

RESERVE STUDY SUMMARY

Update with No Site-Visit/Off-Site Review

Vista Tassajara **HOMEOWNERS ASSOCIATION**

Prepared
October 25, 2024

for
Fiscal Year 2025



John D. Beatty & Company

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Reserve Study Summary

This report documents the results of an Update with No Site-Visit/Off-Site Review performed by John D. Beatty & Company for the following Single Family Home Community:

Vista Tassajara Homeowners Association

Danville, California

It provides an analysis of the repair and replacement requirements for the association's major components and recommends a funding plan to meet those obligations. This study was performed in compliance with California Civil Code sections 4178, 5300, 5550, 5560 & 5565. The intent of this legislation is to insure that the association maintains a plan to meet all future obligations for major component maintenance. The essential elements of this legislation are:

- 1 . Identification of the major components which the association is obligated to maintain
- 2 . Current estimate of the useful life of each component
- 3 . Current estimate of the remaining life of each component
- 4 . Current estimate of the replacement cost of each component
- 5 . Current estimate of the total annual contribution necessary to maintain the major components
- 6 . Current estimate of the amount of cash reserves necessary to maintain the major components
- 7 . Disclosure of the current amount of accumulated cash reserves actually funded
- 8 . Disclosure of the percentage of reserves actually funded
- 9 . Disclosure of any determined or anticipated special assessments
- 10 . A general statement of methodology

SCOPE

This study is aligned with the association's fiscal year and establishes January 1, 2025 through December 31, 2034 as the period of time for which reserve expenditures and reserve fund balances are projected.

METHODOLOGY

A cash flow methodology was used to determine the annual reserve contribution. The underlying premise of this reserve funding approach is to establish a contribution level that will allow the association to maintain a positive balance in the reserve fund while meeting all anticipated maintenance obligations. The cash flow method allows the association to achieve this goal without the unnecessary overfunding of reserves. Also, as the interest earned on the reserve fund will not totally offset inflation, projections were made using the current inflation factor and an average interest rate on fully insured certificates of deposit.

In preparing this study, a comprehensive list of major components was developed and information was compiled on the type, number, age and cost of each of these components. In gathering this data, certain assumptions were made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material. All life expectancies were based on reasonable industry experience for equipment and material and, unless specifically noted, all components were in a reasonable and ordinary condition.

No inspection was conducted of the major components. Information utilized to update the reserve study was obtained from management and the association's records. Prior quantities delineated on the previous reserve study with inspection are assumed to be accurate. The condition of components in the previous reserve study with inspection was based on a reasonable sample. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

For a component to be included in this study, the following criteria must be met:

- 1 . The maintenance of the component is the responsibility of the association;
- 2 . The maintenance of the component is not included in the annual operating budget;
- 3 . The estimated useful life of the component is greater than one year; and
- 4 . The estimated remaining life of the component is less than 30 years.

This study is intended to reflect the estimated replacement cost of the components and is not intended to project the actual cost of the work when performed. This limitation is necessary, as it is virtually impossible to predict with any degree of certainty the myriad factors that will impact costs at a future date. Because of this qualification, it is necessary for the results of this study to be reviewed annually to reflect any meaningful changes in use or significant increases in labor and/or materials costs.

The funding for this study has a threshold margin of 15%. This means that the projected ending balance for each fiscal year is at least 15% of the projected expenditures for the same year. This margin provides a contingency for any unforeseen or out of the ordinary repair or replacement expense. Additionally, it can be used in subsequent years as a source of funds for reallocation of the life cycles should the aging of any components be abnormally accelerated.

FINDINGS

The findings of this study indicate that it will be necessary to adjust the annual reserve contribution as indicated on pages 5-7 of this report in order to meet projected expenditures and keep pace with inflation. These findings are based on the following:

- 1 . Projected reserve fund balance as of January 1, 2025 \$ 115,000
- 2 . Reserve contribution for fiscal year 2024 \$ 165,552
- 3 . Reserve contribution for fiscal year 2025 \$ 137,408
- 4 . Assumed annual inflation rate 3.0%
- 5 . All "after tax" interest earned on reserve fund investments will be retained in the reserve fund.

DISCLOSURES

John D. Beatty & Company (JDB) verifies herein that any financial or other interests, whether adverse or otherwise, which consultant may have or propose to have in any company, organization, individual, asset or activity has no bearing on the subject matter of this reserve study. Except for the compensation payable to JDB neither JDB nor any of JDB's agents, employees or affiliates shall benefit from our preparation of this reserve study.

This plan provides adequate funds to meet projected expenditures without relying on a special assessments or increases in regular assessments that require a vote of the membership. Based on the assumption that the association will fund reserves in accordance with this plan, which includes those increases indicated above, the percent funded was calculated in the following manner:

<u>Accumulated Cash Reserves (Numerator)</u>	
Projected reserve fund balance as of January 1, 2025	\$ 115,000
<u>Accrued Liability (Denominator)</u>	
Estimate of the amount of cash necessary to repair, replace, restore or maintain the association's major components as of January 1, 2025	\$ 457,656
Percent Funded	25%

This Reserve Study was reviewed and approved by the Association's Board of Directors.

Projected Expenditures

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current	Estimated		Fiscal Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Repr/Repl Cost	Usfl Life	Rmng Life	Jan 1 Dec 31	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
BUILDING EXTERIOR - POOL HOUSE:															
1 - Stucco Siding Paint		2,530	10	2			2,606								
2 - Stucco Siding Repair	10%	2,303	10	2			2,373								
3 - Trellis Paint - Tops only		2,726	2	1		2,726		2,892		3,069		3,256		3,454	
4 - Trellis Paint		11,840	5	4					12,938					14,999	
5 - Trellis Repair/Replace	10%	22,661	5	4					24,762					28,706	
6 - Trellis Replace		226,606	25	24											
7 - Shower Tile Refurbish		28,222	30	20											
8 - Shower Tile Repair	5%	1,411	10	1		1,411									
FENCING & WALLS:															
9 - Stucco Wall Paint		1,508	10	2			1,553								
10 - Stucco Wall Repair	5%	4,804	10	2			4,948								
11 - Wood Fence Stain - Trash		254	5	1		254					294				
12 - Wood Fence Repr/Repl - Trash	10%	121	5	1		121					140				
13 - Wood Fence Replace - Trash		1,209	25	21											
14 - Wood Split Rail Fence Paint		5,452	5	2			5,616					6,510			
15 - Wood Split Rail Repr/Repl	10%	8,024	5	2			8,265					9,581			
16 - Wood Split Rail Fence Replace		80,243	15	3				85,130							
17 - Wood Retaining Walls Repair	20%	2,701	15	2			2,782								
18 - Wrought Iron Fence Paint		2,722	5	2			2,804					3,250			
19 - Wrought Iron Fence Repair	20%	9,270	5	2			9,548					11,069			
20 - Wrought Iron Fence Replace		46,350	25	4					50,648						
LANDSCAPING:															
21 - Backflow Device Replace	25%	4,456	5	2			4,589					5,320			
22 - Irrigation Controller Replace	25%	2,673	5	2			2,753					3,192			
23 - Irrigation Valves Replace	10%	5,689	2	2			5,859		6,216		6,595		6,997		7,423
24 - Landslide Repairs															
25 - Plant Maint															
26 - Tree Maint															
LIGHT FIXTURES:															
27 - Bollard Light Fixture Replace		5,182	25	6							6,007				
28 - Bollard Light Fixture Replace		5,182	25	8								6,373			
29 - Bollard Light Fixture Replace		4,606	25	9										5,835	
30 - Cabana Fixture Replace															
PAVED SURFACES:															
31 - Common Drive Major Repair	15%	7,002	10	2			7,212								
32 - Common Drive Sealcoat & Repair		4,099	5	2			4,222					4,895			
33 - Concrete Repairs	10%	14,282	10	2			14,710								
34 - Pool Deck Repr/Repl	5%	7,725	5	4					8,441					9,786	
35 - Pool Deck Replace		154,500	30	29											
36 - V-Ditch Repairs	7%	12,355	10	2			12,725								
PLAYFIELD FACILITIES:															
37 - Benches Wood Refurbish		6,114	10	2			6,297								
38 - Benches Wood Replace		6,281	20	8								7,725			
39 - Benches Wood Replace		6,281	20	10											8,196
40 - Fiberbark Repl/Add		7,536	3	2			7,762			8,482		9,268			

NOTE: Funding is addressed via bank loan payback with special assessment.
 NOTE: Funding is addressed via the association's operating budget.
 NOTE: Funding is addressed via the association's operating budget.

Projected Expenditures

Assumed Annual Inflation Rate..... 3.0%

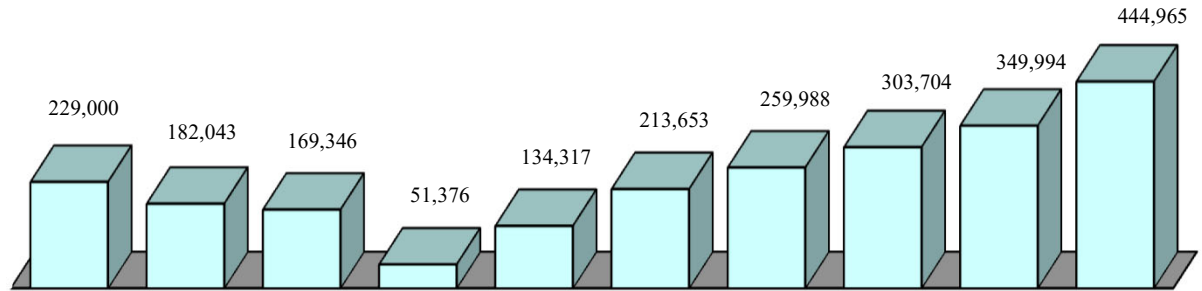
RESERVE COMPONENTS	Repair %	Current	Estimated		Fiscal Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
		Repr/Repl Cost	Usfl Life	Rmng Life	Jan 1 Dec 31	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
PLAYFIELD FACILITIES Cont'd:																
41 - Picnic Table Sets		2,513	20	5						2,828						
42 - Picnic Table Sets		2,513	20	6							2,913					
43 - Swing Structure Replace		41,200	20	4					45,020							
44 - Tot Lot Structure Repair		2,898	5	2			2,985					3,461				
45 - Tot Lot Structure Replace		82,400	20	4					90,041							
46 - Trash Receptacles Replace		2,898	20	2			2,985									
POOL CABANA:																
47 - Restrooms Refurbish		71,228	30	20												
48 - Water Heater Replace		2,608	10	2			2,687									
RECREATION FACILITIES - POOL:																
49 - Chlorinator Replace		977	5	2			1,006					1,166				
50 - Filter Replace		1,829	8	4				1,999								
51 - Filter Replace		1,829	8	2				1,884							2,386	
52 - Heater Replace		5,154	12	2			5,308									
53 - Pool Patio Furnishings Repl		25,750	10	8									31,669			
54 - Pump Replace		2,337	10	2			2,407									
55 - Resurface Pool Interior		29,128	10	3				30,902								
56 - Replace Tile & Coping		13,390	10	3				14,205								
57 - Solar Panels Replace		26,780	14	2			27,584									
RECREATION FACILITIES - SPA:																
58 - Chlorinator Replace		977	5	2			1,006					1,166				
59 - Filter Replace		2,852	8	2			2,937								3,721	
60 - Heater Replace		4,323	12	6							5,012					
61 - Pump Replace - Circulation		2,384	10	6							2,764					
62 - Pump Replace - Jets		1,792	5	2			1,845					2,139				
63 - Resurface Spa Interior		3,088	10	3				3,276								
64 - Replace Spa Tile & Coping		2,977	10	3				3,159								
ROOFING SYSTEM:																
65 - Gutters & Downspouts Replace		5,217	25	2				5,374								
66 - Tile Roof System Replace		15,453	35	11												
67 - Tile Roof Inspect & Repair		1,382	5	2				1,423				1,650				
OTHER:																
68 - Bike Rack Replace		2,852	20	5						3,209						
69 - Dog Station Replace		2,780	15	1			2,780									
70 - Drinking Fountain Replace		2,898	15	1			2,898									
71 - Open Space Mgmt (2013-2025 only)		5,305	1	1			5,000									
72 - Project Fees		5,796	1	1			1,519	16,606	13,956	24,006	1,759	2,372	5,665	6,203	6,278	2,173
73 - Reserve Study Update																
74 - Reserve Study Update Inspection																
UNSCHEDULED.....	5%	6,870	1	1			6,870	7,131	7,402	7,684	5,379	5,540	5,706	5,877	6,054	6,235
TOTAL EXPENDITURES		1,097,296					23,580	189,792	160,922	271,755	24,725	31,637	68,026	74,113	75,111	30,133

NOTE: Funding is addressed via the association's operating budget.

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Funding Plan

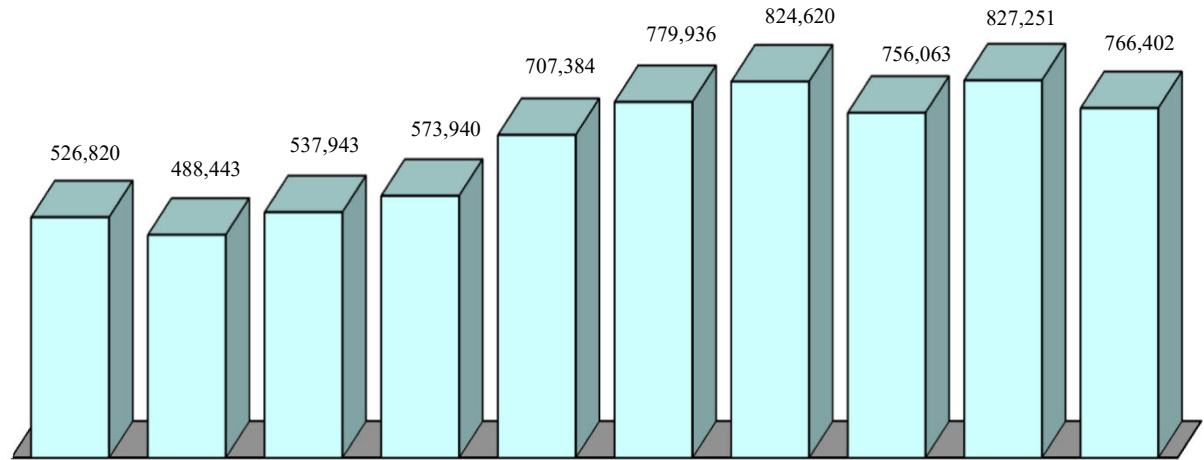
Projected Cash Balance



Fiscal Year		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Jan 1	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Dec 31	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
BEGINNING BALANCE		115,000	229,000	182,043	169,346	51,376	134,317	213,653	259,988	303,704	349,994
EXPENDITURES (inflated \$)	3.0%	23,580	189,792	160,922	271,755	24,725	31,637	68,026	74,113	75,111	30,133
RESERVE CONTRIBUTION		137,408	142,630	148,050	153,675	107,573	110,800	114,124	117,548	121,074	124,706
Per Unit Per Month (208 units)		55.05	57.14	59.31	61.57	43.10	44.39	45.72	47.09	48.51	49.96
Percentage Increase to Reserves		(17.0)	3.8	3.8	3.8	(30.0)	3.0	3.0	3.0	3.0	3.0
SPECIAL ASSESSMENT(S) or LOAN		0	0	0	0	0	0	0	0	0	0
INTEREST	0.1%	172	205	176	110	93	174	237	282	327	397
ENDING BALANCE		229,000	182,043	169,346	51,376	134,317	213,653	259,988	303,704	349,994	444,965

Funding Plan

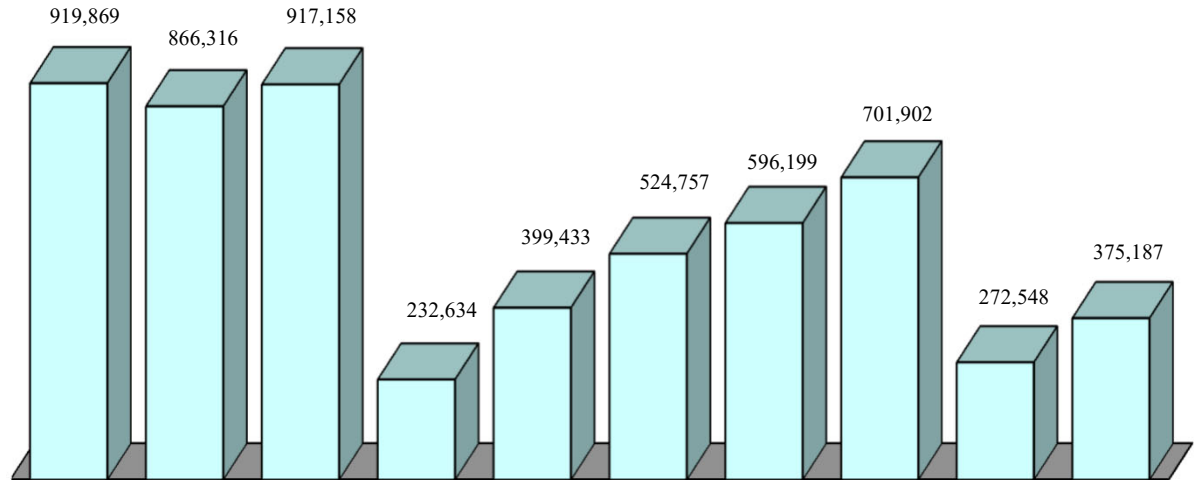
Projected Cash Balance



Fiscal Year		(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Jan 1		2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Dec 31		2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
BEGINNING BALANCE		444,965	526,820	488,443	537,943	573,940	707,384	779,936	824,620	756,063	827,251
EXPENDITURES (inflated \$)	3.0%	47,078	171,185	87,283	104,917	11,765	77,097	109,492	227,321	92,316	229,241
RESERVE CONTRIBUTION		128,448	132,301	136,270	140,358	144,569	148,906	153,373	157,974	162,714	167,595
Per Unit Per Month (208 units)		51.46	53.01	54.60	56.23	57.92	59.66	61.45	63.29	65.19	67.15
Percentage Increase to Reserves		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
SPECIAL ASSESSMENT(S) or LOAN		0	0	0	0	0	0	0	0	0	0
INTEREST	0.1%	486	507	513	556	640	743	802	790	791	796
ENDING BALANCE		526,820	488,443	537,943	573,940	707,384	779,936	824,620	756,063	827,251	766,402

Funding Plan

Projected Cash Balance



Fiscal Year		(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Jan 1		2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Dec 31		2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
BEGINNING BALANCE		766,402	919,869	866,316	917,158	232,634	399,433	524,757	596,199	701,902	272,548
EXPENDITURES (inflated \$)	3.0%	19,999	232,247	133,185	873,729	27,805	75,255	135,239	107,250	648,515	122,918
RESERVE CONTRIBUTION		172,623	177,802	183,136	188,630	194,289	200,117	206,121	212,304	218,673	225,234
Per Unit Per Month (208 units)		69.16	71.23	73.37	75.57	77.84	80.18	82.58	85.06	87.61	90.24
Percentage Increase to Reserves		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
SPECIAL ASSESSMENT(S) or LOAN		0	0	0	0	0	0	0	0	0	0
INTEREST	0.1%	843	893	891	575	316	462	560	649	487	324
ENDING BALANCE		919,869	866,316	917,158	232,634	399,433	524,757	596,199	701,902	272,548	375,187

Assessment and Reserve Funding Disclosure Summary For Fiscal Year January 1, 2025 - December 31, 2025

This Summary contains information about the Association's assessments and the status of the reserve fund. The Association may periodically update or supplement the information in this Summary. Please contact the Association to determine if a more recently prepared Summary or supplement is available.

- (1a) The current **regular** assessment per ownership interest is **\$ 560.00 per quarter for 205 homes.**
- (1b) The current **regular** assessment per ownership interest is **\$ 655.00 per quarter for 3 homes.**
- (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 (if assessments are variable, see note immediately below):	Purpose of the assessment:

NOTE: If assessments vary by the size or type of ownership interest, the assessment applicable to this unit may be found on the Variable Assessment Report (provided by an association representative.)

- (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 If the Special Assessment in Note (2) is collected No
- (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:
	\$
	Total:

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$527,080**, based in whole or in part on the last reserve study or update, prepared by John D. Beatty & Company. The projected reserve fund cash balance at the end of the current fiscal year is **\$229,000**, resulting in reserves being **43%** funded at this date (and an average per-unit deficit of **\$1,433** .) If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is **\$229,000** (which is based on the projected ending balance figure(s) provided by the association representative. See "Methodology" on Page 1.)
- (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 **(listed in the table 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 **(listed in the table below)**, leaving the reserve at **(listed in the table below)** percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be **(listed in the table below)**, leaving the reserves at **(listed in the table below)** percent funded.

Assessment and Reserve Funding Disclosure Summary For Fiscal Year January 1, 2025 - December 31, 2025

Year	Estimated amount required in the reserve fund	Projected reserve fund cash balance	Percent Funded
2	\$ 433,082	\$ 182,043	42%
3	\$ 370,828	\$ 169,346	46%
4	\$ 200,701	\$ 51,376	26%
5	\$ 280,653	\$ 134,317	48%
6	\$ 356,832	\$ 213,653	60%

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, the assumed long-term before-tax interest rate earned on reserve funds per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs per year are shown on the Funding Plan.

This Summary was authorized by the Association based on the information available in the Association's most recent reserve study or annual update dated as of **October 25, 2024**. This summary supercedes all earlier issued versions.

NOTE: The remainder of Civil Code Section 5570 is not part of the required Assessment and Reserve Funding Disclosure Summary Form, but is included here because the information is needed to properly complete the form.



John D. Beatty
President

For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.