



RESERVE STUDY

Member Distribution Materials

Tahoe Tyrol

Update w/o Site Visit Review

2017 Update- 2

Published - October 05, 2017

Prepared for the 2018 Fiscal Year

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October 05, 2017

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, 2018 - December 31, 2018 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>2017 Fully Funded Balance</i>	<i>2018 Fully Funded Balance</i>	<i>2018 Line Item Contribution based on Cash Flow Method</i>
01000 - Paving	20,771	1-15	1-1	17,257	21,290	1,009
02000 - Concrete	19,039	25-25	18-18	5,331	6,245	333
03000 - Painting: Exterior	10,935	3-5	0-3	5,504	6,210	722
04000 - Structural Repairs	20,910	20-20	3-3	17,774	19,289	315
05000 - Roofing	9,399	25-25	23-23	752	1,156	186
08000 - Rehab	8,251	15-15	1-1	7,701	8,458	158
11000 - Gate Equipment	3,864	5-10	3-7	1,215	1,698	144
12000 - Pool	18,845	5-12	1-8	12,696	15,002	590
13000 - Spa	9,215	5-10	1-1	7,784	9,445	411
14000 - Recreation	6,837	20-30	2-16	4,765	5,155	91
19000 - Fencing	14,760	30-30	4-4	12,792	13,616	152
21000 - Signage	1,999	8-8	1-1	1,749	2,049	72
23000 - Mechanical Equipment	1,727	15-20	1-3	1,475	1,620	31
25000 - Flooring	2,978	12-12	1-1	2,729	3,052	71
30000 - Miscellaneous	10,009	5-30	1-8	7,642	8,948	322
31000 - Reserve Study	1,500	3-3	2-2	500	1,025	147
32000 - Undesignated	1,025	1-1	1-1	513	1,051	147
Totals	\$162,063			\$108,179	\$125,309	\$4,900
Estimated Ending Balance				\$121,804	\$65,235	\$3.52
Percent Funded				112.6%	52.1%	/Lot/month @ 116

October 5, 2017

(1) The regular assessment per ownership interest is \$70.00 per month for the fiscal year beginning January 1, 2018.

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 \$108,179, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group as of October, 2017. The projected reserve fund cash balance at the end of the current fiscal year is \$121,804 resulting in reserves being 113% 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)
2018	\$125,309	\$65,235	52.1%
2019	\$81,730	\$69,287	84.8%
2020	\$92,411	\$41,477	44.9%
2021	\$70,794	\$36,160	51.1%
2022	\$71,879	\$43,468	60.5%

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, 2018 is \$518 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.

$$\text{Deficiency} = \frac{\text{2018 Fully Funded Balance} - \text{2018 Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

§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.



Section III

Tahoe Tyrol

30 Year Reserve Funding Plan Cash Flow Method

2017 Update- 2

Prepared for the 2018 Fiscal Year

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Balance	111,211	121,804	65,235	69,287	41,477	36,160	43,468	43,069	44,555	30,765
Inflated Expenditures @ 2.5%	1,884	63,778	10,233	42,470	20,273	8,415	16,988	15,940	31,930	12,265
Reserve Contribution ¹	9,600	4,900	12,624	13,293	13,998	14,740	15,521	16,344	17,210	18,122
<i>Lots/month @ 116</i>	6.90	3.52	9.07	9.55	10.06	10.59	11.15	11.74	12.36	13.02
<i>Percentage Increase</i>		-49.0%	157.6%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	2,877	2,309	1,661	1,367	958	983	1,068	1,082	930	842
Ending Balance	121,804	65,235	69,287	41,477	36,160	43,468	43,069	44,555	30,765	37,464

1) 2017 & 2018 reserve contributions per association.

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Beginning Balance	37,464	53,047	49,033	64,205	42,032	59,531	74,561	44,025	53,219	18,618
Inflated Expenditures @ 2.5%	4,617	25,367	7,384	45,763	7,215	11,328	58,012	19,397	64,331	16,145
Reserve Contribution	19,082	20,093	21,158	22,279	23,460	24,703	26,012	27,391	28,843	30,372
<i>Lots/month @ 116</i>	13.71	14.43	15.20	16.01	16.85	17.75	18.69	19.68	20.72	21.82
<i>Percentage Increase</i>	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	1,117	1,260	1,398	1,312	1,254	1,655	1,464	1,201	887	643
Ending Balance	53,047	49,033	64,205	42,032	59,531	74,561	44,025	53,219	18,618	33,488

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Beginning Balance	33,488	58,235	59,195	90,293	45,757	76,658	72,455	90,963	117,765	130,798
Inflated Expenditures @ 2.5%	8,368	34,166	6,209	83,557	9,931	47,447	27,108	21,684	38,378	15,221
Reserve Contribution	31,982	33,677	35,462	37,341	39,320	41,404	43,598	45,909	48,342	50,904
<i>Lots/month @ 116</i>	22.98	24.19	25.48	26.83	28.25	29.74	31.32	32.98	34.73	36.57
<i>Percentage Increase</i>	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	1,132	1,450	1,846	1,680	1,511	1,841	2,018	2,577	3,069	3,716
Ending Balance	58,235	59,195	90,293	45,757	76,658	72,455	90,963	117,765	130,798	170,197