

**CALDERA CABINS OWNERS' ASSOCIATION, INC.**  
**MAINTENANCE PLAN UPDATE**  
**RESERVE STUDY**  
**LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION**  
**BUDGET YEAR**  
**January 1, 2026 to December 31, 2026**



**CALDERA CABINS OWNERS' ASSOCIATION, INC.**

**Executive Summary**

**Year of Report:**

January 1, 2026 to December 31, 2026

**Number of Units:**

45 Units

**Parameters:**

Beginning Balance: \$130,500

Year 2026 Suggested Contribution: \$2,000

Year 2026 Projected Interest Earned: \$5,293

Inflation: 3.00%

Annual Increase to Suggested Contribution: 3.00%

Lowest Cash Balance Over 30 Years (Threshold): \$23,543

Average Reserve Assessment per Unit: \$3.70

**TABLE OF CONTENTS**  
**Caldera Cabins Owners' Association, Inc.**

Disclosure Information ..... 4 of 39

**MAINTENANCE PLAN**

Maintenance Plan ..... 9 of 39

**RESERVE STUDY**

Property Description ..... 12 of 39

Cash Flow Method - Threshold Funding Model Summary ..... 13 of 39

Cash Flow Method - Threshold Funding Model Projection ..... 14 of 39

Component Summary By Category ..... 16 of 39

Component Summary By Group ..... 17 of 39

Annual Expenditure Detail ..... 18 of 39

Detail Report by Category ..... 26 of 39

Additional Disclosures ..... 34 of 39

**Caldera Cabins Owners' Association, Inc.  
Maintenance Plan Update  
Reserve Study Update – Offsite  
Disclosure Information  
2026**

We have conducted an offsite reserve study update and maintenance plan update for Caldera Cabins Owners' Association, Inc. for the year beginning January 1, 2026, in accordance with guidelines established by Community Associations Institute and the American Institute of Certified Public Accountants.

This reserve study and maintenance plan is in compliance with the legislative changes made in 2007 to ORS Chapters 94 and 100.

In addition to providing the reserve study and maintenance plan, we also provide tax and review/audit services to the Association.

Assumptions used for inflation, interest, and other factors are detailed on page 13. Income tax factors were not considered due to the uncertainty of factors affecting net taxable income and the election of tax forms to be filed.

David T. Schwindt, the representative in charge of this report, is a designated Reserve Study Specialist and Certified Public Accountant licensed in the states of Oregon, Washington, California, and Arizona.

All information regarding the useful life and cost of reserve components was derived from the Association, local vendors, and/or from various construction pricing and scheduling manuals.

The terms *RS Means*, *National Construction Estimator*, and *Fannie Mae Expected Useful Life Tables and Forms* refer to construction industry estimating databases that are used throughout the industry to establish cost estimates and useful life estimates for common building components and products. We suggest that the Association obtain firm bids for these services.

**Increases in Roofing and Painting Costs**

Over the last several years, roofing, painting, and other costs have increased at a dramatic pace. Schwindt and Company has noted this in our reserve studies. We were not sure if this was a temporary price increase or the new normal in pricing. We are now of the opinion that these increased prices will most likely continue. Roofing costs have nearly doubled and painting costs have increased 50%. It is still possible to keep the increases to a minimum if Associations can find a vendor that will perform the work at a reduced price, however, these vendors are becoming rare.

The main reason for increased prices aside from normal cost increases appears to be the availability of labor. Many workers left the industry during the downturn and have not reentered the job market thus driving up wage costs to attract qualified workers. Roofers and painters are also seeing increased demand for their services due to aging association property. These factors have created the perfect storm for increased prices.

These increases are being built into cost estimates and required contributions. Associations have seen an increase in the suggested reserve contributions beginning with the 2018/2019 budget years and depending on the year the roofing and painting projects occur, the increases may be substantial. As of 2020, we are seeing the prices remain at the elevated rate.

In 2023, the average annual inflation rate was 4.12% and has reduced to 2.75% in November 2024 . At this time, Schwindt and Company is recommending an inflation rate of 3% in reserve studies. We will continue to monitor the inflation rate throughout this period. More information can be found at

[https://inflationdata.com/Inflation/Inflation\\_Rate/HistoricalInflation.aspx](https://inflationdata.com/Inflation/Inflation_Rate/HistoricalInflation.aspx).

Currently, the price of oil has fluctuated greatly, and there are ongoing issues with the supply chain. As of now, it is unknown when these factors will be resolved, making it difficult to predict prices. We recommend the Association begin the replacement process several years out, including inspection, creation of a scope of work, and a competitive bidding process. For large projects, associations may choose to sign contracts a year before the work is to occur so that they can get scheduled during the spring and summer.

**According to Section 2.8 of the Declaration, the common area includes the private streets and common lots A, B, C, D, and E.**

**According to Section 2.9 of the Declaration, the Common Maintenance Area includes the common areas, landscaping, including irrigation, driveways (including any associated lighting), and main walkways that are constructed of pavers.**

According to the Association, the insurance deductible is included in the operating budget.

Many reserve studies do not include components such as the structural building envelope, plumbing (including water supply and piping), electrical systems, and water/sewer systems because they are deemed to be beyond the usual 30-year threshold and reserve study providers are generally not experts in determining the estimated useful lives and replacement costs of such assets. Associations that are 20+ years in age should consider adding funding for these components because the eventual cost may be one of the largest expenditures in the study. Because the eventual replacement costs and determination of the estimated useful life of such components depend on several factors, it is advisable to hire experts to advise the Association on such matters. Schwindt and Company believes the best way to determine costs and lives associated with these components is to perform an inspection of the applicable components which should include information about the component, steps to take to lengthen the estimated useful life, projected estimated useful life, and estimated replacement costs. This inspection should be conducted by experts and should include a written report. This information will allow the reserve study provider and the Association to include appropriate costs, lives, and projected expenditures in the study. Schwindt and Company believes that the cost of these inspections should be included in the reserve study as a funded component.

We are not aware of any material issues which, if not disclosed, would cause a material distortion of this report.

Certain information, such as the beginning balance of reserve funds and other information as detailed on the component detail reports, was provided by Association representatives and is deemed to be reliable by us. This reserve study is a reflection of the information provided to us and cannot be used for the purpose of performing an audit, a quality/forensic analysis, or background checks of historical records.

Site visits should not be considered a project audit or quality inspection of the Association's property. A site visit does not evaluate the condition of the property to determine the useful life or needed repairs. Schwindt and Company suggests that the Association perform a building envelope inspection to determine the condition, performance, and useful life of all the components.

Certain costs outlined in the reserve study are subjective and, as a result, are for planning purposes only. The Association should obtain firm bids at the time of work. Actual costs will depend upon the scope of work as defined at the time the repair, replacement, or restoration is performed. All estimates relating to future work are good faith estimates and projections are based on the estimated inflation rate, which may or may not prove accurate. All future costs and life expectancies should be reviewed and adjusted annually.

This reserve study, unless specifically stated in the report, assumes no fungi, mold, asbestos, lead paint, urea-formaldehyde foam insulation, termite control substances, other chemicals, toxic wastes, radon gas, electro-magnetic radiation, other potentially hazardous materials (on the surface or sub-surface), or termites on the property. The existence of any of these substances may adversely affect the accuracy of this reserve study. Schwindt and Company assumes no responsibility regarding such conditions, as we are not qualified to detect substances, determine the impact, or develop remediation

plans/costs.

Since destructive testing was not performed, this reserve study does not attempt to address latent and/or patent defects. Neither does it address useful life expectancies that are abnormally short due either to improper design, installation nor to subsequent improper maintenance. This reserve study assumes all components will be reasonably maintained for the remainder of their life expectancy.

Physical Analysis:

New projects generally include information provided by developers and/or refer to drawings.

Full onsite reserve studies generally include field measurements and do not include destructive testing. Drawings are usually not available for existing projects.

Onsite updates generally include observations of physical characteristics but do not include field measurements.

The client is considered to have deemed previously developed component quantities as accurate and reliable. The current work is reliant on the validity of prior reserve studies.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the Association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.



**CALDERA CABINS OWNERS' ASSOCIATION, INC.**

**MAINTENANCE PLAN**

**BUDGET YEAR**

**January 1, 2026 to December 31, 2026**

**Caldera Cabins Owners' Association, Inc.  
Executive Summary of Maintenance Plan**

Regular maintenance of common elements is necessary to ensure the maximum useful life and optimum performance of components. Of particular concern are items that may present a safety hazard to residents or guests if they are not maintained in a timely manner and components that perform a water-proofing function.

This maintenance plan is a cyclical plan that calls for maintenance at regular intervals. The frequency of the maintenance activity and the cost of the activity at the first instance follow a short descriptive narrative. This maintenance plan should be reviewed on an annual basis when preparing the annual operating budget for the Association.

Checklists, developed by Reed Construction Data, Inc., can be photocopied or accessed from the RS Means website:

<http://www.rsmeans.com/supplement/67346.asp>

They can be used to assess and document the existing condition of an Association's common elements and to track the carrying out of planned maintenance activities.

**Caldera Cabins Owners' Association, Inc.  
Maintenance Plan Update  
2026**

**Pursuant to Oregon State Statutes Chapters 94 and 100, which require a maintenance plan as an integral part of the reserve study, the maintenance procedures are as follows:**

**The Board of Directors should refer to this maintenance plan each year when preparing the annual operating budget for the Association to ensure that annual maintenance costs are included in the budget for the years that they are scheduled.**

**Property Inspection**

Schwindt and Company recommends that a provision for the annual inspection of common area components be included in the maintenance plan for all associations. This valuable management tool will help to ensure that all components achieve a maximum useful life expectancy and that they function as intended throughout their lifespan.

The inspection should be performed by a qualified professional and should include a written summary of conclusions with specific recommendations for any needed repairs or maintenance.

We suggest that the Association obtain firm bids for this service.

This expense should be included in the annual operating budget for the Association.

Frequency: Annually

**Asphalt – Seal Coating**

Maintenance of asphalt paving includes the periodic application of an asphalt emulsion sealer or “seal coat”. This procedure is typically performed every 4 to 7 years, depending on a variety of factors that can affect the useful life of the sealer.

Vehicle traffic is one such factor, and associations that have asphalt paving that carries considerable vehicle traffic should consider a maintenance program that calls for seal coating of asphalt driving surfaces as frequently as every 4 years.

This maintenance procedure involves thoroughly cleaning all pavements, filling of any surface cracks and patching of any locally damaged pavement surfaces. The emulsion sealer is then applied.

This work should be performed by a licensed paving contractor.

Crack sealing should be done as needed annually.

This expense is included in the reserve study for the Association.

Frequency: Every 7 years

**This maintenance plan is designed to preserve and extend the useful life of assets and is dependent upon proper inspection and follow up procedures.**

**CALDERA CABINS OWNERS' ASSOCIATION, INC.**  
**RESERVE STUDY**  
**LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION**  
**BUDGET YEAR**  
**January 1, 2026 to December 31, 2026**

**Caldera Cabins Owners' Association, Inc.**  
**Category Detail Index**

Asset ID	Description	Replacement	Page
<b>Streets/Asphalt</b>			
1011	Asphalt - Crack Sealing	2027	26 of 39
1002	Asphalt - Overlay I	2032	26 of 39
1005	Asphalt - Overlay II	2034	27 of 39
1009	Asphalt - Overlay III	2037	27 of 39
1001	Asphalt - Seal Coat I	2032	28 of 39
1004	Asphalt - Seal Coat II	2027	29 of 39
1010	Asphalt - Seal Coat III	2030	29 of 39
<b>Grounds Components</b>			
1008	Irrigation System Upgrades/Repairs	2030	31 of 39
1003	Paver Walkways - Repair	2026	31 of 39
<b>Signs</b>			
1006	Signs - Repair/Replacement I	2032	32 of 39
1007	Signs - Repair/Replacement II	2040	32 of 39
<b>Reserve Study</b>			
1012	Reserve Study Update - Offsite	2026	33 of 39
	Total Funded Assets	12	
	Total Unfunded Assets	<u>0</u>	
	Total Assets	12	

**Caldera Cabins Owners' Association, Inc.**  
**Property Description**

Caldera Cabins Owners' Association, Inc. consists of 45 single family home units located in Sunriver, Oregon. The Association shall provide exterior improvements upon the common driveways and walkways. The individual homeowners are responsible for all maintenance and repairs of their home and the adjacent private property such as paint, maintenance, repair and replacement of roofs, gutters, downspouts, rain drains, and exterior building surfaces. Construction began in 2007 and was completed by 2018.

This study uses information supplied by the Association, and various construction pricing and scheduling manuals to determine useful lives and replacement costs.

A site visit was performed by Schwindt and Company in 2015 and 2017. Schwindt and Company did not investigate components for defects, materials, design or workmanship. This would ordinarily be considered in a complete building envelope inspection. Our condition assessment considers if the component is wearing as intended. All components are considered to be in fair condition and appear to be wearing as intended unless noted otherwise in the component detail.

Funds are being accumulated in the replacement fund based on estimates of future need for repairs and replacement of common property components. Actual expenditures, investment income, and provisions for income taxes however, may vary from estimated amounts, and variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future funding needs.

If additional funds are needed, the Association has the right, subject to board approval, to increase regular assessments, levy special assessments, otherwise the Association may delay repairs or replacements until funds are available. Special Assessments shall not be effective unless approved by a vote of two-thirds (2/3) of the Members voting in person or by proxy at meeting called for the purpose of approving special assessments; or if the special assessment is against a Lot or a group of Lots, two-thirds (2/3) of the Members who own the affected Lots who are voting in person or by proxy at a meeting called for the purpose of approving special assessments.

**Caldera Cabins Owners' Association, Inc.**  
Sunriver, Oregon  
**Cash Flow Method - Threshold Funding Model Summary**

Report Date	October 13, 2025
Account Number	2caldc
Budget Year Beginning	January 1, 2026
Budget Year Ending	December 31, 2026
Total Units	45

<i>Report Parameters</i>	
Inflation	3.00%
Interest Rate on Reserve Deposit	4.00%
2026 Beginning Balance	\$130,500

**Threshold Funding  
Fully Reserved Model Summary**

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. The threshold method assumes that the threshold method is funded with a positive threshold balance, therefore, "fully reserved".
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage; foundation/footings; storm drains; telephone, cable, and internet lines.
- This funding scenario begins with a contribution of \$2,000 in **2026**, and increases **3.00%** each year until 2030. In 2030 the contribution is \$19,000 and increases 3% each year for the remaining years of the study. A minimum balance of **\$23,543** is maintained.
- In 2020, the Association received money (\$103,310) from Caldera Springs due to an overpayment of dues. The Association plans to offset the reserve contribution by \$12,154 over the next 8 years. Owners will contribute the difference between the recommended reserve contribution and \$12,154.
- The purpose of this study is to ensure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

***Cash Flow Method - Threshold Funding Model Summary of Calculations***

Required Monthly Contribution	\$166.67
<i>\$3.70 per unit monthly</i>	
Average Net Monthly Interest Earned	<u>\$441.12</u>
Total Monthly Allocation to Reserves	\$607.78
<i>\$13.51 per unit monthly</i>	

**Caldera Cabins Owners' Association, Inc.**  
**Cash Flow Method - Threshold Funding Model Projection**

Beginning Balance: \$130,500

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	2,000	5,293	1,650	136,143	172,358	79%
2027	2,060	5,182	10,052	133,334	184,086	72%
2028	2,122	5,407	1,750	139,113	205,222	68%
2029	2,185	5,499	5,327	141,470	223,832	63%
2030	19,000	5,739	10,824	155,385	237,876	65%
2031	19,570	6,530	5,651	175,833	258,223	68%
2032	20,157	3,184	108,538	90,636	173,779	52%
2033	20,762	3,904	5,996	109,306	193,009	57%
2034	21,385	2,013	71,405	61,299	145,554	42%
2035	22,026	2,721	6,361	79,686	164,279	49%
2036	22,687	3,654	2,217	103,809	188,462	55%
2037	23,368	1,007	91,676	36,508	121,254	30%
2038	24,069	1,919	2,353	60,144	144,680	42%
2039	24,791	2,360	15,552	71,743	155,881	46%
2040	25,534	460	74,195	23,543	107,701	22%
2041	26,300	917	15,204	35,556	119,543	30%
2042	27,089	1,935	2,648	61,932	145,401	43%
2043	27,902	2,807	8,058	84,584	167,213	51%
2044	28,739	3,662	10,177	106,808	188,269	57%
2045	29,601	4,652	8,548	132,513	212,430	62%
2046	30,489	5,526	13,302	155,226	233,239	67%
2047	31,404	6,643	9,069	184,205	259,876	71%
2048	32,346	7,704	12,520	211,735	284,628	74%
2049	33,317	8,965	9,621	244,396	314,003	78%
2050	34,316	10,272	10,752	278,232	344,017	81%
2051	35,346	11,326	19,269	305,634	367,109	83%
2052	36,406	13,106	3,558	351,587	408,054	86%
2053	37,498	14,188	23,523	379,750	430,671	88%
2054	38,623	16,165	3,775	430,763	475,346	91%
2055	39,782	17,486	22,998	465,033	502,632	93%
2056	40,975	19,682	4,005	521,685	551,399	95%
2057	42,204	13,175	221,029	356,035	379,230	94%
2058	43,471	14,832	15,394	398,944	414,868	96%
2059	44,775	11,324	145,106	309,937	319,176	97%
2060	46,118	12,414	30,063	338,406	340,346	99%
2061	47,502	14,270	13,718	386,460	380,264	102%

**Caldera Cabins Owners' Association, Inc.**  
**Cash Flow Method - Threshold Funding Model Projection**

Beginning Balance: \$130,500

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2062	48,927	9,313	184,213	260,486	247,084	105%
2063	50,394	11,125	14,553	307,453	286,013	107%
2064	51,906	13,458	5,073	367,744	337,269	109%
2065	53,463	9,321	167,742	262,786	223,952	117%

**Caldera Cabins Owners' Association, Inc.**  
**Component Summary By Category**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<b>Streets/Asphalt</b>								
Asphalt - Crack Sealing	2025	2027	2	0	1	1 Total	3,225.00	3,225
Asphalt - Overlay I	2007	2032	25	0	6	22,860 SF	2.90	66,294
Asphalt - Overlay II	2013	2034	25	-4	8	17,184 SF	2.90	49,834
Asphalt - Overlay III	2016	2037	25	-4	11	19,664 SF	2.90	57,026
Asphalt - Seal Coat I	2025	2032	7	0	6	22,860 SF	0.25	5,715
Asphalt - Seal Coat II	2020	2027	7	0	1	19,536 SF	0.25	4,884
Asphalt - Seal Coat III	2023	2030	7	0	4	17,312 SF	0.25	4,328
Streets/Asphalt - Total								<u>\$191,305</u>
<b>Grounds Components</b>								
Irrigation System Upgrades/Repairs	2020	2030	10	0	4	1 Total	3,639.33	3,639
Paver Walkways - Repair	2025	2026	1	0	0	1 Total	750.00	750
Grounds Components - Total								<u>\$4,389</u>
<b>Signs</b>								
Signs - Repair/Replacement I	2007	2032	25	0	6	13 Each	1,326.12	17,240
Signs - Repair/Replacement II	2015	2040	25	0	14	33 Each	1,326.12	43,762
Signs - Total								<u>\$61,002</u>
<b>Reserve Study</b>								
Reserve Study Update - Offsite	2023	2026	1	0	0	1 Total	900.00	900
Reserve Study - Total								<u>\$900</u>
Total Asset Summary								<u>\$257,596</u>

**Caldera Cabins Owners' Association, Inc.**  
**Component Summary By Group**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<b>Non-Capital</b>								
Asphalt - Crack Sealing	2025	2027	2	0	1	1 Total	3,225.00	3,225
Asphalt - Overlay I	2007	2032	25	0	6	22,860 SF	2.90	66,294
Asphalt - Overlay II	2013	2034	25	-4	8	17,184 SF	2.90	49,834
Asphalt - Overlay III	2016	2037	25	-4	11	19,664 SF	2.90	57,026
Asphalt - Seal Coat I	2025	2032	7	0	6	22,860 SF	0.25	5,715
Asphalt - Seal Coat II	2020	2027	7	0	1	19,536 SF	0.25	4,884
Asphalt - Seal Coat III	2023	2030	7	0	4	17,312 SF	0.25	4,328
Irrigation System Upgrades/Repairs	2020	2030	10	0	4	1 Total	3,639.33	3,639
Paver Walkways - Repair	2025	2026	1	0	0	1 Total	750.00	750
Reserve Study Update - Offsite	2023	2026	1	0	0	1 Total	900.00	900
Signs - Repair/Replacement I	2007	2032	25	0	6	13 Each	1,326.12	17,240
Signs - Repair/Replacement II	2015	2040	25	0	14	33 Each	1,326.12	43,762
Non-Capital - Total								<u>\$257,596</u>
Total Asset Summary								<u>\$257,596</u>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2026</b>	
Paver Walkways - Repair	750
Reserve Study Update - Offsite	900
<b>Total for 2026</b>	<b>\$1,650</b>
<b>Replacement Year 2027</b>	
Asphalt - Crack Sealing	3,322
Asphalt - Seal Coat II	5,031
Paver Walkways - Repair	772
Reserve Study Update - Offsite	927
<b>Total for 2027</b>	<b>\$10,052</b>
<b>Replacement Year 2028</b>	
Paver Walkways - Repair	796
Reserve Study Update - Offsite	955
<b>Total for 2028</b>	<b>\$1,750</b>
<b>Replacement Year 2029</b>	
Asphalt - Crack Sealing	3,524
Paver Walkways - Repair	820
Reserve Study Update - Offsite	983
<b>Total for 2029</b>	<b>\$5,327</b>
<b>Replacement Year 2030</b>	
Asphalt - Seal Coat III	4,871
Irrigation System Upgrades/Repairs	4,096
Paver Walkways - Repair	844
Reserve Study Update - Offsite	1,013
<b>Total for 2030</b>	<b>\$10,824</b>
<b>Replacement Year 2031</b>	
Asphalt - Crack Sealing	3,739
Paver Walkways - Repair	869
Reserve Study Update - Offsite	1,043
<b>Total for 2031</b>	<b>\$5,651</b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2032</b>	
Asphalt - Overlay I	79,159
Asphalt - Seal Coat I	6,824
Paver Walkways - Repair	896
Reserve Study Update - Offsite	1,075
Signs - Repair/Replacement I	20,585
<b>Total for 2032</b>	<b>\$108,538</b>
<b>Replacement Year 2033</b>	
Asphalt - Crack Sealing	3,966
Paver Walkways - Repair	922
Reserve Study Update - Offsite	1,107
<b>Total for 2033</b>	<b>\$5,996</b>
<b>Replacement Year 2034</b>	
Asphalt - Overlay II	63,128
Asphalt - Seal Coat II	6,187
Paver Walkways - Repair	950
Reserve Study Update - Offsite	1,140
<b>Total for 2034</b>	<b>\$71,405</b>
<b>Replacement Year 2035</b>	
Asphalt - Crack Sealing	4,208
Paver Walkways - Repair	979
Reserve Study Update - Offsite	1,174
<b>Total for 2035</b>	<b>\$6,361</b>
<b>Replacement Year 2036</b>	
Paver Walkways - Repair	1,008
Reserve Study Update - Offsite	1,210
<b>Total for 2036</b>	<b>\$2,217</b>
<b>Replacement Year 2037</b>	
Asphalt - Crack Sealing	4,464
Asphalt - Overlay III	78,937

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2037 continued...</i></b>	
Asphalt - Seal Coat III	5,991
Paver Walkways - Repair	1,038
Reserve Study Update - Offsite	1,246
<b>Total for 2037</b>	<b><u>\$91,676</u></b>
<b>Replacement Year 2038</b>	
Paver Walkways - Repair	1,069
Reserve Study Update - Offsite	1,283
<b>Total for 2038</b>	<b><u>\$2,353</u></b>
<b>Replacement Year 2039</b>	
Asphalt - Crack Sealing	4,736
Asphalt - Seal Coat I	8,393
Paver Walkways - Repair	1,101
Reserve Study Update - Offsite	1,322
<b>Total for 2039</b>	<b><u>\$15,552</u></b>
<b>Replacement Year 2040</b>	
Irrigation System Upgrades/Repairs	5,505
Paver Walkways - Repair	1,134
Reserve Study Update - Offsite	1,361
Signs - Repair/Replacement II	66,194
<b>Total for 2040</b>	<b><u>\$74,195</u></b>
<b>Replacement Year 2041</b>	
Asphalt - Crack Sealing	5,024
Asphalt - Seal Coat II	7,609
Paver Walkways - Repair	1,168
Reserve Study Update - Offsite	1,402
<b>Total for 2041</b>	<b><u>\$15,204</u></b>
<b>Replacement Year 2042</b>	
Paver Walkways - Repair	1,204
Reserve Study Update - Offsite	1,444
<b>Total for 2042</b>	<b><u>\$2,648</u></b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2043</b>	
Asphalt - Crack Sealing	5,330
Paver Walkways - Repair	1,240
Reserve Study Update - Offsite	1,488
<b>Total for 2043</b>	<b>\$8,058</b>
<b>Replacement Year 2044</b>	
Asphalt - Seal Coat III	7,368
Paver Walkways - Repair	1,277
Reserve Study Update - Offsite	1,532
<b>Total for 2044</b>	<b>\$10,177</b>
<b>Replacement Year 2045</b>	
Asphalt - Crack Sealing	5,655
Paver Walkways - Repair	1,315
Reserve Study Update - Offsite	1,578
<b>Total for 2045</b>	<b>\$8,548</b>
<b>Replacement Year 2046</b>	
Asphalt - Seal Coat I	10,322
Paver Walkways - Repair	1,355
Reserve Study Update - Offsite	1,625
<b>Total for 2046</b>	<b>\$13,302</b>
<b>Replacement Year 2047</b>	
Asphalt - Crack Sealing	5,999
Paver Walkways - Repair	1,395
Reserve Study Update - Offsite	1,674
<b>Total for 2047</b>	<b>\$9,069</b>
<b>Replacement Year 2048</b>	
Asphalt - Seal Coat II	9,358
Paver Walkways - Repair	1,437
Reserve Study Update - Offsite	1,724
<b>Total for 2048</b>	<b>\$12,520</b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2049</b>	
Asphalt - Crack Sealing	6,365
Paver Walkways - Repair	1,480
Reserve Study Update - Offsite	1,776
<b>Total for 2049</b>	<b>\$9,621</b>
<b>Replacement Year 2050</b>	
Irrigation System Upgrades/Repairs	7,398
Paver Walkways - Repair	1,525
Reserve Study Update - Offsite	1,830
<b>Total for 2050</b>	<b>\$10,752</b>
<b>Replacement Year 2051</b>	
Asphalt - Crack Sealing	6,752
Asphalt - Seal Coat III	9,062
Paver Walkways - Repair	1,570
Reserve Study Update - Offsite	1,884
<b>Total for 2051</b>	<b>\$19,269</b>
<b>Replacement Year 2052</b>	
Paver Walkways - Repair	1,617
Reserve Study Update - Offsite	1,941
<b>Total for 2052</b>	<b>\$3,558</b>
<b>Replacement Year 2053</b>	
Asphalt - Crack Sealing	7,164
Asphalt - Seal Coat I	12,695
Paver Walkways - Repair	1,666
Reserve Study Update - Offsite	1,999
<b>Total for 2053</b>	<b>\$23,523</b>
<b>Replacement Year 2054</b>	
Paver Walkways - Repair	1,716
Reserve Study Update - Offsite	2,059
<b>Total for 2054</b>	<b>\$3,775</b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2055</b>	
Asphalt - Crack Sealing	7,600
Asphalt - Seal Coat II	11,509
Paver Walkways - Repair	1,767
Reserve Study Update - Offsite	2,121
<b>Total for 2055</b>	<b>\$22,998</b>
<b>Replacement Year 2056</b>	
Paver Walkways - Repair	1,820
Reserve Study Update - Offsite	2,185
<b>Total for 2056</b>	<b>\$4,005</b>
<b>Replacement Year 2057</b>	
Asphalt - Crack Sealing	8,063
Asphalt - Overlay I	165,740
Paver Walkways - Repair	1,875
Reserve Study Update - Offsite	2,250
Signs - Repair/Replacement I	43,100
<b>Total for 2057</b>	<b>\$221,029</b>
<b>Replacement Year 2058</b>	
Asphalt - Seal Coat III	11,145
Paver Walkways - Repair	1,931
Reserve Study Update - Offsite	2,318
<b>Total for 2058</b>	<b>\$15,394</b>
<b>Replacement Year 2059</b>	
Asphalt - Crack Sealing	8,554
Asphalt - Overlay II	132,175
Paver Walkways - Repair	1,989
Reserve Study Update - Offsite	2,387
<b>Total for 2059</b>	<b>\$145,106</b>
<b>Replacement Year 2060</b>	
Asphalt - Seal Coat I	15,613

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2060 continued...</i></b>	
Irrigation System Upgrades/Repairs	9,942
Paver Walkways - Repair	2,049
Reserve Study Update - Offsite	2,459
<b>Total for 2060</b>	<b>\$30,063</b>
<b>Replacement Year 2061</b>	
Asphalt - Crack Sealing	9,075
Paver Walkways - Repair	2,110
Reserve Study Update - Offsite	2,532
<b>Total for 2061</b>	<b>\$13,718</b>
<b>Replacement Year 2062</b>	
Asphalt - Overlay III	165,276
Asphalt - Seal Coat II	14,155
Paver Walkways - Repair	2,174
Reserve Study Update - Offsite	2,608
<b>Total for 2062</b>	<b>\$184,213</b>
<b>Replacement Year 2063</b>	
Asphalt - Crack Sealing	9,627
Paver Walkways - Repair	2,239
Reserve Study Update - Offsite	2,687
<b>Total for 2063</b>	<b>\$14,553</b>
<b>Replacement Year 2064</b>	
Paver Walkways - Repair	2,306
Reserve Study Update - Offsite	2,767
<b>Total for 2064</b>	<b>\$5,073</b>
<b>Replacement Year 2065</b>	
Asphalt - Crack Sealing	10,214
Asphalt - Seal Coat III	13,707
Paver Walkways - Repair	2,375
Reserve Study Update - Offsite	2,850

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2065 continued...</i>	
Signs - Repair/Replacement II	138,596
<b>Total for 2065</b>	<u><b>\$167,742</b></u>

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

Asphalt - Crack Sealing		1 Total	@ \$3,225.00
Asset ID	1011	Asset Actual Cost	\$3,225.00
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$3,321.75
Placed in Service	January 2025		
Useful Life	2		
Replacement Year	2027		
Remaining Life	1		

This provision is for the crack sealing of the asphalt driveways and private roads.

According to the Association, this was done in 2021 for \$2,890, 2023 for \$2,950, and 2025 for \$3,225.

Asphalt - Overlay I		22,860 SF	@ \$2.90
Asset ID	1002	Asset Actual Cost	\$66,294.00
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$79,158.50
Placed in Service	January 2007		
Useful Life	25		
Replacement Year	2032		
Remaining Life	6		

This provision is for the overlay of the asphalt driveways and private roads. At the current time, homes are still being built. Therefore annual crack sealing will occur until all the homes have been finished.

According to the Association, there is 22,860 square feet of asphalt that was installed in 2006-2009.

Units 24-36: 21,420 SF

Units 39, 40, 43-45 & 3: 1,440 SF

The cost is based on a per square foot estimate from Vic Russell Asphalt.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain a bid to confirm this estimate.

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

Asphalt - Overlay II		17,184 SF	@ \$2.90
Asset ID	1005	Asset Actual Cost	\$49,833.60
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$63,127.71
Placed in Service	January 2013		
Useful Life	25		
Adjustment	-4		
Replacement Year	2034		
Remaining Life	8		

This provision is for the overlay of the asphalt driveways and private roads. At the current time, homes are still being built. Therefore annual crack sealing will occur until all the homes have been finished.

An estimate of 17,184 square feet is used.

Unit 4: 1,620 SF

Units 5-6: 3,960 SF

Units 7-8: 3,660 SF

Units 9-11: 3,504 SF

Units 21-23: 4,440 SF

The cost is based on a per square foot estimate from Vic Russell Asphalt.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain a bid to confirm this estimate.

Asphalt - Overlay III		19,664 SF	@ \$2.90
Asset ID	1009	Asset Actual Cost	\$57,025.60
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$78,936.77
Placed in Service	January 2016		
Useful Life	25		
Adjustment	-4		
Replacement Year	2037		
Remaining Life	11		

This provision is for the overlay of the asphalt driveways and private roads. At the current time, homes are still being built. Therefore annual crack sealing will occur until all the homes have been finished.

**Caldera Cabins Owners' Association, Inc.  
Detail Report by Category**

*Asphalt - Overlay III continued...*

An estimate of 19,664 square feet is used.

- Units 1-2: 2,352 SF
- Units 12: 1,248 SF
- Units 13-14: 2,400 SF
- Units 15-16: 2,580 SF
- Units 17-18: 2,760 SF
- Units 19-20: 2,520 SF
- Units 37-38: 3,320 SF
- Units 41: 2,016 SF
- Units 42: 468 SF

The cost is based on a per square foot estimate from Vic Russell Asphalt.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

The Association should obtain a bid to confirm this estimate.

<b>Asphalt - Seal Coat I</b>		22,860 SF	@ \$0.25
Asset ID	1001	Asset Actual Cost	\$5,715.00
Category	Non-Capital Streets/Asphalt	Percent Replacement	100%
Placed in Service	January 2025	Future Cost	\$6,824.01
Useful Life	7		
Replacement Year	2032		
Remaining Life	6		

This provision is for the seal coating of the asphalt driveways and private roads. At the current time, homes are still being built. At that time a seal coat is planned.

According to the Association, there is 22,860 square feet of asphalt that was installed in 2006-2009.

This was done in 2025 for \$5,600.

- Units 24-36: 21,420 SF
- Units 39, 40, 43-45 & 3: 1,440 SF

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

Asphalt - Seal Coat II		19,536 SF	@ \$0.25
Asset ID	1004	Asset Actual Cost	\$4,884.00
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$5,030.52
Placed in Service	January 2020		
Useful Life	7		
Replacement Year	2027		
Remaining Life	1		

This provision is for the seal coating of the asphalt driveways and private roads. At the current time, homes are still being built.

An estimate of 19,536 square feet is used.

Units 1-2: 2,352 SF

Unit 4: 1,620 SF

Units 5-6: 3,960 SF

Units 7-8: 3,660 SF

Units 9-11: 3,504 SF

Units 21-23: 4,440 SF

According to the Association, this was done in 2020 for \$4,832.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

Asphalt - Seal Coat III		17,312 SF	@ \$0.25
Asset ID	1010	Asset Actual Cost	\$4,328.00
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$4,871.20
Placed in Service	January 2023		
Useful Life	7		
Replacement Year	2030		
Remaining Life	4		

This provision is for the seal coating of the asphalt driveways and private roads. At the current time, homes are still being built. At that time a seal coat is planned.

An estimate of 17,312 square feet is used.

Units 12: 1,248 SF

Units 13-14: 2,400 SF

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

*Asphalt - Seal Coat III continued...*

Units 15-16: 2,580 SF  
Units 17-18: 2,760 SF  
Units 19-20: 2,520 SF  
Units 37-38: 3,320 SF  
Units 41: 2,016 SF  
Units 42: 468 SF

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

**Streets/Asphalt - Total Current Cost** **\$191,305**

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

**Irrigation System Upgrades/Repairs**

		1 Total	@ \$3,639.33
Asset ID	1008	Asset Actual Cost	\$3,639.33
	Non-Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	\$4,096.10
Placed in Service	January 2020		
Useful Life	10		
Replacement Year	2030		
Remaining Life	4		

This provision is for the upgrade and repair of the irrigation system. This does not include annual sprinkler head replacements.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

**Paver Walkways - Repair**

		1 Total	@ \$750.00
Asset ID	1003	Asset Actual Cost	\$750.00
	Non-Capital	Percent Replacement	100%
Category	Grounds Components	Future Cost	\$750.00
Placed in Service	January 2025		
Useful Life	1		
Replacement Year	2026		
Remaining Life	0		

This provision is for the repair of the paver walkways of the property. Repairs should be done as needed.

In 2023, the Association spent \$1,986 on repairs. In 2025, \$750 was spent.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

**Grounds Components - Total Current Cost** **\$4,389**





# Additional Disclosures

## Levels of Service

The following three categories describe the various types of Reserve Studies from exhaustive to minimal.

**I. Full:** A Reserve Study in which the following five Reserve Study tasks are performed:

- Component Inventory
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

**II. Update, With Site Visit/On-Site Review:** A Reserve Study update in which the following five Reserve Study tasks are performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

**III. Update, No Site Visit/Off-Site Review:** A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

**IV. Preliminary, Community Not Yet Constructed.** A reserve study prepared before construction, that is generally used for budget estimates. It is based on design documents such as the architectural and engineering plans. The following three tasks are performed to prepare this type of study:

- Component inventory
- Life and valuation estimates
- Funding Plan

## Terms and Definitions

**Adequate Reserves:** A replacement reserve fund and stable and equitable multiyear [funding plan](#) that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

**Capital Improvements:** Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or

installation cannot be taken from the reserve fund.

**Cash Flow Method (also known as pooling):** A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund.

*To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*

**Common Area:** The areas identified in the community association's master deed or declarations of covenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.

**Community Association:** A nonprofit entity that exists to preserve the nature of the community and protect the value of the property owned by members. Membership in the community association is mandatory and automatic for all owners. All owners pay mandatory lien-based assessments that fund the operation of the association and maintain the common area or elements, as defined in the governing documents. The community association is served and lead by an elected board of trustees or directors.

**Components:** The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. **Components are selected to be included in the reserve study based on the following three-part test:**

1. The association has the obligation to maintain or replace the existing element.
2. The need and schedule for this project can be reasonably anticipated.
3. The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

**Component Inventory:** The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.

The Reserve Specialist, in coordination with the client, will determine the methodology for including these components in the study. Typical evaluation techniques for consideration include:

- Inclusion of long-life components with funding in the study.
- Addition of long-life components with funding at the time when they fall within the 30-year period from the date of study preparation.
- Identification of long-life components in the component inventory even when they are not yet being funded in the 30-year funding plan.

**Component Method** (also known as Straight Line): A method of developing a reserve funding plan where the total funding is based on the sum of funding for the individual components.

**Condition Assessment:** The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

**Effective Age:** The difference between [useful life](#) and estimated [remaining useful life](#). Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

**Financial Analysis:** The portion of a reserve study in which the current status of the reserves (measured as cash

or [percent funded](#)) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.

**Fully Funded:** 100 percent funded. When the actual (or projected) [reserve balance](#) is equal to the fully funded balance.

**Fully Funded Balance (FFB):** An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or [replacement cost](#). This number is calculated for each component, and then summed for an association total.

FFB = Current Cost X Effective Age/Useful Life

*Example: For a component with a \$10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be \$4,000.*

**Fund Status:** The status of the reserve fund reported in terms of cash or [percent funded](#). The Association appears to be adequately funded as the threshold method, reducing the potential risk of special assessment.

### Funding Goals:

The three funding goals listed below range from the most aggressive to most conservative:

#### Baseline Funding

Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, **and it is not recommended** as a long-term solution/plan.

Baseline funding may lead to project delays, the need for a [special assessment](#), and/or a line of credit for the community to fund needed repairs and replacement of major components.

#### Threshold Funding

Establishing a reserve funding goal of keeping the [reserve balance](#) above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “fully funded” with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as

investment risk tolerance, community age, building type, components that are not readily inspected, and components with a [remaining useful life](#) of more than 30 years.

#### Full Funding

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance.

*It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.*

**Funding Plan:** An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

**Funding Principles:** A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.
- Fiscally responsible.

**Initial Year:** The first fiscal year in the financial analysis or funding plan.

**Life Estimates:** The task of estimating [useful life](#) and [remaining useful life](#) of the reserve components.

**Life Cycle Cost:** The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

**Maintenance:** Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of “replacement” but may pass the defining test of a reserve component and be appropriate for reserve funding.

Maintenance types are categorized below:

**Preventive Maintenance:** Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

**Deferred Maintenance:** Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.

*This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.*

**Corrective Maintenance:** Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.

*Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.*

**Percent Funded:** The ratio, at a particular point in time clearly identified as either the beginning or end of the association’s fiscal year, of the actual (or projected) [reserve balance](#) to the fully funded balance, expressed as a percentage.

*While percent funded is an indicator of an association’s reserve fund size, it should be viewed in the context of how it is changing due to the association’s reserve funding plan, in light of the association’s risk tolerance and is not by itself a measure of “adequacy.”*

**Periodic Structural Inspection:** [Structural system](#) inspections aimed at identifying issues when they become evident.

*Additional information and recommendations are included within the Condominium Safety Public Policy Report.*

**Physical Evaluation:** The portion of the reserve study where the component inventory, condition assessment, and life and [valuation estimate](#) tasks are performed. This represents one of the two parts of the reserve study.

**Preventive Maintenance Schedule:** A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

**Remaining Useful Life (RUL):** Also referred to as “remaining life” (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life.

**Replacement Cost:** The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

**Reserve Balance:** Actual or projected funds, clearly identified as existing either at the beginning or end of the association’s fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

*Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.*

**Reserve Study:** A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

**Reserve Study Provider:** An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist® (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. In some instances, qualifications in excess of the RS designation will be required if supplemental subject matter expertise is required.

**Reserve Study Provider Firm:** A company that prepares reserve studies as one of its primary business activities.

**Responsible Charge:** A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals’ performing services that directly and materially affect the quality and competence of services rendered by the Reserve Specialist. A Reserve Specialist shall maintain such records as are reasonably necessary to establish that the Reserve Specialist exercised regular and effective supervision of a reserve study of which he or she was in responsible charge. A Reserve Specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and

appropriate;

3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

**Site Visit:** A visual assessment of the accessible areas of the components included within the reserve study.

*The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.*

**Special Assessment:** A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

*Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.*

**Structural System:** The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

*It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.*

**Useful Life (UL):** The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

*Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).*

**Valuation Estimates:** The task of estimating the current repair or [replacement costs](#) for the reserve components.