

Executive Summary

Association: North Ranch C.A. **Assoc. #:** 11374-1
Location: Tucson, Arizona
of Units: 718
Report Period: January 1, 2008 through December 31, 2008

Results

Projected Starting Reserve Balance:	\$310,382
Fully Funded Reserve Balance:	\$1,285,097
Percent Funded:	24.2%
Recommended 2008 Monthly Reserve Contribution:	\$11,000
Recommended Special Assessment:	\$0
Most Recent Reserve Contribution Rate:	\$4,847

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves.....**5.10%**
Annual Inflation Rate**3.00%**

- The information in this Reserve Study is based on our site inspection on July 9, 2007.
- North Ranch is a single-family home community that started in 1986. The association is responsible to maintain its private streets, two pool areas as well as other common areas.
- Because your Reserve Fund is 24.2% Funded, this represents a weak financial position. In perspective, 0% to 30% funded defines the weak funding range while above 30% but below 70% typifies the fair funding range.
- Based on this starting point and your anticipated future expenses, our recommendation is to increase Reserve contributions to \$11,000/month for the 2008 Fiscal Year.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".
- Please refer to the Executive Summary Table for a complete list of your Reserve components as well as the projects scheduled for 2008.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
COMMON AREA				
322 Common Area Lighting - Revamp	20	0	\$20,000	\$36,122
501 Block Walls - Repair	25	24	\$20,000	\$40,656
503 Metal Fence - Replace	24	4	\$20,475	\$23,045
710 Monuments - Refurbish	15	3	\$5,280	\$5,770
1002 Irrigation System - Replace	15	2	\$75,000	\$79,568
1107 Metal Fence - Repaint	4	0	\$3,350	\$3,770
1109 Culvert Rails - Repaint	5	1	\$2,850	\$2,936
SOUTH POOL				
503 Metal Fence - Replace	18	8	\$11,050	\$13,998
510 Wood Pergolas - Replace	20	2	\$20,900	\$22,173
805 Folding Chairs and Tables - Replace	8	6	\$1,390	\$1,660
920 Kitchen - Refurbish	20	4	\$12,900	\$14,519
921 Appliances - Replace	12	4	\$3,100	\$3,489
925 Restrooms - Refurbish	20	11	\$24,000	\$33,222
1003 Irrigation Controller - Replace	12	5	\$1,750	\$2,029
1107 Metal Fence - Repaint	4	0	\$2,075	\$2,335
1115 Stucco - Repaint	8	0	\$6,330	\$8,019
1116 Wood Surfaces - Repaint	4	2	\$3,100	\$3,289
1200 Pool Deck - Resurface	15	13	\$26,075	\$38,292
1201 Pool Deck - Seal/Repair	3	1	\$8,555	\$8,812
1202 Pool - Resurface	20	10	\$23,000	\$30,910
1203 Spa - Resurface	15	5	\$5,250	\$6,086
1204 Pool Lounges - Replace	6	2	\$5,880	\$6,238
1205 Pool Chairs and Tables - Replace	6	0	\$4,000	\$4,776
1220 Pool Filter - Replace	15	12	\$1,500	\$2,139
1221 Spa Filter - Replace	15	8	\$1,200	\$1,520
1222 Pool Heater - Replace (A)	8	1	\$3,150	\$3,245
1222 Pool Heater - Replace (B)	8	4	\$3,150	\$3,545
1223 Spa Heater - Replace	10	0	\$3,150	\$4,233
1225 Pumps - Replace	10	3	\$2,550	\$2,786
1226 Pool/Spa Chlorinator - Replace	15	2	\$24,000	\$25,462
1304 Tile Roof - Refurbish	30	8	\$7,525	\$9,532
NORTH POOL				
503 Metal Fence - Replace	18	8	\$7,050	\$8,931
925 Restrooms - Refurbish	20	12	\$18,800	\$26,804
1107 Metal Fence - Repaint	4	0	\$1,250	\$1,407
1115 Stucco - Repaint	8	1	\$2,385	\$2,457
1116 Wood Surfaces - Repaint	4	1	\$1,240	\$1,277
1200 Pool Deck - Resurface	15	13	\$9,130	\$13,408
1201 Pool Deck - Seal/Repair	3	1	\$2,675	\$2,755
1202 Pool - Resurface	20	11	\$14,475	\$20,037
1203 Spa - Resurface	15	6	\$5,250	\$6,269
1204 Pool Lounges - Replace	6	2	\$1,960	\$2,079
1205 Pool Chairs and Tables - Replace	6	0	\$2,000	\$2,388
1220 Pool Filter - Replace	15	12	\$1,200	\$1,711

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1221 Spa Filter - Replace	15	5	\$1,200	\$1,391
1222 Pool Heater - Replace	8	1	\$3,150	\$3,245
1223 Spa Heater - Replace	10	1	\$2,300	\$2,369
1225 Pumps - Replace	10	5	\$2,550	\$2,956
1226 Pool/Spa Chlorinator - Replace	15	3	\$24,000	\$26,225
1304 Tile Roof - Refurbish	30	8	\$1,715	\$2,173
1305 Metal Ramada Roof - Replace	30	25	\$1,090	\$2,282
RECREATION AREAS				
405 Park Furniture - Replace	15	2	\$4,965	\$5,267
410 Play Structure - Replace (CVI)	15	5	\$29,425	\$34,112
418 Shade Screen - Replace	10	6	\$1,980	\$2,364
430 Basketball Court - Resurface	5	2	\$3,675	\$3,899
432 Basketball Backboards - Replace	18	3	\$2,380	\$2,601
435 Bocce Ball Court - Replenish	5	1	\$1,000	\$1,030
440 Tennis Courts - Replace	20	11	\$70,000	\$96,896
442 Tennis Courts - Resurface	5	3	\$9,240	\$10,097
443 Tennis Fence - Replace	20	6	\$17,750	\$21,194
444 Tennis Windscreen - Replace	6	1	\$5,710	\$5,881
445 Tennis Lights - Replace	30	8	\$25,375	\$32,144
1111 Tennis Lights - Repaint	5	1	\$990	\$1,020
ASPHALT				
201 Asphalt - Resurface (CV1)	24	1	\$156,550	\$161,247
201 Asphalt - Resurface (CV2)	24	4	\$64,725	\$72,849
201 Asphalt - Resurface (CV3)	24	5	\$86,400	\$100,161
201 Asphalt - Resurface (CV4)	24	6	\$86,925	\$103,793
201 Asphalt - Resurface (IC1)	24	9	\$59,250	\$77,308
201 Asphalt - Resurface (IC2)	24	10	\$115,825	\$155,659
201 Asphalt - Resurface (IC3)	24	11	\$130,150	\$180,158
201 Asphalt - Resurface (IC4)	24	12	\$137,950	\$196,684
201 Asphalt - Resurface (MC1)	24	3	\$106,650	\$116,539
201 Asphalt - Resurface (MC2)	24	8	\$126,725	\$160,531
201 Asphalt - Resurface (MR)	24	2	\$118,750	\$125,982
202 Asphalt - Seal/Repair (CV1)	4	2	\$6,560	\$6,960
202 Asphalt - Seal/Repair (CV2)	4	5	\$3,965	\$4,597
202 Asphalt - Seal/Repair (CV3)	4	6	\$5,295	\$6,323
202 Asphalt - Seal/Repair (CV4)	4	3	\$5,330	\$5,824
202 Asphalt - Seal/Repair (IC1)	4	3	\$3,630	\$3,967
202 Asphalt - Seal/Repair (IC2)	4	3	\$7,095	\$7,753
202 Asphalt - Seal/Repair (IC3)	4	3	\$7,970	\$8,709
202 Asphalt - Seal/Repair (IC4)	4	3	\$8,455	\$9,239
202 Asphalt - Seal/Repair (MC1)	4	4	\$6,535	\$7,355
202 Asphalt - Seal/Repair (MC2)	4	3	\$7,760	\$8,480
202 Asphalt - Seal/Repair (MR)	4	3	\$7,275	\$7,950
84 Total Funded Components				