.890 | 1,900 | **1,900** | Square Feet | Shade Structures, Total Replacement | 2029 | to 25 | 7 | 22.00 | 41,800 | 41,800 | **2.8%** | | | | | | | | | | | | | | | |
| | | | | **Anticipated Expenditures, By Year ($1,871,080 over 30 years)** | | | | | | | | 26,010 | 11,665 | 8,823 | 57,002 | 123,068 | 0 | 72,216 | 35,518 | 14,842 | 145,221 | 0 | 172,147 | 37,861 | 0 | 157,882 |

# RESERVE FUNDING PLAN

## Common

**CASH FLOW ANALYSIS**

**Promontory Pointe**

**Homeowners Association, Inc.**

**San Antonio, Texas**

Individual Reserve Budgets & Cash Flows for the Next 30 Years

| | | FY2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | *(Note 1)* | 444,905 | 441,833 | 441,075 | 437,254 | 463,670 | 476,448 | 445,033 | 482,114 | 363,340 | 402,559 | 443,258 | 399,869 | 424,925 | 309,485 | 215,054 | 116,964 |
| **Total Recommended Reserve Contributions** | *(Note 2)* | **1,000** | **29,500** | **30,500** | **31,600** | **32,700** | **33,800** | **35,000** | **36,200** | **37,500** | **38,800** | **40,200** | **41,600** | **43,100** | **44,600** | **46,200** | **47,800** |
| **Estimated Interest Earned, During Year** | *(Note 3)* | 1,328 | 1,982 | 1,972 | 2,023 | 2,111 | 2,069 | 2,081 | 1,898 | 1,719 | 1,899 | 1,893 | 1,852 | 1,649 | 1,178 | 745 | 336 |
| **Anticipated Expenditures, By Year** | | (5,400) | (32,240) | (36,293) | (7,207) | (22,033) | (67,284) | 0 | (156,872) | 0 | 0 | (85,482) | (18,396) | (160,189) | (140,209) | (145,035) | (132,185) |
| **Anticipated Reserves at Year End** | | $441,833 | $441,075 | $437,254 | $463,670 | $476,448 | $445,033 | $482,114 | $363,340 | $402,559 | $443,258 | $399,869 | $424,925 | $309,485 | $215,054 | $116,964 | $32,915 *(NOTE 5)* |

**(continued)**

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

| | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | 32,915 | 56,606 | 96,485 | 141,196 | 139,725 | 73,937 | 133,202 | 122,460 | 150,555 | 201,704 | 124,716 | 195,334 | 96,141 | 133,596 | 211,771 |
| **Total Recommended Reserve Contributions** | **49,500** | **51,200** | **53,000** | **54,900** | **56,800** | **58,800** | **60,900** | **63,000** | **65,200** | **67,500** | **69,900** | **72,300** | **74,800** | **77,400** | **80,100** |
| **Estimated Interest Earned, During Year** | 201 | 344 | 534 | 631 | 480 | 465 | 574 | 613 | 791 | 733 | 718 | 654 | 516 | 775 | 778 |
| **Anticipated Expenditures, By Year** | (26,010) | (11,665) | (8,823) | (57,002) | (123,068) | 0 | (72,216) | (35,518) | (14,842) | (145,221) | 0 | (172,147) | (37,861) | 0 | (157,882) |
| **Anticipated Reserves at Year End** | $56,606 | $96,485 | $141,196 | $139,725 | $73,937 | $133,202 | $122,460 | $150,555 | $201,704 | $124,716 | $195,334 | $96,141 | $133,596 | $211,771 | $134,767 *(NOTE 4)* |

**Explanatory Notes:**

*1)* Year 2022 starting reserves are as of April 30, 2022; FY2022 starts December 1, 2021 and ends December 31, 2022.

*2)* Reserve Contributions for 2022 are budgeted; 2023 is the first year of recommended contributions.

*3)* **0.5%** is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.

*4)* Accumulated year 2052 ending reserves consider the age, size, overall condition and complexity of the property.

*5)* Threshold Funding Year (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

Common

# FIVE-YEAR OUTLOOK

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Reserve Component Inventory | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 |
|---|---|---|---|---|---|---|---|
| | **Property Site Elements** | | | | | | |
| 4.045 | Asphalt Pavement System, Parking Area, Total Replacement | | | | | | 28,683 |
| 4.700 | Shade Strucures, Playground, Canvas (Incl. Canvas at Playsets) | | | | | 16,582 | |
| 4.830 | Sport Court, Basketball, Color Coat | 5,400 | | | | | 6,414 |
| | **Pool and Pool House Elements** | | | | | | |
| 5.200 | Concrete Deck, Inspections, Partial Replacements and Repairs | | | | | | 19,122 |
| 5.400 | Fences, Metal, Paint Finishes | | | | | 5,451 | |
| 5.500 | Furniture | | 15,525 | | | | |
| 5.600 | Mechanical Equipment, Phased | | | | 7,207 | | |
| 5.800 | Pool Finish, Plaster | | | 36,293 | | | |
| 5.850 | Rest Rooms, Renovation | | | | | | 13,065 |
| 5.880 | Shade Structures, Canvas Replacement | | 16,715 | | | | |
| | **Anticipated Expenditures, By Year ($1,871,080 over 30 years)** | 5,400 | 32,240 | 36,293 | 7,207 | 22,033 | 67,284 |

Pointe

# RESERVE EXPENDITURES

Years 2022 to 2037

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

**Explanatory Notes:**

1) **3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.**
2) **FY2022 is Fiscal Year beginning December 1, 2021 and ending December 31, 2022.**

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Costs, $ Unit (2022) | Per Phase (2022) | Total (2022) | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6.240 | 300 | **300** | Linear Feet | Fences, Steel, Paint Finishes | 2024 | 6 to 8 | 2 | 12.50 | 3,750 | 3,750 | **3.0%** | | | 4,017 | | | | | | | | | | | | 6,070 | |
| 6.245 | 300 | **300** | Linear Feet | Fences, Steel, Replacement | 2030 | to 35 | 8 | 65.00 | 19,500 | 19,500 | **2.9%** | | | | | | | | | 25,678 | | | | | | | |
| 6.420 | 3 | **1** | Allowance | Irrigation System, Phased | 2035 | to 40 | 13 to 17 | 47,000.00 | 47,000 | 141,000 | **26.7%** | | | | | | | | | | | | | | 73,506 | | 78,741 |
| 6.640 | 3,150 | **3,150** | Linear Feet | Perimeter Walls, Masonry, Inspections and Repairs | 2025 | 8 to 12 | 3 | 8.50 | 26,775 | 26,775 | **15.4%** | | | | 29,686 | | | | | | | | | | | 43,341 | |
| 6.641 | 1,520 | **304** | Linear Feet | Perimeter Walls, Masonry Panel, Bear Ridge, Phased | 2028 | 30 to 35 | 6 to 10 | 130.00 | 39,520 | 197,600 | **29.4%** | | | | | | | 48,580 | 50,280 | 52,040 | 53,862 | 55,747 | | | | | |
| 6.642 | 1,300 | **260** | Linear Feet | Perimeter Walls, Masonry Panel, Knights Crossing, Phased | 2023 | 30 to 35 | 1 to 5 | 130.00 | 33,800 | 169,000 | **21.2%** | | 34,983 | 36,207 | 37,475 | 38,786 | 40,144 | | | | | | | | | | |
| 6.643 | 1,400 | **1,400** | Square Feet | Perimeter Walls, Stucco, Inspections and Repairs | 2024 | 8 to 12 | 2 | 2.00 | 2,800 | 2,800 | **1.5%** | | | 2,999 | | | | | | | | | 4,231 | | | | |
| | | | | **Anticipated Expenditures, By Year ($886,601 over 30 years)** | | | | | | | | 0 | 34,983 | 43,223 | 67,161 | 38,786 | 40,144 | 48,580 | 50,280 | 77,718 | 53,862 | 55,747 | 0 | 4,231 | 73,506 | 49,411 | 78,741 |

Pointe

# RESERVE EXPENDITURES

Years 2038 to 2052

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Costs, $ Unit (2022) | Per Phase (2022) | Total (2022) | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6.240 | 300 | **300** | Linear Feet | Fences, Steel, Paint Finishes | 2024 | 6 to 8 | 2 | 12.50 | 3,750 | 3,750 | **3.0%** | | | | | 7,462 | | | | | | 9,172 | | | | |
| 6.245 | 300 | **300** | Linear Feet | Fences, Steel, Replacement | 2030 | to 35 | 8 | 65.00 | 19,500 | 19,500 | **2.9%** | | | | | | | | | | | | | | | |
| 6.420 | 3 | **1** | Allowance | Irrigation System, Phased | 2035 | to 40 | 13 to 17 | 47,000.00 | 47,000 | 141,000 | **26.7%** | | 84,350 | | | | | | | | | | | | | |
| 6.640 | 3,150 | **3,150** | Linear Feet | Perimeter Walls, Masonry, Inspections and Repairs | 2025 | 8 to 12 | 3 | 8.50 | 26,775 | 26,775 | **15.4%** | | | | | | | | | | 63,276 | | | | | |
| 6.641 | 1,520 | **304** | Linear Feet | Perimeter Walls, Masonry Panel, Bear Ridge, Phased | 2028 | 30 to 35 | 6 to 10 | 130.00 | 39,520 | 197,600 | **29.4%** | | | | | | | | | | | | | | | |
| 6.642 | 1,300 | **260** | Linear Feet | Perimeter Walls, Masonry Panel, Knights Crossing, Phased | 2023 | 30 to 35 | 1 to 5 | 130.00 | 33,800 | 169,000 | **21.2%** | | | | | | | | | | | | | | | |
| 6.643 | 1,400 | **1,400** | Square Feet | Perimeter Walls, Stucco, Inspections and Repairs | 2024 | 8 to 12 | 2 | 2.00 | 2,800 | 2,800 | **1.5%** | | | | | | | 5,968 | | | | | | | | |
| | | | | **Anticipated Expenditures, By Year ($886,601 over 30 years)** | | | | | | | | 0 | 84,350 | 0 | 0 | 7,462 | 0 | 5,968 | 0 | 0 | 63,276 | 9,172 | 0 | 0 | 0 | 0 |

# RESERVE FUNDING PLAN

## Pointe

**CASH FLOW ANALYSIS**
**Promontory Pointe**
**Homeowners Association, Inc.**
**San Antonio, Texas**

Individual Reserve Budgets & Cash Flows for the Next 30 Years

| | | FY2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | *(Note 1)* | 71,421 | 90,664 | 80,465 | 67,374 | 35,644 | 37,622 | 43,660 | 42,874 | 42,085 | 15,496 | 14,501 | 13,417 | 52,164 | 88,248 | 56,467 | 50,095 |
| **Total Recommended Reserve Contributions** | *(Note 2)* | **19,000** | **24,400** | **29,800** | **35,200** | **40,600** | **46,000** | **47,600** | **49,300** | **51,000** | **52,800** | **54,600** | **38,600** | **40,000** | **41,400** | **42,800** | **44,300** |
| **Estimated Interest Earned, During Year** | *(Note 3)* | 243 | 384 | 332 | 231 | 164 | 182 | 194 | 191 | 129 | 67 | 63 | 147 | 315 | 325 | 239 | 148 |
| **Anticipated Expenditures, By Year** | | 0 | (34,983) | (43,223) | (67,161) | (38,786) | (40,144) | (48,580) | (50,280) | (77,718) | (53,862) | (55,747) | 0 | (4,231) | (73,506) | (49,411) | (78,741) |
| **Anticipated Reserves at Year End** | | $90,664 | $80,465 | $67,374 | $35,644 | $37,622 | $43,660 | $42,874 | $42,085 | $15,496 *(NOTE 5)* | $14,501 *(NOTE 5)* | $13,417 *(NOTE 5)* | $52,164 | $88,248 | $56,467 | $50,095 | $15,802 *(NOTE 5)* |

**(continued)**

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

| | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | 15,802 | 61,876 | 25,222 | 45,381 | 66,332 | 80,600 | 103,112 | 120,546 | 144,842 | 170,049 | 132,853 | 150,617 | 178,556 | 207,623 | 237,823 |
| **Total Recommended Reserve Contributions** | **45,900** | **47,500** | **20,000** | **20,700** | **21,400** | **22,100** | **22,900** | **23,700** | **24,500** | **25,400** | **26,300** | **27,200** | **28,200** | **29,200** | **30,200** |
| **Estimated Interest Earned, During Year** | 174 | 196 | 159 | 251 | 330 | 412 | 502 | 596 | 707 | 680 | 636 | 739 | 867 | 1,000 | 1,138 |
| **Anticipated Expenditures, By Year** | 0 | (84,350) | 0 | 0 | (7,462) | 0 | (5,968) | 0 | 0 | (63,276) | (9,172) | 0 | 0 | 0 | 0 |
| **Anticipated Reserves at Year End** | $61,876 | $25,222 *(NOTE 5)* | $45,381 | $66,332 | $80,600 | $103,112 | $120,546 | $144,842 | $170,049 | $132,853 | $150,617 | $178,556 | $207,623 | $237,823 | $269,161 *(NOTE 4)* |

**Explanatory Notes:**

*1)* Year 2022 starting reserves are as of April 30, 2022; FY2022 starts December 1, 2021 and ends December 31, 2022.
*2)* Reserve Contributions for 2022 are budgeted; 2023 is the first year of recommended contributions.
*3)* **0.5%** is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.
*4)* Accumulated year 2052 ending reserves consider the need to fund for the subsequent replacement of the panelized masonry perimeter walls shortly after 2052, and the age, size, overall condition and complexity of the property.
*5)* Threshold Funding Years (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

Pointe

# FIVE-YEAR OUTLOOK

**Promontory Pointe Homeowners Association, Inc.**

San Antonio, Texas

| Line Item | Reserve Component Inventory | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 |
|---|---|---|---|---|---|---|---|
| 6.240 | Fences, Steel, Paint Finishes | | | 4,017 | | | |
| 6.640 | Perimeter Walls, Masonry, Inspections and Repairs | | | | 29,686 | | |
| 6.642 | Perimeter Walls, Masonry Panel, Knights Crossing, Phased | | 34,983 | 36,207 | 37,475 | 38,786 | 40,144 |
| 6.643 | Perimeter Walls, Stucco, Inspections and Repairs | | | 2,999 | | | |
| | **Anticipated Expenditures, By Year ($886,601 over 30 years)** | 0 | 34,983 | 43,223 | 67,161 | 38,786 | 40,144 |

Heights

# RESERVE EXPENDITURES

Years 2022 to 2037

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

**Explanatory Notes:**

1) **3.5%** **is the estimated Inflation Rate for estimating Future Replacement Costs.**
2) **FY2022 is Fiscal Year beginning December 1, 2021 and ending December 31, 2022.**

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Costs, $ Unit (2022) | Per Phase (2022) | Total (2022) | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7.020 | 9,280 | **9,280** | Square Yards | Asphalt Pavement, Crack Repair and Patch | 2029 | 3 to 5 | 7 | 1.00 | 9,280 | 9,280 | **7.0%** | | | | | | | | 11,807 | | | | 13,549 | | | | 15,547 |
| 7.040 | 9,280 | **4,640** | Square Yards | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | 2024 | 15 to 20 | 2 to 3 | 18.50 | 85,840 | 171,680 | **15.9%** | | | 91,954 | 95,172 | | | | | | | | | | | | |
| 7.041 | 9,280 | **4,640** | Square Yards | Asphalt Pavement, Mill and Overlay with 20% Patching, Phased | 2044 | 15 to 20 | 22 to 23 | 20.00 | 92,800 | 185,600 | **34.2%** | | | | | | | | | | | | | | | | |
| 7.110 | 6,200 | **310** | Linear Feet | Concrete Curbs and Gutters, Partial | 2024 | to 65 | 2 to 30+ | 30.00 | 9,300 | 186,000 | **5.1%** | | | 9,962 | 10,311 | | | | | | | | | | | | |
| 7.310 | 1 | **1** | Panel | Gate Entry System (Incl. RFID Reader) | 2032 | to 15 | 10 | 9,000.00 | 9,000 | 9,000 | **2.9%** | | | | | | | | | | | 12,695 | | | | | |
| 7.320 | 4 | **4** | Each | Gate Operators, Bi-Parting | 2025 | to 10 | 3 | 4,000.00 | 16,000 | 16,000 | **6.6%** | | | | 17,739 | | | | | | | | | | 25,023 | | |
| 7.330 | 4 | **4** | Each | Gates, Bi-Parting | 2025 | to 25 | 3 | 3,500.00 | 14,000 | 14,000 | **3.9%** | | | | 15,522 | | | | | | | | | | | | |
| 7.420 | 1 | **1** | Allowance | Irrigation System | 2035 | to 40 | 13 | 37,000.00 | 37,000 | 37,000 | **4.9%** | | | | | | | | | | | | | | 57,866 | | |
| 7.620 | 7,500 | **7,500** | Square Feet | Pavers, Masonry | 2028 | to 25 | 6 | 15.00 | 112,500 | 112,500 | **11.7%** | | | | | | | 138,291 | | | | | | | | | |
| 7.640 | 1,120 | **1,120** | Linear Feet | Perimeter Walls, Masonry, Inspections and Repairs | 2025 | 8 to 12 | 3 | 8.50 | 9,520 | 9,520 | **4.1%** | | | | 10,555 | | | | | | | | | | | 15,410 | |
| 7.643 | 4,200 | **4,200** | Square Feet | Perimeter Walls, Stucco, Paint Finishes and Repairs | 2023 | 8 to 12 | 1 | 2.00 | 8,400 | 8,400 | **3.5%** | | 8,694 | | | | | | | | | | | | 13,137 | | |
| | | | | **Anticipated Expenditures, By Year ($1,177,241 over 30 years)** | | | | | | | | 0 | 8,694 | 101,916 | 149,299 | 0 | 0 | 138,291 | 11,807 | 0 | 0 | 12,695 | 13,549 | 0 | 96,026 | 15,410 | 15,547 |

Heights

# RESERVE EXPENDITURES

Years 2038 to 2052

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Costs, $ Unit (2022) | Per Phase (2022) | Total (2022) | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7.020 | 9,280 | **9,280** | Square Yards | Asphalt Pavement, Crack Repair and Patch | 2029 | 3 to 5 | 7 | 1.00 | 9,280 | 9,280 | **7.0%** | | | | 17,841 | | | | | | | | 23,493 | | | |
| 7.040 | 9,280 | **4,640** | Square Yards | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | 2024 | 15 to 20 | 2 to 3 | 18.50 | 85,840 | 171,680 | **15.9%** | | | | | | | | | | | | | | | |
| 7.041 | 9,280 | **4,640** | Square Yards | Asphalt Pavement, Mill and Overlay with 20% Patching, Phased | 2044 | 15 to 20 | 22 to 23 | 20.00 | 92,800 | 185,600 | **34.2%** | | | | | | | 197,804 | 204,727 | | | | | | | |
| 7.110 | 6,200 | **310** | Linear Feet | Concrete Curbs and Gutters, Partial | 2024 | to 65 | 2 to 30+ | 30.00 | 9,300 | 186,000 | **5.1%** | | | | | | | 19,823 | 20,517 | | | | | | | |
| 7.310 | 1 | **1** | Panel | Gate Entry System (Incl. RFID Reader) | 2032 | to 15 | 10 | 9,000.00 | 9,000 | 9,000 | **2.9%** | | | | | | | | | | 21,269 | | | | | |
| 7.320 | 4 | **4** | Each | Gate Operators, Bi-Parting | 2025 | to 10 | 3 | 4,000.00 | 16,000 | 16,000 | **6.6%** | | | | | | | | 35,298 | | | | | | | |
| 7.330 | 4 | **4** | Each | Gates, Bi-Parting | 2025 | to 25 | 3 | 3,500.00 | 14,000 | 14,000 | **3.9%** | | | | | | | | 30,886 | | | | | | | |
| 7.420 | 1 | **1** | Allowance | Irrigation System | 2035 | to 40 | 13 | 37,000.00 | 37,000 | 37,000 | **4.9%** | | | | | | | | | | | | | | | |
| 7.620 | 7,500 | **7,500** | Square Feet | Pavers, Masonry | 2028 | to 25 | 6 | 15.00 | 112,500 | 112,500 | **11.7%** | | | | | | | | | | | | | | | |
| 7.640 | 1,120 | **1,120** | Linear Feet | Perimeter Walls, Masonry, Inspections and Repairs | 2025 | 8 to 12 | 3 | 8.50 | 9,520 | 9,520 | **4.1%** | | | | | | | | | | 22,498 | | | | | |
| 7.643 | 4,200 | **4,200** | Square Feet | Perimeter Walls, Stucco, Paint Finishes and Repairs | 2023 | 8 to 12 | 1 | 2.00 | 8,400 | 8,400 | **3.5%** | | | | | | | | | | 19,851 | | | | | |
| | | | | **Anticipated Expenditures, By Year ($1,177,241 over 30 years)** | | | | | | | | 0 | 0 | 0 | 17,841 | 0 | 0 | 217,627 | 291,428 | 0 | 63,618 | 0 | 23,493 | 0 | 0 | 0 |

# RESERVE FUNDING PLAN

## Heights

**CASH FLOW ANALYSIS**

**Promontory Pointe**

**Homeowners Association, Inc.**

**San Antonio, Texas**

Individual Reserve Budgets & Cash Flows for the Next 30 Years

| | | FY2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | *(Note 1)* | 130,837 | 141,245 | 160,228 | 102,903 | 14,868 | 65,047 | 115,452 | 27,482 | 47,042 | 79,626 | 113,459 | 135,924 | 158,837 | 196,735 | 139,865 | 164,839 |
| **Total Recommended Reserve Contributions** | *(Note 2)* | **10,000** | **27,000** | **44,000** | **61,000** | **50,000** | **50,000** | **50,000** | **31,200** | **32,300** | **33,400** | **34,600** | **35,800** | **37,100** | **38,400** | **39,700** | **41,100** |
| **Estimated Interest Earned, During Year** | *(Note 3)* | 408 | 677 | 591 | 264 | 179 | 405 | 321 | 167 | 284 | 433 | 560 | 662 | 798 | 756 | 684 | 799 |
| **Anticipated Expenditures, By Year** | | 0 | (8,694) | (101,916) | (149,299) | 0 | 0 | (138,291) | (11,807) | 0 | 0 | (12,695) | (13,549) | 0 | (96,026) | (15,410) | (15,547) |
| **Anticipated Reserves at Year End** | | $141,245 | $160,228 | $102,903 | $14,868 *(NOTE 5)* | $65,047 | $115,452 | $27,482 *(NOTE 5)* | $47,042 | $79,626 | $113,459 | $135,924 | $158,837 | $196,735 | $139,865 | $164,839 | $191,191 |

**(continued)**

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

| | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | 191,191 | 234,647 | 279,802 | 326,663 | 357,458 | 407,876 | 460,225 | 296,497 | 59,869 | 116,164 | 110,956 | 171,490 | 210,855 | 276,148 | 343,940 |
| **Total Recommended Reserve Contributions** | **42,500** | **44,000** | **45,500** | **47,100** | **48,700** | **50,400** | **52,200** | **54,000** | **55,900** | **57,900** | **59,900** | **62,000** | **64,200** | **66,400** | **68,700** |
| **Estimated Interest Earned, During Year** | 956 | 1,155 | 1,361 | 1,536 | 1,718 | 1,949 | 1,699 | 800 | 395 | 510 | 634 | 858 | 1,093 | 1,392 | 1,702 |
| **Anticipated Expenditures, By Year** | 0 | 0 | 0 | (17,841) | 0 | 0 | (217,627) | (291,428) | 0 | (63,618) | 0 | (23,493) | 0 | 0 | 0 |
| **Anticipated Reserves at Year End** | $234,647 | $279,802 | $326,663 | $357,458 | $407,876 | $460,225 | $296,497 | $59,869 *(NOTE 5)* | $116,164 | $110,956 | $171,490 | $210,855 | $276,148 | $343,940 | $414,342 *(NOTE 4)* |

**Explanatory Notes:**

*1)* Year 2022 starting reserves are as of April 30, 2022; FY2022 starts December 1, 2021 and ends December 31, 2022.

*2)* Reserve Contributions for 2022 are budgeted; 2023 is the first year of recommended contributions.

*3)* **0.5%** is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.

*4)* Accumulated year 2052 ending reserves consider the age, size, overall condition and complexity of the property.

*5)* Threshold Funding Years (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

Heights

# FIVE-YEAR OUTLOOK

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Reserve Component Inventory | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 |
|---|---|---|---|---|---|---|---|
| 7.040 | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | | | 91,954 | 95,172 | | |
| 7.110 | Concrete Curbs and Gutters, Partial | | | 9,962 | 10,311 | | |
| 7.320 | Gate Operators, Bi-Parting | | | | 17,739 | | |
| 7.330 | Gates, Bi-Parting | | | | 15,522 | | |
| 7.640 | Perimeter Walls, Masonry, Inspections and Repairs | | | | 10,555 | | |
| 7.643 | Perimeter Walls, Stucco, Paint Finishes and Repairs | | 8,694 | | | | |
| | **Anticipated Expenditures, By Year ($1,177,241 over 30 years)** | 0 | 8,694 | 101,916 | 149,299 | 0 | 0 |

Peak

# RESERVE EXPENDITURES

Years 2022 to 2037

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

**Explanatory Notes:**

1) **3.5%** **is the estimated Inflation Rate for estimating Future Replacement Costs.**
2) **FY2022 is Fiscal Year beginning December 1, 2021 and ending December 31, 2022.**

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Life Analysis, Years Remaining | Costs, $ Unit (2022) | Costs, $ Per Phase (2022) | Costs, $ Total (2022) | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 8.020 | 28,700 | **28,700** | Square Yards | Asphalt Pavement, Crack Repair and Patch | 2024 | 3 to 5 | 2 | 1.00 | 28,700 | 28,700 | **9.4%** | | | 30,744 | | | | | | | | 40,484 | | | | 46,457 | |
| 8.040 | 28,700 | **9,567** | Square Yards | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | 2027 | 15 to 20 | 5 to 7 | 18.50 | 176,983 | 530,950 | **19.7%** | | | | | | 210,201 | 217,558 | 225,172 | | | | | | | | |
| 8.041 | 28,700 | **9,567** | Square Yards | Asphalt Pavement, Mill and Overlay with 20% Patching, Phased | 2047 | 15 to 20 | 25 to 27 | 20.00 | 191,333 | 574,000 | **42.3%** | | | | | | | | | | | | | | | | |
| 8.110 | 19,700 | **657** | Linear Feet | Concrete Curbs and Gutters, Partial | 2027 | to 65 | 5 to 30+ | 30.00 | 19,700 | 591,000 | **6.5%** | | | | | | 23,398 | 24,216 | 25,064 | | | | | | | | |
| 8.120 | 5,830 | **1,943** | Square Feet | Concrete Pavement, Stamped and Colored, Phased | 2047 | to 40+ | 25 to 27 | 12.50 | 24,292 | 72,875 | **5.4%** | | | | | | | | | | | | | | | | |
| 8.240 | 320 | **320** | Linear Feet | Fences, Steel, Paint Finishes | 2024 | 6 to 8 | 2 | 12.50 | 4,000 | 4,000 | **0.9%** | | | 4,285 | | | | | | | 5,452 | | | | | | |
| 8.245 | 320 | **320** | Linear Feet | Fences, Steel, Replacement | 2037 | to 35 | 15 | 65.00 | 20,800 | 20,800 | **1.0%** | | | | | | | | | | | | | | | | 34,847 |
| 8.310 | 2 | **2** | Panels | Gate Entry System | 2032 | to 15 | 10 | 6,500.00 | 13,000 | 13,000 | **1.5%** | | | | | | | | | | | 18,338 | | | | | |
| 8.320 | 4 | **2** | Each | Gate Operators, Sliding, Phased | 2029 | to 10 | 7 to 9 | 4,500.00 | 9,000 | 18,000 | **3.1%** | | | | | | | | 11,451 | | 12,266 | | | | | | |
| 8.330 | 1 | **1** | Each | Gates, Sliding, Recently Replaced | 2045 | to 25 | 23 | 4,000.00 | 4,000 | 4,000 | **0.3%** | | | | | | | | | | | | | | | | |
| 8.331 | 3 | **3** | Each | Gates, Sliding, Remaining | 2028 | to 25 | 6 | 4,000.00 | 12,000 | 12,000 | **0.4%** | | | | | | | 14,751 | | | | | | | | | |
| 8.420 | 3 | **1** | Allowance | Irrigation System, Phased | 2040 | to 40 | 18 to 22 | 36,500.00 | 36,500 | 109,500 | **6.6%** | | | | | | | | | | | | | | | | |
| 8.640 | 1,470 | **1,470** | Linear Feet | Perimeter Walls, Masonry, Inspections and Repairs | 2025 | 8 to 12 | 3 | 8.50 | 12,495 | 12,495 | **1.9%** | | | | 13,853 | | | | | | | | | | | 20,226 | |
| 8.640 | 3,100 | **3,100** | Square Feet | Perimeter Walls, Stucco, Paint Finishes and Repairs | 2023 | 8 to 12 | 1 | 2.00 | 6,200 | 6,200 | **0.9%** | | 6,417 | | | | | | | | | | | | 9,697 | | |
| | | | | **Anticipated Expenditures, By Year ($3,320,033 over 30 years)** | | | | | | | | 0 | 6,417 | 35,029 | 13,853 | 0 | 233,599 | 256,525 | 261,687 | 0 | 17,718 | 58,822 | 0 | 0 | 9,697 | 66,683 | 34,847 |

Peak

# RESERVE EXPENDITURES



**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Costs, $ Unit (2022) | Per Phase (2022) | Total (2022) | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 8.020 | 28,700 | **28,700** | Square Yards | Asphalt Pavement, Crack Repair and Patch | 2024 | 3 to 5 | 2 | 1.00 | 28,700 | 28,700 | **9.4%** | | | 53,310 | | | | 61,174 | | | | | | | | 80,555 |
| 8.040 | 28,700 | **9,567** | Square Yards | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | 2027 | 15 to 20 | 5 to 7 | 18.50 | 176,983 | 530,950 | **19.7%** | | | | | | | | | | | | | | | |
| 8.041 | 28,700 | **9,567** | Square Yards | Asphalt Pavement, Mill and Overlay with 20% Patching, Phased | 2047 | 15 to 20 | 25 to 27 | 20.00 | 191,333 | 574,000 | **42.3%** | | | | | | | | | | 452,168 | 467,994 | 484,373 | | | |
| 8.110 | 19,700 | **657** | Linear Feet | Concrete Curbs and Gutters, Partial | 2027 | to 65 | 5 to 30+ | 30.00 | 19,700 | 591,000 | **6.5%** | | | | | | | | | | 46,556 | 48,186 | 49,872 | | | |
| 8.120 | 5,830 | **1,943** | Square Feet | Concrete Pavement, Stamped and Colored, Phased | 2047 | to 40+ | 25 to 27 | 12.50 | 24,292 | 72,875 | **5.4%** | | | | | | | | | | 57,407 | 59,416 | 61,496 | | | |
| 8.240 | 320 | **320** | Linear Feet | Fences, Steel, Paint Finishes | 2024 | 6 to 8 | 2 | 12.50 | 4,000 | 4,000 | **0.9%** | | | | | | | | 8,824 | | | | | | | 11,227 |
| 8.245 | 320 | **320** | Linear Feet | Fences, Steel, Replacement | 2037 | to 35 | 15 | 65.00 | 20,800 | 20,800 | **1.0%** | | | | | | | | | | | | | | | |
| 8.310 | 2 | **2** | Panels | Gate Entry System | 2032 | to 15 | 10 | 6,500.00 | 13,000 | 13,000 | **1.5%** | | | | | | | | | | 30,722 | | | | | |
| 8.320 | 4 | **2** | Each | Gate Operators, Sliding, Phased | 2029 | to 10 | 7 to 9 | 4,500.00 | 9,000 | 18,000 | **3.1%** | | 16,152 | | 17,303 | | | | | | | | 22,784 | | 24,407 | |
| 8.330 | 1 | **1** | Each | Gates, Sliding, Recently Replaced | 2045 | to 25 | 23 | 4,000.00 | 4,000 | 4,000 | **0.3%** | | | | | | | | 8,824 | | | | | | | |
| 8.331 | 3 | **3** | Each | Gates, Sliding, Remaining | 2028 | to 25 | 6 | 4,000.00 | 12,000 | 12,000 | **0.4%** | | | | | | | | | | | | | | | |
| 8.420 | 3 | **1** | Allowance | Irrigation System, Phased | 2040 | to 40 | 18 to 22 | 36,500.00 | 36,500 | 109,500 | **6.6%** | | | 67,798 | | 72,627 | | 77,800 | | | | | | | | |
| 8.640 | 1,470 | **1,470** | Linear Feet | Perimeter Walls, Masonry, Inspections and Repairs | 2025 | 8 to 12 | 3 | 8.50 | 12,495 | 12,495 | **1.9%** | | | | | | | | | | 29,529 | | | | | |
| 8.640 | 3,100 | **3,100** | Square Feet | Perimeter Walls, Stucco, Paint Finishes and Repairs | 2023 | 8 to 12 | 1 | 2.00 | 6,200 | 6,200 | **0.9%** | | | | | | | | | | 14,652 | | | | | |
| | | | | **Anticipated Expenditures, By Year ($3,320,033 over 30 years)** | | | | | | | | 0 | 16,152 | 121,108 | 17,303 | 72,627 | 0 | 138,974 | 17,648 | 0 | 631,034 | 575,596 | 618,525 | 0 | 24,407 | 91,782 |

# RESERVE FUNDING PLAN

## Peak

**CASH FLOW ANALYSIS**
**Promontory Pointe**
**Homeowners Association, Inc.**
**San Antonio, Texas**

Individual Reserve Budgets & Cash Flows for the Next 30 Years

| | | FY2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | *(Note 1)* | 307,385 | 321,327 | 346,409 | 359,966 | 411,846 | 494,882 | 361,205 | 207,356 | 51,149 | 136,570 | 207,625 | 240,910 | 336,506 | 435,840 | 529,310 | 569,594 |
| **Total Recommended Reserve Contributions** | *(Note 2)* | **13,000** | **30,000** | **47,000** | **64,000** | **81,000** | **98,000** | **101,400** | **104,900** | **85,000** | **88,000** | **91,100** | **94,300** | **97,600** | **101,000** | **104,500** | **108,200** |
| **Estimated Interest Earned, During Year** | *(Note 3)* | 942 | 1,499 | 1,586 | 1,733 | 2,036 | 1,922 | 1,276 | 580 | 421 | 773 | 1,007 | 1,296 | 1,734 | 2,167 | 2,467 | 2,728 |
| **Anticipated Expenditures, By Year** | | 0 | (6,417) | (35,029) | (13,853) | 0 | (233,599) | (256,525) | (261,687) | 0 | (17,718) | (58,822) | 0 | 0 | (9,697) | (66,683) | (34,847) |
| **Anticipated Reserves at Year End** | | $321,327 | $346,409 | $359,966 | $411,846 | $494,882 | $361,205 | $207,356 | $51,149 *(NOTE 5)* | $136,570 | $207,625 | $240,910 | $336,506 | $435,840 | $529,310 | $569,594 | $645,675 |

**(continued)**

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

| | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | 645,675 | 760,833 | 864,229 | 867,008 | 978,047 | 1,038,447 | 1,176,419 | 1,180,436 | 1,310,881 | 1,464,612 | 991,793 | 577,720 | 124,271 | 294,411 | 446,768 |
| **Total Recommended Reserve Contributions** | **112,000** | **115,900** | **120,000** | **124,200** | **128,500** | **133,000** | **137,700** | **142,500** | **147,500** | **152,700** | **158,000** | **163,500** | **169,200** | **175,100** | **181,200** |
| **Estimated Interest Earned, During Year** | 3,158 | 3,648 | 3,887 | 4,142 | 4,527 | 4,972 | 5,291 | 5,593 | 6,231 | 5,515 | 3,523 | 1,576 | 940 | 1,664 | 2,212 |
| **Anticipated Expenditures, By Year** | 0 | (16,152) | (121,108) | (17,303) | (72,627) | 0 | (138,974) | (17,648) | 0 | (631,034) | (575,596) | (618,525) | 0 | (24,407) | (91,782) |
| **Anticipated Reserves at Year End** | $760,833 | $864,229 | $867,008 | $978,047 | $1,038,447 | $1,176,419 | $1,180,436 | $1,310,881 | $1,464,612 | $991,793 | $577,720 | $124,271 *(NOTE 5)* | $294,411 | $446,768 | $538,398 *(NOTE 4)* |

**Explanatory Notes:**

*1)* Year 2022 starting reserves are as of April 30, 2022; FY2022 starts December 1, 2021 and ends December 31, 2022.
*2)* Reserve Contributions for 2022 are budgeted; 2023 is the first year of recommended contributions.
*3)* **0.5%** is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.
*4)* Accumulated year 2052 ending reserves consider the age, size, overall condition and complexity of the property.
*5)* Threshold Funding Years (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

Peak

# FIVE-YEAR OUTLOOK

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Reserve Component Inventory | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 |
|---|---|---|---|---|---|---|---|
| 8.020 | Asphalt Pavement, Crack Repair and Patch | | | 30,744 | | | |
| 8.040 | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | | | | | | 210,201 |
| 8.110 | Concrete Curbs and Gutters, Partial | | | | | | 23,398 |
| 8.240 | Fences, Steel, Paint Finishes | | | 4,285 | | | |
| 8.640 | Perimeter Walls, Masonry, Inspections and Repairs | | | | 13,853 | | |
| 8.640 | Perimeter Walls, Stucco, Paint Finishes and Repairs | | 6,417 | | | | |
| | **Anticipated Expenditures, By Year ($3,320,033 over 30 years)** | 0 | 6,417 | 35,029 | 13,853 | 0 | 233,599 |

Reserve

# RESERVE EXPENDITURES

Years 2022 to 2037

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

**Explanatory Notes:**

1) **3.5%** **is the estimated Inflation Rate for estimating Future Replacement Costs.**
2) **FY2022 is Fiscal Year beginning December 1, 2021 and ending December 31, 2022.**

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Life Analysis, Years Remaining | Costs, $ Unit (2022) | Costs, $ Per Phase (2022) | Costs, $ Total (2022) | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9.020 | 10,670 | **10,670** | Square Yards | Asphalt Pavement, Crack Repair and Patch | 2024 | 3 to 5 | 2 | 1.00 | 10,670 | 10,670 | **7.2%** | | | 11,430 | | | | | | | | 15,051 | | | | 17,271 | |
| 9.040 | 10,670 | **5,335** | Square Yards | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | 2027 | 15 to 20 | 5 to 6 | 18.50 | 98,698 | 197,395 | **14.7%** | | | | | | 117,222 | 121,324 | | | | | | | | | |
| 9.041 | 10,670 | **5,335** | Square Yards | Asphalt Pavement, Mill and Overlay with 20% Patching, Phased | 2047 | 15 to 20 | 25 to 26 | 20.00 | 106,700 | 213,400 | **31.6%** | | | | | | | | | | | | | | | | |
| 9.110 | 6,800 | **340** | Linear Feet | Concrete Curbs and Gutters, Partial | 2027 | to 65 | 5 to 30+ | 30.00 | 10,200 | 204,000 | **4.5%** | | | | | | 12,114 | 12,538 | | | | | | | | | |
| 9.240 | 1,120 | **1,120** | Linear Feet | Fences, Steel, Paint Finishes | 2024 | 6 to 8 | 2 | 12.50 | 14,000 | 14,000 | **6.4%** | | | 14,997 | | | | | | | 19,081 | | | | | | |
| 9.245 | 1,120 | **1,120** | Linear Feet | Fences, Steel, Replacement | 2038 | to 35 | 16 | 65.00 | 72,800 | 72,800 | **7.8%** | | | | | | | | | | | | | | | | |
| 9.310 | 1 | **1** | Panel | Gate Entry System | 2032 | to 15 | 10 | 6,500.00 | 6,500 | 6,500 | **1.5%** | | | | | | | | | | | 9,169 | | | | | |
| 9.320 | 4 | **4** | Each | Gate Operators, Bi-Parting | 2025 | to 10 | 3 | 4,000.00 | 16,000 | 16,000 | **4.8%** | | | | 17,739 | | | | | | | | | | 25,023 | | |
| 9.330 | 4 | **4** | Each | Gates, Bi-Parting | 2028 | to 25 | 6 | 3,500.00 | 14,000 | 14,000 | **1.1%** | | | | | | | 17,210 | | | | | | | | | |
| 9.420 | 1 | **1** | Allowance | Irrigation System | 2043 | to 40 | 21 | 37,000.00 | 37,000 | 37,000 | **4.7%** | | | | | | | | | | | | | | | | |
| 9.620 | 8,300 | **8,300** | Square Feet | Pavers, Masonry | 2029 | to 25 | 7 | 15.00 | 124,500 | 124,500 | **9.8%** | | | | | | | | 158,399 | | | | | | | | |
| 9.640 | 1,230 | **1,230** | Linear Feet | Perimeter Walls, Masonry, Inspections and Repairs | 2025 | 8 to 12 | 3 | 8.50 | 10,455 | 10,455 | **3.4%** | | | | 11,592 | | | | | | | | | | | | 17,516 |
| 9.640 | 4,100 | **4,100** | Square Feet | Perimeter Walls, Stucco, Paint Finishes and Repairs | 2023 | 8 to 12 | 1 | 2.00 | 8,200 | 8,200 | **2.5%** | | 8,487 | | | | | | | | | | | | 12,824 | | |
| | | | | **Anticipated Expenditures, By Year ($1,622,813 over 30 years)** | | | | | | | | 0 | 8,487 | 26,427 | 29,331 | 0 | 129,336 | 151,072 | 158,399 | 0 | 19,081 | 24,220 | 0 | 0 | 37,847 | 17,271 | 17,516 |

Reserve

# RESERVE EXPENDITURES

Years 2038 to 2052

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Costs, $ Unit (2022) | Per Phase (2022) | Total (2022) | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9.020 | 10,670 | **10,670** | Square Yards | Asphalt Pavement, Crack Repair and Patch | 2024 | 3 to 5 | 2 | 1.00 | 10,670 | 10,670 | **7.2%** | | | 19,819 | | | | 22,743 | | | | | | | | 29,948 |
| 9.040 | 10,670 | **5,335** | Square Yards | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | 2027 | 15 to 20 | 5 to 6 | 18.50 | 98,698 | 197,395 | **14.7%** | | | | | | | | | | | | | | | |
| 9.041 | 10,670 | **5,335** | Square Yards | Asphalt Pavement, Mill and Overlay with 20% Patching, Phased | 2047 | 15 to 20 | 25 to 26 | 20.00 | 106,700 | 213,400 | **31.6%** | | | | | | | | | | 252,158 | 260,984 | | | | |
| 9.110 | 6,800 | **340** | Linear Feet | Concrete Curbs and Gutters, Partial | 2027 | to 65 | 5 to 30+ | 30.00 | 10,200 | 204,000 | **4.5%** | | | | | | | | | | 24,105 | 24,949 | | | | |
| 9.240 | 1,120 | **1,120** | Linear Feet | Fences, Steel, Paint Finishes | 2024 | 6 to 8 | 2 | 12.50 | 14,000 | 14,000 | **6.4%** | | | | | | | | 30,886 | | | | | | | 39,295 |
| 9.245 | 1,120 | **1,120** | Linear Feet | Fences, Steel, Replacement | 2038 | to 35 | 16 | 65.00 | 72,800 | 72,800 | **7.8%** | 126,234 | | | | | | | | | | | | | | |
| 9.310 | 1 | **1** | Panel | Gate Entry System | 2032 | to 15 | 10 | 6,500.00 | 6,500 | 6,500 | **1.5%** | | | | | | | | | | 15,361 | | | | | |
| 9.320 | 4 | **4** | Each | Gate Operators, Bi-Parting | 2025 | to 10 | 3 | 4,000.00 | 16,000 | 16,000 | **4.8%** | | | | | | | | 35,298 | | | | | | | |
| 9.330 | 4 | **4** | Each | Gates, Bi-Parting | 2028 | to 25 | 6 | 3,500.00 | 14,000 | 14,000 | **1.1%** | | | | | | | | | | | | | | | |
| 9.420 | 1 | **1** | Allowance | Irrigation System | 2043 | to 40 | 21 | 37,000.00 | 37,000 | 37,000 | **4.7%** | | | | | | 76,199 | | | | | | | | | |
| 9.620 | 8,300 | **8,300** | Square Feet | Pavers, Masonry | 2029 | to 25 | 7 | 15.00 | 124,500 | 124,500 | **9.8%** | | | | | | | | | | | | | | | |
| 9.640 | 1,230 | **1,230** | Linear Feet | Perimeter Walls, Masonry, Inspections and Repairs | 2025 | 8 to 12 | 3 | 8.50 | 10,455 | 10,455 | **3.4%** | | | | | | | | | | | | 26,468 | | | |
| 9.640 | 4,100 | **4,100** | Square Feet | Perimeter Walls, Stucco, Paint Finishes and Repairs | 2023 | 8 to 12 | 1 | 2.00 | 8,200 | 8,200 | **2.5%** | | | | | | | | | | 19,379 | | | | | |
| | | | | **Anticipated Expenditures, By Year ($1,622,813 over 30 years)** | | | | | | | | 126,234 | 0 | 19,819 | 0 | 0 | 76,199 | 22,743 | 66,184 | 0 | 311,003 | 285,933 | 26,468 | 0 | 0 | 69,243 |

# RESERVE FUNDING PLAN

## Reserve

**CASH FLOW ANALYSIS**

**Promontory Pointe**

**Homeowners Association, Inc.**

**San Antonio, Texas**

Individual Reserve Budgets & Cash Flows for the Next 30 Years

| | | FY2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | *(Note 1)* | 134,865 | 143,782 | 156,970 | 164,765 | 182,213 | 241,665 | 184,285 | 107,368 | 25,367 | 64,870 | 86,830 | 105,141 | 149,312 | 195,185 | 204,936 | 236,957 |
| **Total Recommended Reserve Contributions** | *(Note 2)* | **8,500** | **21,000** | **33,500** | **46,000** | **58,500** | **71,000** | **73,500** | **76,100** | **39,300** | **40,700** | **42,100** | **43,600** | **45,100** | **46,700** | **48,300** | **50,000** |
| **Estimated Interest Earned, During Year** | *(Note 3)* | 417 | 675 | 722 | 779 | 952 | 956 | 655 | 298 | 203 | 341 | 431 | 571 | 773 | 898 | 992 | 1,139 |
| **Anticipated Expenditures, By Year** | | 0 | (8,487) | (26,427) | (29,331) | 0 | (129,336) | (151,072) | (158,399) | 0 | (19,081) | (24,220) | 0 | 0 | (37,847) | (17,271) | (17,516) |
| **Anticipated Reserves at Year End** | | $143,782 | $156,970 | $164,765 | $182,213 | $241,665 | $184,285 | $107,368 | $25,367 *(NOTE 5)* | $64,870 | $86,830 | $105,141 | $149,312 | $195,185 | $204,936 | $236,957 | $270,580 |

**(continued)**

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

| | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | 270,580 | 197,196 | 251,804 | 288,698 | 347,526 | 408,624 | 395,731 | 438,561 | 440,250 | 510,585 | 271,939 | 59,851 | 109,463 | 188,432 | 270,462 |
| **Total Recommended Reserve Contributions** | **51,800** | **53,600** | **55,500** | **57,400** | **59,400** | **61,500** | **63,700** | **65,900** | **68,200** | **70,600** | **73,100** | **75,700** | **78,300** | **81,000** | **83,800** |
| **Estimated Interest Earned, During Year** | 1,050 | 1,008 | 1,213 | 1,428 | 1,698 | 1,806 | 1,873 | 1,973 | 2,135 | 1,757 | 745 | 380 | 669 | 1,030 | 1,250 |
| **Anticipated Expenditures, By Year** | (126,234) | 0 | (19,819) | 0 | 0 | (76,199) | (22,743) | (66,184) | 0 | (311,003) | (285,933) | (26,468) | 0 | 0 | (69,243) |
| **Anticipated Reserves at Year End** | $197,196 | $251,804 | $288,698 | $347,526 | $408,624 | $395,731 | $438,561 | $440,250 | $510,585 | $271,939 | $59,851 *(NOTE 5)* | $109,463 | $188,432 | $270,462 | $286,269 *(NOTE 4)* |

**Explanatory Notes:**

*1)* Year 2022 starting reserves are as of April 30, 2022; FY2022 starts December 1, 2021 and ends December 31, 2022.

*2)* Reserve Contributions for 2022 are budgeted; 2023 is the first year of recommended contributions.

*3)* **0.5%** is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.

*4)* Accumulated year 2052 ending reserves consider the age, size, overall condition and complexity of the property.

*5)* Threshold Funding Years (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

Reserve
# FIVE-YEAR OUTLOOK

**Promontory Pointe**
**Homeowners Association, Inc.**
San Antonio, Texas

| Line Item | Reserve Component Inventory | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 |
|---|---|---|---|---|---|---|---|
| 9.020 | Asphalt Pavement, Crack Repair and Patch | | | 11,430 | | | |
| 9.040 | Asphalt Pavement, Mill and Overlay with 10% Patching, Phased | | | | | | 117,222 |
| 9.110 | Concrete Curbs and Gutters, Partial | | | | | | 12,114 |
| 9.240 | Fences, Steel, Paint Finishes | | | 14,997 | | | |
| 9.320 | Gate Operators, Bi-Parting | | | | 17,739 | | |
| 9.640 | Perimeter Walls, Masonry, Inspections and Repairs | | | | 11,592 | | |
| 9.640 | Perimeter Walls, Stucco, Paint Finishes and Repairs | | 8,487 | | | | |
| | **Anticipated Expenditures, By Year ($1,622,813 over 30 years)** | 0 | 8,487 | 26,427 | 29,331 | 0 | 129,336 |

# 4. RESERVE COMPONENT DETAIL

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

## *Common Elements*

## Property Site Elements

### Asphalt Pavement, Repaving, Parking Area

***Line Item:*** 4.045

***Quantity:*** Approximately 690 square yards

***History:*** Original

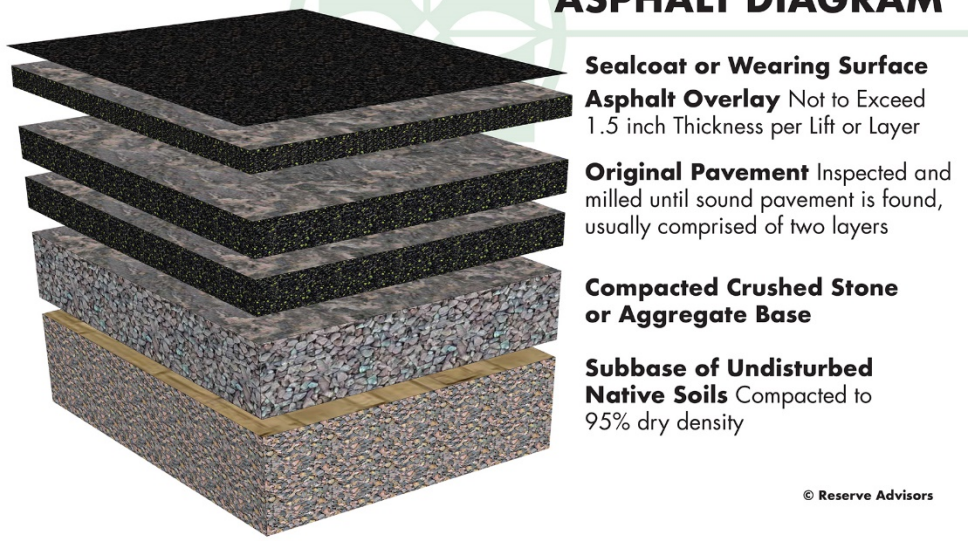
***Condition:*** Good to fair overall with pavement cracks evident

**Asphalt pavement parking lot overview**

**Pavement cracks at pool parking area**

***Useful Life:*** 15- to 20-years with the benefit of timely crack repairs and patching

***Component Detail Notes:*** The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Promontory Pointe:




The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the total replacement method of repaving at Promontory Pointe.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
    - Repair areas which could cause vehicular damage such as potholes
- As needed:
    - Perform crack repairs and patching

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

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

## Irrigation System, Replacement

***Line Item:*** 4.420

***Quantity:*** The Association maintains irrigation system at the common areas throughout the property including the landscaped medians along Wilderness Oaks

***History:*** Original

***Condition:*** Satisfactory operational condition and the Board does not report any deficiencies. The irrigation system is inspected on a regular basis and repaired as needed.

***Useful Life:*** Up to 40 years

***Component Detail Notes:*** Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Valves

Promontory Pointe should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs
    - Blow out irrigation water lines and drain building exterior faucets each fall if applicable

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

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

## Light Poles and Fixtures

***Line Item:*** 4.560

***Quantity:*** 8 each at the amenity center

***History:*** Original

***Condition:*** Good to fair overall with missing fixtures evident

**Light pole and fixture**

**Missing fixtures**

***Useful Life:*** Up to 30 years

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
    - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
    - Replaced burned out bulbs as needed

***Priority/Criticality:*** Per Board discretion

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

## Playground Equipment

***Line Item:*** 4.660

***Quantity:*** Playground equipment includes the following elements:

- Playsets
- Swing sets
- Safety surface
- Exercise stations

***History:*** Original to approximately 2009

***Condition:*** Good overall

**Playground equipment**

**Playground equipment**

**Exercise station**

***Useful Life:*** 15- to 20-years

***Component Detail Notes:*** Safety is the major purpose for maintaining playground equipment. We recommend an annual inspection of the playground equipment to identify and repair as normal maintenance loose connections and fasteners or damaged elements. We suggest the Association learn more about the specific requirements of playground equipment at PlaygroundSafety.org. We recommend the use of a specialist for the design or replacement of the playground equipment environment.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect and repair loose connections and fasteners or damaged elements
    - Inspect for safety hazards and adequate coverage of ground surface cover

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We include an allowance in the unit cost for replacement of the safety surface and border.

## Shade Structures, Playground

***Line Item:*** 4.700 and 4.701

***Quantity:*** Approximately 1,440 square feet comprising the metal shade structures at the playground. The Association maintains an additional 260 square feet of canvas attached to the playsets.

***History:*** Original to approximately 2009

***Condition:*** Good overall

***Useful Life:*** Six- to eight-years for the canvas and up to 25 years for total replacement

***Priority/Criticality:*** Per Board discretion

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

## Sport Court, Basketball, Fence

***Line Item:*** 4.840

***Quantity:*** Approximately 280 linear feet

***History:*** Original to approximately 2009

***Condition:*** Good overall

**Chain link fence**

***Useful Life:*** 20- to 25-years

***Priority/Criticality:*** Per Board discretion

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

## Sport Court, Basketball

***Line Items:*** 4.830 and 4.860

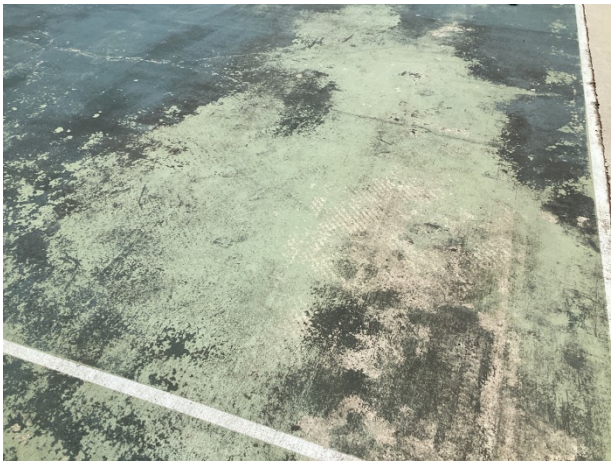
***Quantity:*** Approximately 4,500 square feet of concrete comprising one basketball court

***History:***

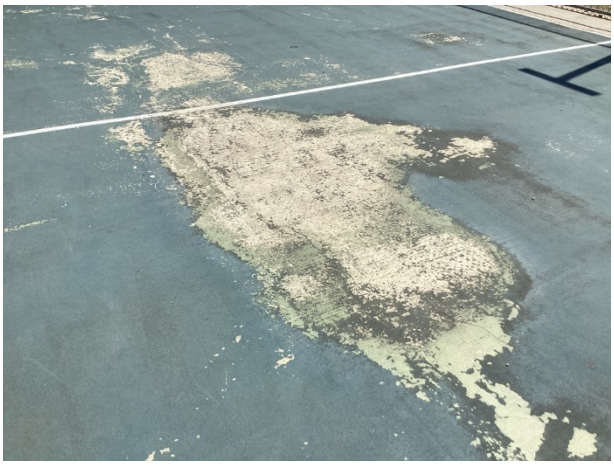
- Color Coat: Exact age unknown
- Surface: Original to approximately 2009

***Condition:*** Good to fair overall with color coat fade and surface cracks evident. The Board informs us the Association plans to color coat the court in 2022.

**Basketball court overview**



**Color coat fade**



**Color coat fade**

**Surface cracks**

***Useful Life:*** 40+ for replacement of the surface with the benefit of color coat applications and repairs every four- to six-years

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair large cracks, trip hazards and possibly safety hazards
  - Verify gate and fencing is secure
  - Verify lighting is working properly if applicable
  - Inspect and repair standards and windscreens as needed

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

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

# Pool Elements

## Concrete Deck

***Line Item:*** 5.200

***Quantity:*** Approximately 6,440 square feet

***History:*** Original

***Condition:*** Good to fair overall with concrete cracks evident

**Concrete pool deck overview**

**Concrete cracks**

**Concrete cracks**

**Concrete cracks**

**Concrete cracks**

***Useful Life:*** The useful life of a concrete pool deck is up to 60 years or more with timely repairs. We recommend the Association conduct inspections, partial replacements and repairs to the deck every 8- to 12-years.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Inspect and repair large cracks, trip hazards, and possible safety hazards
    - Inspect and repair pool coping for cracks, settlement, heaves or sealant deterioration
    - Repair concrete spalling
    - Schedule periodic pressure cleanings as needed

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association budget for the following per event:

- Selective cut out and replacements of up to ten percent (10%) of concrete
- Crack repairs as needed
- Mortar joint repairs
- Caulk replacement

## Fence, Steel

***Line Items:*** 5.400 and 5.045

***Quantity:*** 380 linear feet

***History:*** Original. The fence was painted in approximately 2019.

***Condition:*** Good to fair overall with finish deterioration and damage evident

**Steel pool fence**

**Fence finish deterioration**

**Fence picket damage**

***Useful Life:*** Up to 35 years with the benefit of paint finishes every six- to eight-years

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose fasteners or sections, and damage
  - Repair leaning sections and clear vegetation from fence areas which could cause damage

***Priority/Criticality:*** Not recommended to defer

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

## Furniture

***Line Item:*** 5.500

***Quantity:*** The pool furniture includes the following:

- Chairs
- Lounges
- Tables
- Picnic tables
- Ladders and life safety equipment

***History:*** Dates to approximately 2011

***Condition:*** Reported in fair overall condition

**Pool furniture**

**Finish deterioration**

***Useful Life:*** Up to 15 years

***Priority/Criticality:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend interim re-strapping, refinishing, and other repairs to the furniture as normal maintenance to maximize its useful life.

## Mechanical Equipment

***Line Item:*** 5.600

***Quantity:*** The mechanical equipment includes the following:

- Automatic chlorinator and controls
- Interconnected pipe, fittings and valves
- Pumps and filters

***History:*** Replaced as needed

***Condition:*** Reported satisfactory overall

**Pool mechanical equipment**

***Useful Life:*** Up to 15 years

***Preventative Maintenance Notes:*** We recommend the Association maintain a maintenance contract with a qualified professional and follow the manufacturer's specific recommended maintenance and local, state and/or federal inspection guidelines.

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to fifty percent (50%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

## Pool Finishes, Plaster and Tile

***Line Items:*** 5.800 and 5.801

***Quantity:*** 3,080 square feet of plaster based on the horizontal surface area and approximately 650 linear feet of tile. This quantity also includes the wading pool.

***History:***

- Plaster finish: Dates to approximately 2013
- Tile and coping: Exact age unknown

***Condition:*** Good to fair overall with coping cracks evident

**Pool plaster finish with tile perimeter**

**Pool coping cracks**

***Useful Life:*** 8- to 12-years for the plaster and 15- to 25-years for the tile

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
    - Inspect main drain connection and anti-entrapment covers, pressure test circulation piping and valves
    - Test handrails and safety features for proper operation

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association budget for full tile replacement every other plaster replacement event. Removal and replacement of the finish provides the opportunity to inspect the pool structures and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structures, we recommend the Association budget for the following:

- Removal and replacement of the plaster finishes
- Partial replacements of the scuppers and coping as needed
- Replacement of tiles as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

## Rest Rooms

***Line Item:*** 5.850

***Quantity:*** Two common rest rooms. The rest room components include:

- Paint finishes on the walls and ceilings
- Light fixtures
- Plumbing fixtures

***History:*** Original

***Condition:*** Good overall with no significant deterioration evident.

**Rest room overview**

***Useful Life:*** Renovation up to every 20 years

***Priority/Criticality:*** Per Board discretion

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

## Roofs, Metal

***Line Item:*** 5.860

***Quantity:*** Approximately 30 *squares*[1]

***History:*** Dates to 2012

***Condition:*** Good overall

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

**Metal roof**

**Metal roof**

***Useful Life:*** Up to 30 years

***Preventative Maintenance Notes:*** We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Record any areas of water infiltration, flashing deterioration, damage or loose fasteners
    - Implement repairs as needed if issues are reoccurring
    - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
    - Clear valleys of debris
    - Periodic cleaning at areas with organic growth

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

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

## Security System

***Line Item:*** 5.870

***Quantity:*** Promontory Pointe utilizes the following security system components:

- Cameras
- Access points

***History:*** Replaced within the last five years

***Condition:*** Reported satisfactory without operational deficiencies

**Access control point**

**Security system camera**

***Useful Life:*** 10- to 15-years

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

- Monthly:
  - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free

***Priority/Criticality:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should anticipate replacement of up to fifty percent (50%) of the security system components per event.

## Shade Structures

***Line Item:*** 5.880 and 5.890

***Quantity:*** Approximately 1,900 square feet

***History:*** Dates to approximately 2008

***Condition:*** Good to fair overall with canvas tear evident

**Shade structure at playground**

**Shade structure overview**

**Canvas tear at pool shade structure**

***Useful Life:*** Six- to eight-years for the canvas and up to 25 years for total replacement

***Priority/Criticality:*** Per Board discretion

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

# *The Pointe and Gated Section Elements*

## Asphalt Pavement, Crack Repair, Patch and Seal Coat

***Line Item:*** 7.020, 8.020 and 9.020

***Quantity:***

- 9,280 square yards at the Heights
- 28,700 square yards at the Peak
- 10,670 square yards at the Reserve

***History:*** Original to construction. The Association has conducted repairs over the years.

***Condition:*** Good to fair overall

***Useful Life:*** Three- to five-years

***Priority/Criticality:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost includes an allowance for crack repairs and patching of up to two percent (2%) of the pavement.

## Asphalt Pavement, Repaving

***Line Item:*** 7.040, 7.041, 8.040, 8.041, 9.040 and 9.041

***Quantity, History and Condition:***

- 9,280 square yards at the Heights – Original to construction – Fair overall with pavement cracks evident throughout the property
- 28,700 square yards at the Peak – Original to construction – Good to fair overall with pavement cracks, alligator cracks and previous cracks evident. We note a higher frequency cracks at the cul-de-sac on Beaver Bark
- 10,670 square yards at the Reserve – Original to construction – Good to fair overall with pavement cracks, alligator cracks and previous repairs evident

**Asphalt pavement street overview**

**Pavement cracks at the Heights**

**Pavement cracks and edge deterioration at the Peak**

**Alligator cracks at previously patched section at the Peak**

**Edge deterioration at the Peak**

**Previous repairs at the Peak**

**Pavement cracks at the Heights**

**Alligator cracks at the Heights**

**Pavement cracks at the Heights**

**Asphalt pavement street at the Reserve in good condition**

**Pavement cracks at the Reserve**

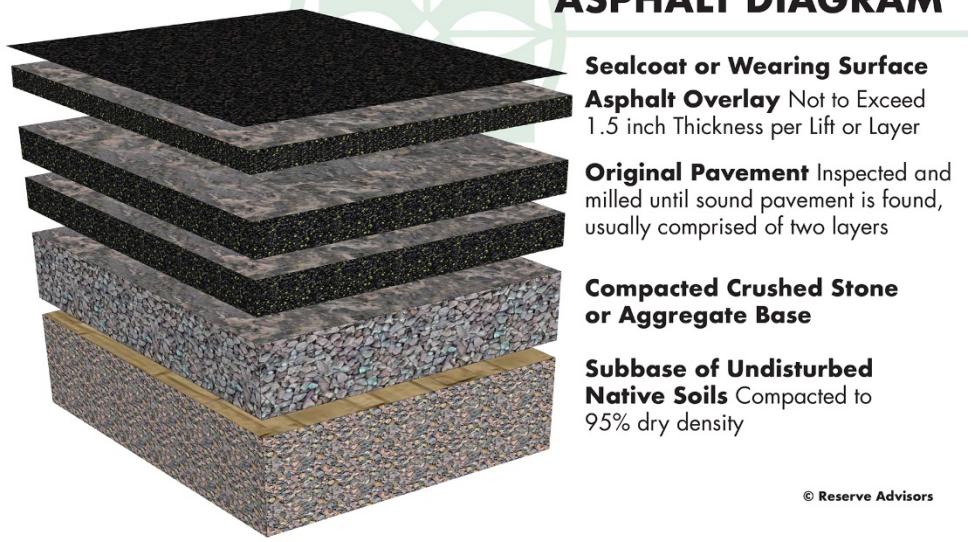
**Pavement cracks at the Preserve**

**Alligator cracks and previous repairs at the Reserve**

**Previous repairs and alligator cracks at the Peak**

***Useful Life:*** 15- to 20-years with the benefit of timely crack repairs and patching

***Component Detail Notes:*** The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Promontory Pointe:




The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlay method of repaving at Promontory Pointe.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
    - Repair areas which could cause vehicular damage such as potholes
- As needed:

- Perform crack repairs and patching

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for milling and overlayment includes area patching of up to twenty percent (20%).

## Concrete Curbs and Gutters

***Line Item:*** 7.110, 8.110 and 9.110

***Quantity:***

- 6,200 linear feet at the Heights
- 19,700 linear feet at the Peak
- 6,800 linear feet at the Reserve

***Condition:*** Good to fair overall with concrete cracks and spalling evident

**Concrete curb and gutter**

**Concrete cracks**

**Concrete spalls and cracks**

**Concrete spalls at the Reserve**

**Concrete cracks at the Peak**

***Useful Life:*** Up to 65 years although interim deterioration of areas is common

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect and repair major cracks, spalls and trip hazards
    - Mark with orange safety paint prior to replacement or repair
    - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

***Priority/Criticality:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We estimate that up to twenty percent (20%) of the total at each section, will require replacement during the next 30 years – 1,240 linear feet at the Heights, 3,940 linear feet at the Peak and 1,360 linear feet at the Reserve.

## Concrete Pavement, Stamped and Colored, Peak

***Line Item:*** 8.120

***Quantity:*** Approximately 5,830 square feet

***Condition:*** Good to fair overall with concrete deterioration evident

**Stamped concrete**

**Concrete deterioration**

***Useful Life:*** 40+ years

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair failed or deteriorated joint sealant as needed
  - Inspect and repair major cracks, spalls and trip hazards
  - Mark with orange safety paint prior to replacement or repair

***Priority/Criticality:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association fund interim repairs through the operating budget.

## Fences, Steel

***Line Items:*** 6.240, 6.245, 8.240, 8.245, 9.240 and 9.245

***Quantity:***

- 300 linear feet at the Pointe
- 320 linear feet at the Peak
- 1,120 linear feet at the Reserve

***History:***

- Fence: original to construction
- Paint finishes: painted within the last four years

***Condition:*** Good to fair overall with finish deterioration and rust evident

**Steel fence**

**Fence rust at the Reserve**

**Fence rust at the Pointe**

**Fence finish deterioration and rust at the Reserve**

**Steel fence**

**Fence finish deterioration at the Peak**

**Fence rust at the Peak**

**Fence rust at the Peak**

**Fence rust**

**Fence rust at the Peak**

***Useful Life:*** Six- to eight-years for paint finishes and up to 35 years for replacement

***Component Detail Notes:*** Steel components at grade and key structural connections are especially prone to failure if not thoroughly maintained. Secure and rust free fasteners

and connections will prevent premature deterioration. Preparation of the steel before application of the paint finish is critical to maximize the useful life of the finish.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose fasteners or sections, finish deterioration, and damage
  - Repair leaning sections and clear vegetation from fence areas which could cause damage

***Priority/Criticality:*** Per Board discretion

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

## Gate Entry System

***Line Item:*** 7.310, 8.310 and 9.310

***Quantity:*** One panel each at the Heights, and Reserve and two panels at the Peak

***History:*** All panels were replaced within the last five years

***Condition:*** Reported in good overall condition

**Typical panel at the property**


**RFID reader at the Heights**

***Useful Life:*** Up to 15 years

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

- Monthly:
  - Inspect panel for damage and ensure the panel is mounted securely, tighten or replace any loose or damaged fasteners.
  - Inspect panel for proper operation of buttons, displays, microphone and speaker.
- Annually:
  - Check power connections, and if applicable, functionality of battery power supply systems

***Priority/Criticality:*** Per Board discretion

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

## Gates and Operators

***Line Items:*** 7.320, 7.330, 8.320, 8.330, 8.331, 9.320 and 9.330

***Quantity:*** Four bi-parting gates and operators at the Heights and Reserve and four sliding gates and operators at the Peak

***History:***

- Gates: Primarily original to construction. One gate at the Peak was replaced in recent years.
- Operators: Varies in age

***Condition:***

- Gates: Good to fair overall with rust evident
- Operators: Varies in condition

**Typical gates at the property**

**Typical gate operator at the property**

**Gate rust at the Heights**

**Gate rust at the Heights**

**Sliding gate at the Peak**

**Gate rust at the Peak**

***Useful Life:*** Up to 10 years for the operators and up to 25 years for the gates

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

- Semi-annually:
    - Ensure gates operate freely
    - Inspect for any wear, rust and loose fasteners
    - Inspect and correct tension in belts and chains, and lubricate hinges and chains as necessary
    - Check alignment of pulleys
    - Check for no oil leakage at the gear box
    - Check the control board for water damage. Clean and remove insects and other pests as needed.

- Check all wiring for insulation damage and loose connections. If applicable, check functionality of battery power supply systems

***Priority/Criticality:*** Not recommended to defer

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

## Irrigation System, Replacement

***Line Item:*** 6.420, 7.420, 8.420 and 9.420

***Quantity:*** Each gated section maintains an irrigation system to irrigate the landscape at the common areas

***History:*** Original

***Condition:*** Satisfactory operational condition and the Board does not report any deficiencies

***Useful Life:*** Up to 40 years

***Component Detail Notes:*** Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Valves

Promontory Pointe should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
  - Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs
  - Blow out irrigation water lines and drain building exterior faucets each fall if applicable

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

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

## Pavers, Masonry, Heights and Reserve

***Line Item:*** 7.620 and 9.620

***Quantity:*** Approximately 7,500 square feet at the Heights and 8,300 square feet at the Reserve

***History:*** A portion of the pavers at the Heights was replaced within the last five years. The pavers at the Reserve is original.

***Condition:*** Good to fair overall with damaged pavers evident

**Masonry pavers at the Heights**

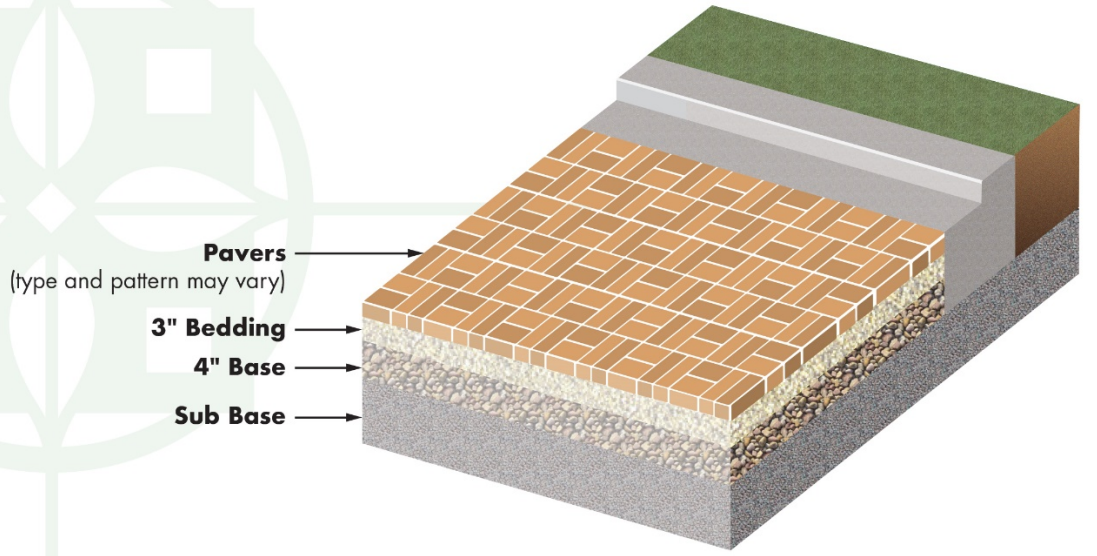
**Damaged pavers at the Heights**

**Damaged pavers at the Reserve**

***Useful Life:*** Up to 25 years

***Component Detail Notes:*** The following diagram depicts the typical components of a masonry paver system although it may not reflect the actual configuration at Promontory Pointe:

## MASONRY PAVER DIAGRAM






***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair settlement, trip hazards and paver spalls at heavy traffic areas
  - Re-set and/or reseal damaged pavers as necessary
  - Periodically clean and remove overgrown vegetation as needed

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We suggest the Association conduct interim resetting and replacement of minor areas of pavers as normal maintenance, funded from the operating budget.

## Perimeter Walls, Masonry

***Line Items:*** 6.640, 7.640, 8.640 and 9.640

***Quantity:***

- 3,150 linear feet at the Pointe
- 1,120 linear feet at the Heights
- 1,470 linear feet at the Peak
- 1,230 linear feet at the Reserve

***History:*** Original

***Condition:*** Good to fair overall with mortar deterioration, exposed reinforcing steel, brick damage, spalls and efflorescence evident

**Masonry perimeter wall overview**

**Wall mortar deterioration and exposed reinforcing steel at the Heights**

**Step cracks at the Heights**

**Wall efflorescence**

**Wall efflorescence**

**Wall brick spalls at the Peak**

**Masonry perimeter wall overview**

***Useful Life:*** Indefinitely long with periodic inspections and repairs 8- to 12-years to forestall deterioration.

***Component Detail Notes:*** Common types of masonry deterioration include efflorescence, spalling and cracking. Repointing is a process of raking and cutting out defective mortar and replacing it with new mortar.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
    - Inspect for significant brick damage or spalling, numerous locations of mortar deterioration and excessive efflorescence. If these conditions exist, perform near term repairs and remediation, utilizing reserve funds if project scope warrants.
    - Ensure irrigation heads are directed away from the walls

***Priority/Criticality:*** Not recommended to defer

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost includes inspections, repointing of up to five percent (5%) and replacement of up to two percent (2%) of masonry.

## Perimeter Walls, Panelized Masonry, Pointe

***Line Item:*** 6.641 and 6.642

***Quantity:*** Approximately 1,520 linear feet along Bear Ridge and 1,300 linear feet along Knights Crossings

***History:*** Primarily original. The Association replaced two sections in recent years

***Condition:*** The falls along Knights Crossings is fair to poor overall with a higher frequency of efflorescence, previous repairs, damage columns and exposed support wires evident. The walls along Bear Ridge is good to fair overall with previous repairs, efflorescence and exposed support wire evident.

**Panelized masonry perimeter wall along Knights Crossings**

**Wall efflorescence and previous repairs**

**Previous repairs**

**Wall exposed support wire**

**Wall exposed support wire**

**Damaged column**

**Wall efflorescence**

**Wall exposed support wire**

**Panelized masonry perimeter wall along Bear Ridge**

**Previous repairs**

**Wall exposed support wire**

***Useful Life:*** 30- to 35-years

***Component Detail Notes:*** These walls comprise brick masonry panels with a thickness of one brick and do not utilize a foundation for support. Rather, the panels are supported internally with ladder wire and externally by traditional masonry columns. These types of walls are prone to damage primarily as a result of water infiltration due to precipitation or errant spray from irrigation systems. Water infiltration within the panels or columns results in deterioration of the internal metal support wire. Sag, cracks, spalls and mortar deterioration are evidence of water infiltration and the likely need to replace the panels. Therefore, we anticipate a significantly shorter useful life when compared to typical brick masonry walls.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
    - Inspect for significant damage or spalling, numerous locations of mortar deterioration and excessive efflorescence. If these

conditions exist, perform near term repairs and remediation, utilizing reserve funds if project scope warrants.

- Ensure irrigation heads are directed away from the walls and tree roots do not undermine the support columns

***Priority/Criticality:*** Not recommended to defer

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Based on the conditions identified, we depict replacement of all walls in a phased manner beginning by 2023 and concluding 2032 prioritizing replacement of the walls along Knights Crossing. Future updates of this study will consider the need to adjust timing and expenditures based on conditions identified then.

## Perimeter Walls, Stucco

***Line Item:*** 6.643, 7.643, 8.643 and 9.643

***Quantity:***

- 1,400 square feet at the Pointe
- 4,200 square feet at the Heights
- 3,100 square feet at the Peak
- 4,100 square feet at the Reserve

***History:*** Original

***Condition:*** Fair overall with stucco cracks evident

**Stucco perimeter wall overview**

**Wall stucco cracks**

**Wall stucco cracks**

**Wall stucco cracks**


**Wall stucco cracks at the Reserve**

**Wall stucco cracks at the Peak**

**Wall stucco cracks at organic growth at the Peak**

***Useful Life:*** Indefinitely long with periodic finish applications and proper maintenance every 8- to 12-years

***Component Detail Notes:*** Stucco is Portland cement plaster that is applied directly to a solid base such as masonry or concrete. Periodic paint finish applications and repairs to stucco help prevent water infiltration and spalling from weather exposure, maintain a good appearance and maximize the useful life of the system.

***Preventative Maintenance Notes:*** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
    - Inspect for significant stucco damage, cracks and paint finish deterioration. If these conditions exist, perform near term repairs and remediation, utilizing reserve funds if project scope warrants.
    - Ensure irrigation heads are directed away from the walls
    - Pressure clean as necessary at areas of finish stains and organic growth

***Priority/Criticality:*** Not recommended to defer

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost include paint finishes, inspections, crack repairs and partial replacements as needed.

## Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

# 5. METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Promontory Pointe can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level annual reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Homeowners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards[1] set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level II Reserve Study Update." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local[2] costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in San Antonio, Texas at an annual inflation rate[3]. Isolated or regional markets of greater

[1] Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".
[2] See Credentials for additional information on our use of published sources of cost data.
[3] Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Promontory Pointe and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.

# 6. CREDENTIALS

## HISTORY AND DEPTH OF SERVICE

**Founded in 1991,** Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

**No Conflict of Interest** - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

## TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

## OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

## VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

## OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.

**JAISON T. THOMAS**
**Responsible Advisor**

## CURRENT CLIENT SERVICES

Jaison T. Thomas, a Mechanical Engineer, is an advisor for Reserve Advisors. Mr. Thomas is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for apartments, condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Jaison Thomas demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

**Foresters Pond Condominiums -** This condominium association in Houston, Texas containing 118 units in 14 buildings was constructed in the early 1960's. The exteriors of the condominiums comprise of a combination of masonry walls and wood siding construction, asphalt shingle roofs, wood framed balconies with concrete thinset toppings and staircases. The community includes a clubhouse, pool, asphalt parking areas, carports, and perimeter walls.

**Seven Meadow's Community Association, Inc. -** This single family home community contains over 2,000 residential homes and is located in Katy, Texas. Features of this community include two pools, two pool houses, a combination of panelized concrete and masonry perimeter walls, two tennis courts, ponds, playgrounds and a clubhouse including conference rooms, a fitness room and a theater room.

**Easton Park Townhomes Owners Association, Inc. -** A townhome community in Charlotte, North Carolina containing 33 units in 11 buildings. The townhomes comprise of a combination of brick walls and fiber cement siding. Features of this property include retention ponds, lift station, asphalt streets, street pavers, masonry perimeter walls and masonry retaining walls.

**Villages of Northpointe Community Association, Inc.** - Located in Tomball, Texas, Villages of Northpointe comprises 919 single family homes. The community includes a main amenity center with a clubhouse, pool, playground equipment and outdoor exercise stations. Throughout the site, the Association maintains numerous fences, perimeter walls, and landscaped and irrigated areas. The community also includes a gated section which utilizes a separate expenditures and funding plan.

**Skyecroft Homeowners Association, Inc.** - This single family home community contains 208 residential homes and is located in Waxhaw, North Carolina. The community includes a pool, tennis courts, playground equipment, large quantities of asphalt streets and a clubhouse including a meeting room, library and a bar room. The community also includes an extensive drainage system which utilizes 22 ponds throughout the community.

## PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Thomas completed the bachelors program in Mechanical Engineering from the University of Houston. Following his studies, he worked as a field engineer in refineries and also as a design engineer where he designed heat tracing circuits for piping in refineries and power plants.

## EDUCATION

University of Houston - B.S. Mechanical Engineering

## PROFESSIONAL AFFILIATIONS

*Engineer in Training (E.I.T.)* - State of Texas
*Reserve Specialist (RS)* – Community Associations Institute

**ALAN M. EBERT, P.E., PRA, RS**
**Director of Quality Assurance**

## CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

**Brownsville Winter Haven** Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

**Rosemont Condominiums** This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

**Stillwater Homeowners Association** Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

**Birchfield Community Services Association** This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

**Oakridge Manor Condominium Association** Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

**Memorial Lofts Homeowners Association** This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

## PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

## EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

## PROFESSIONAL AFFILIATIONS/DESIGNATIONS

*Professional Engineering License* – Wisconsin, North Carolina, Illinois, Colorado
*Reserve Specialist (RS)* **-** Community Associations Institute
*Professional Reserve Analyst (PRA)* **-** Association of Professional Reserve Analysts

# RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

**Association of Construction Inspectors**, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org.

**American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc**., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors actively participates in its local chapter and holds individual memberships.

**Community Associations Institute**, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations 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 www.marshallswift.com.

**R.S. Means CostWorks**, North America's leading supplier of construction cost information. As 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 www.rsmeans.com.

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

# 7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

**Cash Flow Method** - A method of calculating Reserve Contributions 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.

**Component Method** - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

**Current Cost of Replacement** - That amount required today derived from the quantity of a *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 manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

**Fully Funded Balance** - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

**Funding Goal (Threshold)** - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

**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 materials, labor and equipment.

**Long-Lived Property Component** - Property component of Promontory Pointe 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** - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life** - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

**Reserve Component** - Property elements with: 1) Promontory Pointe responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

**Reserve Component Inventory** - Line Items in ***Reserve Expenditures*** that identify a *Reserve Component*.

**Reserve Contribution** - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

**Reserve Expenditure** - Future Cost of Replacement of a Reserve Component.

**Reserve Fund Status** - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

**Reserve Funding Plan** - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

**Reserve Study** - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

**Useful Life** - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.

# 8. PROFESSIONAL SERVICE CONDITIONS

**Our Services -** Reserve Advisors, LLC (RA) performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan to create reserves for anticipated future replacement expenditures of the property.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in our report. The inspection is made by employees generally familiar with real estate and building construction but in the absence of invasive testing RA cannot opine on, nor is RA responsible for, the structural integrity of the property including its conformity to specific governmental code requirements for fire, building, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the report. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services; nor does RA investigate water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions. RA assumes no responsibility for any such conditions. The Report contains opinions of estimated costs and remaining useful lives which are neither a guarantee of the actual costs of replacement nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

**Report -** RA completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations and is deemed complete. RA, however, considers any additional information made available to us within 6 months of issuing the Report if a timely request for a revised Report is made. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit.

**Your Obligations -** You agree to provide us access to the subject property for an on-site visual inspection You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

**Use of Our Report and Your Name -** Use of this Report is limited to only the purpose stated herein. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and you shall hold RA harmless from any consequences of such use. Use by any unauthorized third party is unlawful. The Report in whole or in part ***is not and cannot be used*** *as a design specification for design engineering purposes or as an appraisal.* You may show our Report in its entirety to the following third parties: members of your organization, your accountant, attorney, financial institution and property manager who need to review the information contained herein. Without the written consent of RA, you shall not disclose the Report to any other third party. The Report contains intellectual property developed by RA and ***shall not be reproduced or distributed to any party that conducts reserve studies without the written consent of RA.***

RA will include your name in our client lists. RA reserves the right to use property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

**Payment Terms, Due Dates and Interest Charges -** Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court for the State of Wisconsin.