



RESERVE STUDY

Member Distribution Materials

Tahoe Tyrol

Update w/o Site Visit Review

2020 Update- 2

Published - August 06, 2020

Prepared for the 2021 Fiscal Year

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August 06, 2020

This is a summary of the Reserve Study that has been performed for Tahoe Tyrol, (the "Association"). This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group prepared this Update w/o Site Visit Review for the January 1, 2021 - December 31, 2021 fiscal year.

Tahoe Tyrol is a Planned Development with a total of 116 Lots.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2020 Fully Funded Balance</i>	<i>2021 Fully Funded Balance</i>	<i>2021 Line Item Contribution based on Cash Flow Method</i>
01000 - Paving	23,164	2-20	1-2	18,845	22,866	1,047
02000 - Concrete	20,503	25-25	15-15	8,201	9,247	348
03000 - Painting: Exterior	11,779	3-8	1-3	7,446	9,576	588
04000 - Structural Repairs	5,630	5-5	1-1	4,504	5,771	338
05000 - Roofing	10,122	25-25	20-20	2,024	2,490	194
08000 - Rehab	8,886	15-30	2-2	8,073	8,691	125
11000 - Gate Equipment	596	5-5	1-1	477	611	36
12000 - Pool	25,197	2-20	1-7	13,132	16,824	1,191
13000 - Spa	14,826	2-10	1-5	8,323	11,412	1,009
14000 - Recreation	7,362	20-30	1-13	5,654	6,087	98
19000 - Fencing	3,179	6-6	1-1	2,649	3,259	159
21000 - Signage	2,153	8-8	1-1	1,884	2,207	81
23000 - Mechanical Equipment	4,137	15-20	0-2	3,978	1,286	68
25000 - Flooring	3,206	12-12	1-1	2,939	3,287	80
30000 - Miscellaneous	8,532	5-30	1-5	7,022	7,938	223
31000 - Reserve Study	1,538	3-3	2-2	513	1,051	158
32000 - Undesignated	1,104	1-1	1-1	552	1,131	166
Totals	\$151,914			\$96,218	\$113,733	\$5,910
Estimated Ending Balance				\$120,013	\$85,077	\$4.25
Percent Funded				124.7%	74.8%	/Lot/month @ 116

August 6, 2020

(1) The regular assessment per ownership interest is \$75.00 per month for the fiscal year beginning January 1, 2021.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ___ of the attached summary.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
N/A	\$0.00	N/A
Total:	\$0.00	

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ___ of the attached report.

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

This disclosure has been prepared by Browning Reserve Group and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	N/A

(5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

(6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$96,218, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group as of August, 2020. The projected reserve fund cash balance at the end of the current fiscal year is \$120,013 resulting in reserves being 125% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated 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.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2021	\$113,733	\$85,077	74.8%
2022	\$88,405	\$62,149	70.3%
2023	\$75,195	\$50,565	67.2%
2024	\$73,359	\$53,813	73.4%
2025	\$86,348	\$35,138	40.7%

If the reserve funding plan approved by the association is implemented, the projected fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, 2.50% per year was the assumed long-term inflation rate, and 2.50% per year was the assumed long-term interest rate.

Additional Disclosures

§5565(d) The current deficiency in reserve funding as of December 31, 2021 is \$247 per ownership interest (average).

This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.

$$\text{Deficiency} = \frac{\text{2021 Fully Funded Balance} - \text{2021 Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

§5300(b)(4) The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years.

Major Component:	Justification for Deferral:
N/A	N/A

§5300(b)(5) The board of directors as of the date of the study does not anticipate the levy of a special assessment for the repair, replacement, or restoration of the major components.

30 Year Reserve Funding Plan Cash Flow Method

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Prepared for the 2021 Fiscal Year

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Balance	114,765	120,013	85,077	62,149	50,565	53,813	35,138	34,638	18,488	28,513
Inflated Expenditures @ 2.5%	2,950	43,378	31,336	20,324	6,233	28,909	11,547	28,163	3,218	8,489
Reserve Contribution	5,300	5,910	6,590	7,348	8,193	9,135	10,186	11,357	12,663	14,119
<i>Lots/month @ 116</i>	3.81	4.25	4.73	5.28	5.89	6.56	7.32	8.16	9.10	10.14
<i>Percentage Increase</i>		11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	2,898	2,532	1,818	1,392	1,289	1,098	861	656	580	783
Ending Balance	120,013	85,077	62,149	50,565	53,813	35,138	34,638	18,488	28,513	34,927

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Beginning Balance	34,927	35,361	17,181	35,924	27,614	49,163	21,242	28,135	37,929	66,716
Inflated Expenditures @ 2.5%	16,176	36,382	1,485	30,917	3,732	55,921	21,525	19,526	1,722	35,352
Reserve Contribution	15,743	17,553	19,572	21,823	24,333	27,131	27,809	28,504	29,217	29,947
<i>Lots/month @ 116</i>	11.31	12.61	14.06	15.68	17.48	19.49	19.98	20.48	20.99	21.51
<i>Percentage Increase</i>	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	2.5%	2.5%	2.5%	2.5%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	868	649	656	784	948	869	610	816	1,292	1,600
Ending Balance	35,361	17,181	35,924	27,614	49,163	21,242	28,135	37,929	66,716	62,912

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Beginning Balance	62,912	57,897	63,236	57,799	73,662	107,787	87,098	103,202	92,008	120,759
Inflated Expenditures @ 2.5%	37,202	27,620	39,181	18,816	1,996	57,824	21,842	50,091	11,274	12,650
Reserve Contribution	30,696	31,463	32,250	33,056	33,882	34,729	35,597	36,487	37,399	38,334
<i>Lots/month @ 116</i>	22.05	22.60	23.17	23.75	24.34	24.95	25.57	26.21	26.87	27.54
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	1,491	1,495	1,494	1,623	2,240	2,406	2,349	2,410	2,627	3,340
Ending Balance	57,897	63,236	57,799	73,662	107,787	87,098	103,202	92,008	120,759	149,783