

Serving the Pacific Northwest

10900 NE 4th St, Suite 2300

Bellevue, WA 98004

Tel: (253) 661-5437

www.reservestudy.com

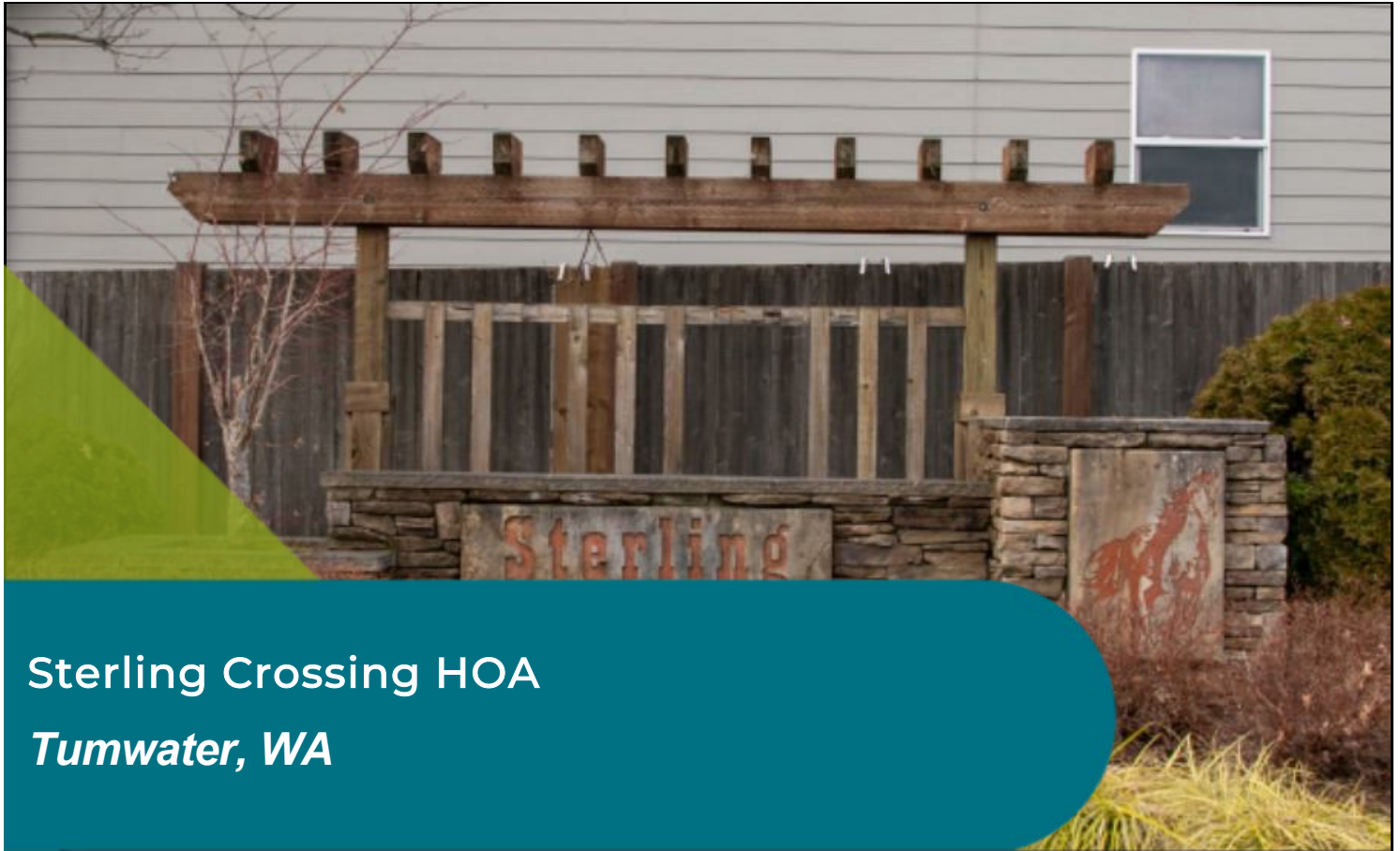


ASSOCIATION  
RESERVES®

*Planning For The Inevitable*

**Regional Offices**

Arizona	Nevada
California	New Jersey
Colorado	New Mexico
Florida	North Carolina
Hawaii	Ohio
Mid-Atlantic	Texas
Midwest	Washington



**Sterling Crossing HOA**

***Tumwater, WA***



Report #: 34248-8

Beginning: January 1, 2027

Expires: December 31, 2027

**RESERVE STUDY**

**Update "No-Site-Visit"**

March 25, 2026

# Welcome to your Reserve Study!

**A** Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

**R**egardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**

Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.

- **Reserve Fund Strength**

A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.

- **Reserve Funding Plan**

A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

## Questions?

Please contact your Project Manager directly.



[www.reservestudy.com](http://www.reservestudy.com)

The logo used within this report is the registered trademark of Association Reserves, Inc., All rights reserved.

## Table of Contents

<b>Executive Summary</b>	<b>4</b>
Executive Summary (Component List)	5
<b>Introduction, Objectives, and Methodology</b>	<b>6</b>
Which Physical Assets are Funded by Reserves?	7
How do we establish Useful Life and Remaining Useful Life estimates?	7
How do we establish Current Repair/Replacement Cost Estimates?	7
How much Reserves are enough?	8
How much should we transfer to Reserves?	9
What is our Recommended Funding Goal?	9
<b>Projected Expenses</b>	<b>10</b>
Annual Reserve Expenses Graph	10
<b>Reserve Fund Status &amp; Recommended Funding Plan</b>	<b>11</b>
Annual Reserve Funding Graph	11
30-Yr Cash Flow Graph	12
Percent Funded Graph	12
<b>Table Descriptions</b>	<b>13</b>
Reserve Component List Detail	14
Fully Funded Balance	15
Component Significance	16
30-Year Reserve Plan Summary	17
30-Year Reserve Plan Summary (Alternate Funding Plan)	18
30-Year Income/Expense Detail	19
<b>Accuracy, Limitations, and Disclosures</b>	<b>25</b>
<b>Terms and Definitions</b>	<b>26</b>
<b>Component Details</b>	<b>27</b>
Sterling Crossing HOA	28



**Sterling Crossing HOA**

Tumwater, WA

Level of Service: **Update "No-Site-Visit"**

Report #: **34248-8**

# of Units: 88

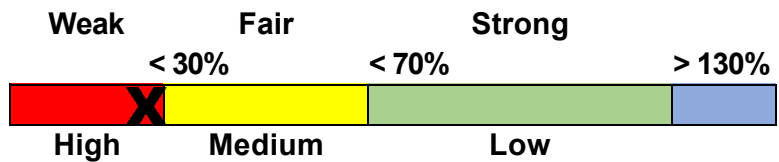
**January 1, 2027 through December 31, 2027**

**Findings & Recommendations**

**as of January 1, 2027**

Starting Reserve Balance	\$100,197
Current Fully Funded Reserve Balance	\$382,751
Percent Funded	26.2 %
Average Reserve (Deficit) or Surplus Per Unit	(\$3,211)
Recommended 2027 100% Monthly "Full Funding" Reserve Transfers	\$4,700
2027 "Baseline Funding" minimum to keep Reserves above \$0	\$4,000
Most Recent Budgeted Reserve Transfer Rate	\$2,317

**Reserve Fund Strength: 26.2%**



**Risk of Special Assessment:**

**Economic Assumptions:**

Net Annual "After Tax" Interest Earnings Accruing to Reserves	1.00 %
Annual Inflation Rate	3.00 %

- This is a Update "No-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 26.2 % Funded. This means the association's special assessment & deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems. The current annual deterioration of your reserve components is \$31,987 - see Component Significance table.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Transfers 100% as noted above. The 100% "Full" transfer rate is designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan transfer rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Sterling Crossing HOA			
120 Asphalt - Resurface	30	11	\$255,000
121 Asphalt - Seal Coat	5	0	\$29,300
138 Fence (Park & Pond) A - Replace	20	18	\$11,249
138 Fence (Park & Pond) B - Replace	20	0	\$24,400
139 Fence (Monument)- Replace	20	0	\$4,140
140 Trellis - Replace	20	0	\$3,200
141 Fences & Trellis - Stain	5	0	\$28,800
145 Vinyl Double Rail Fence - Replace	30	11	\$14,580
160 Pole Lights - Replace	25	6	\$81,000
170 Landscape - Refurbish	5	0	\$5,150
200 Entry Signs - Refurbish	20	1	\$8,860
205 Mailboxes - Replace	20	16	\$30,400
210 Pet Waste Stations	15	0	\$1,850
340 Play Equipment - Replace	20	1	\$25,400
341 Wood Chips - Replenish	3	0	\$2,630
342 Playground Retention Wall - Replace	20	1	\$1,960
346 Site Furniture - Replace	20	9	\$6,540
349 Concrete Basketball Court - Replace	30	11	\$6,440
350 Basketball Assembly - Replace	30	11	\$2,680

**19 Total Funded Components**

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.

## Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve funding is not "for the future". Ongoing Reserve transfers are intended to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

## Methodology

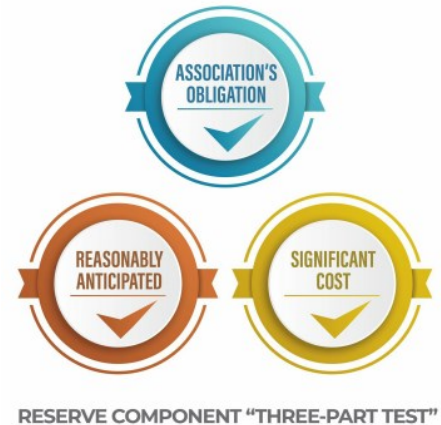


For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

## *Which Physical Assets are Funded by Reserves?*

There is a national-standard three-part test to determine which projects should appear in a Reserve Component List. First, it must be a common area maintenance obligation. Second, both the need and schedule of a component's project can be reasonably anticipated. Third, the project's total cost is material to the client, can be reasonably anticipated, and includes all direct and related costs. A project cost is commonly considered *material* if it is more than 0.5% to 1% of the total annual budget. This limits Reserve components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to natural disasters and/or insurable events), and expenses more appropriately handled from the Operational budget.



## *How do we establish Useful Life and Remaining Useful Life estimates?*

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

## *How do we establish Current Repair/Replacement Cost Estimates?*

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

## How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

## How much should we transfer to Reserves?



According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable rate of ongoing Reserve transfers is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve transfers that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Board members to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Board members invite liability exposure when Reserve transfers are inadequate to offset ongoing common area deterioration.

### What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, recommended Reserve transfers for Baseline Funding average only 10% to 15% less than Full Funding recommendations. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

## Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in the 30-yr Summary Table, while details of the projects that make up these expenses are shown in the Cash Flow Detail Table.

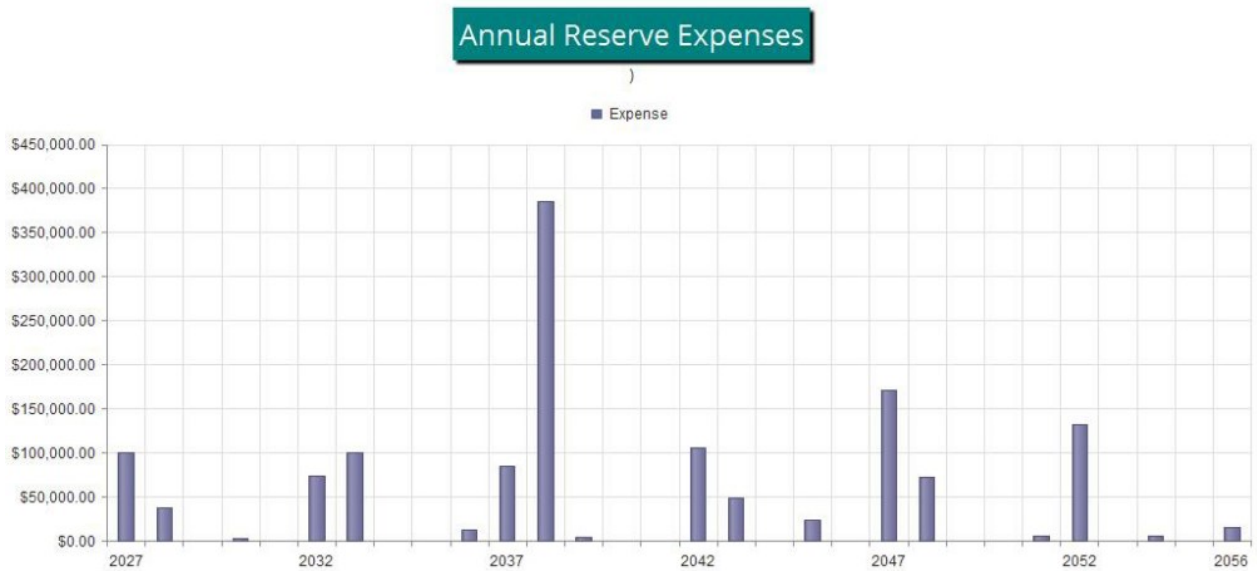


Figure 1

## Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$100,197 as-of the start of your Fiscal Year on 1/1/2027. Your Starting Reserve Balance was derived from your recent reserve balance as of 1/30/2026, plus budgeted reserve contributions, minus reserve expenses thru the end of your fiscal year. As of 1/1/2027, your Fully Funded Balance is computed to be \$382,751 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

## Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending Monthly budgeted transfers of \$4,700 this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

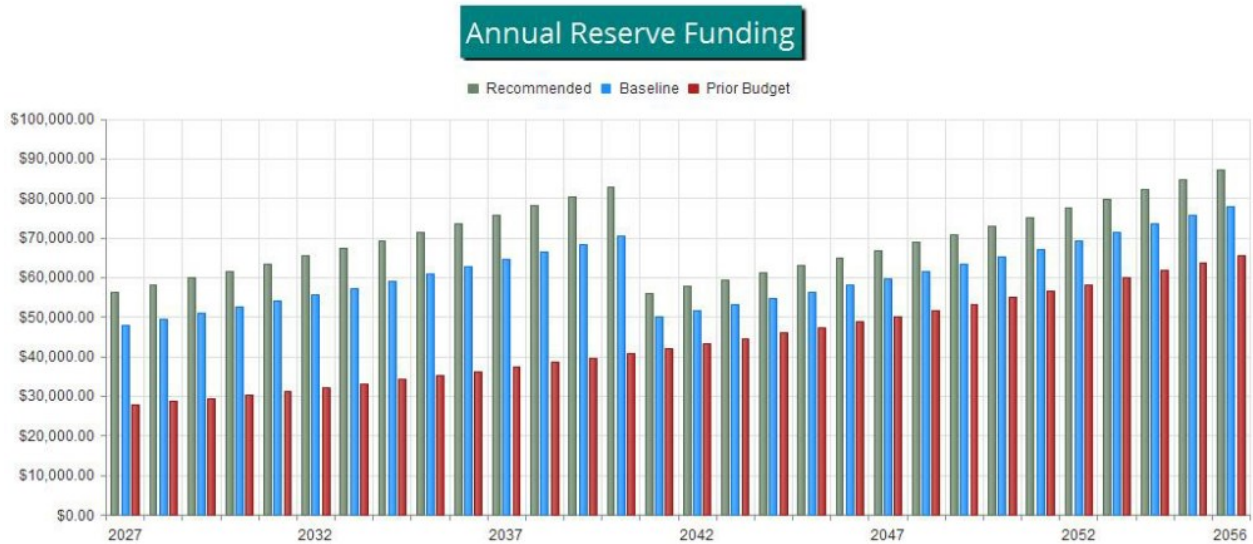


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted transfer rate (assumes future increases), compared to your always-changing Fully Funded Balance target.

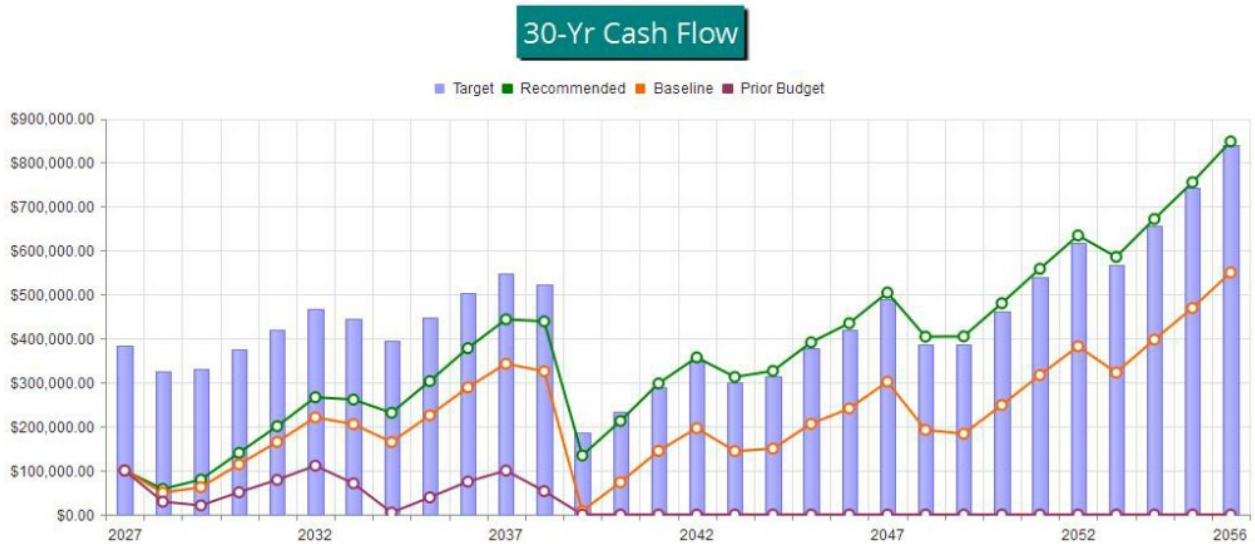


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

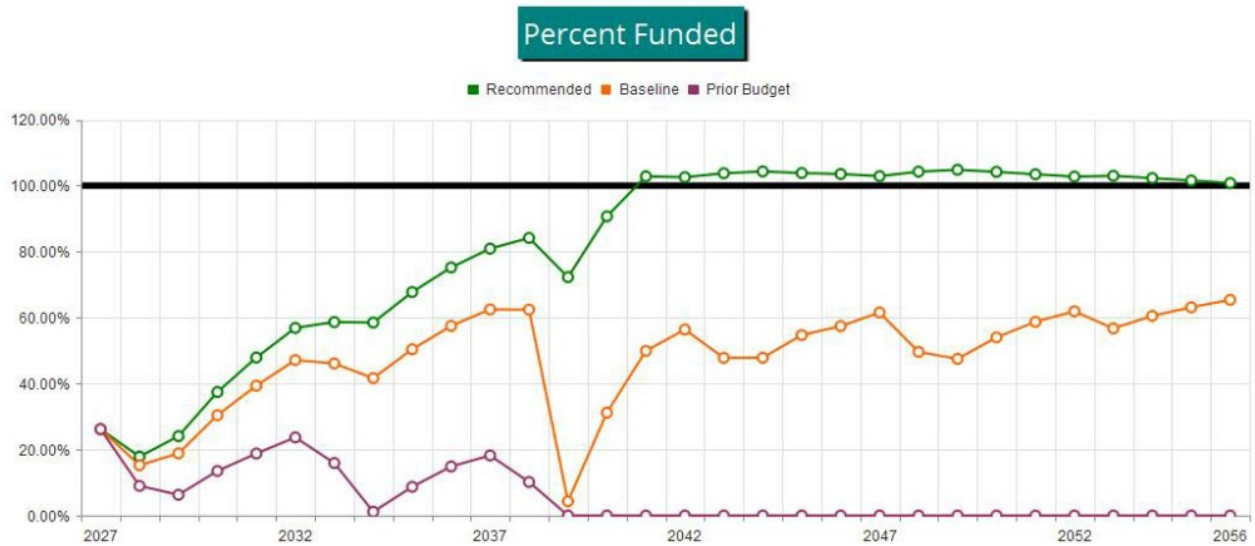


Figure 4



Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their specific proportion related to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve funding requirements. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

# Component	Approx Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
				Lower Estimate	Higher Estimate
Sterling Crossing HOA					
120 Asphalt - Resurface	64,000 SF	30	11	\$230,000	\$280,000
121 Asphalt - Seal Coat	64,000 SF	5	0	\$26,400	\$32,200
138 Fence (Park & Pond) A - Replace	284 LF Wood	20	18	\$10,100	\$12,400
138 Fence (Park & Pond) B - Replace	616 LF Wood	20	0	\$22,000	\$26,800
139 Fence (Monument)- Replace	60 LF Wood	20	0	\$3,730	\$4,550
140 Trellis - Replace	8 8 x 20	20	0	\$2,880	\$3,520
141 Fences & Trellis - Stain	14,400 SF/ 2,400LF	5	0	\$25,900	\$31,700
145 Vinyl Double Rail Fence - Replace	270 LF	30	11	\$13,100	\$16,000
160 Pole Lights - Replace	16 metal poles	25	6	\$72,900	\$89,100
170 Landscape - Refurbish	1 Extensive	5	0	\$4,640	\$5,660
200 Entry Signs - Refurbish	2 Monuments	20	1	\$7,970	\$9,750
205 Mailboxes - Replace	6 cluster boxes	20	16	\$27,400	\$33,400
210 Pet Waste Stations	2 Stations	15	0	\$1,660	\$2,040
340 Play Equipment - Replace	1 Play Structure	20	1	\$22,900	\$27,900
341 Wood Chips - Replenish	1,250 SF	3	0	\$2,370	\$2,890
342 Playground Retention Wall - Replace	100 LF	20	1	\$1,760	\$2,160
346 Site Furniture - Replace	5 Picnic Tables	20	9	\$5,890	\$7,190
349 Concrete Basketball Court - Replace	900 SF	30	11	\$5,800	\$7,080
350 Basketball Assembly - Replace	1 Basketball Assembly	30	11	\$2,410	\$2,950
19 Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Sterling Crossing HOA								
120	Asphalt - Resurface	\$255,000	X	19	/	30	=	\$161,500
121	Asphalt - Seal Coat	\$29,300	X	5	/	5	=	\$29,300
138	Fence (Park & Pond) A - Replace	\$11,249	X	2	/	20	=	\$1,125
138	Fence (Park & Pond) B - Replace	\$24,400	X	20	/	20	=	\$24,400
139	Fence (Monument)- Replace	\$4,140	X	20	/	20	=	\$4,140
140	Trellis - Replace	\$3,200	X	20	/	20	=	\$3,200
141	Fences & Trellis - Stain	\$28,800	X	5	/	5	=	\$28,800
145	Vinyl Double Rail Fence - Replace	\$14,580	X	19	/	30	=	\$9,234
160	Pole Lights - Replace	\$81,000	X	19	/	25	=	\$61,560
170	Landscape - Refurbish	\$5,150	X	5	/	5	=	\$5,150
200	Entry Signs - Refurbish	\$8,860	X	19	/	20	=	\$8,417
205	Mailboxes - Replace	\$30,400	X	4	/	20	=	\$6,080
210	Pet Waste Stations	\$1,850	X	15	/	15	=	\$1,850
340	Play Equipment - Replace	\$25,400	X	19	/	20	=	\$24,130
341	Wood Chips - Replenish	\$2,630	X	3	/	3	=	\$2,630
342	Playground Retention Wall - Replace	\$1,960	X	19	/	20	=	\$1,862
346	Site Furniture - Replace	\$6,540	X	11	/	20	=	\$3,597
349	Concrete Basketball Court - Replace	\$6,440	X	19	/	30	=	\$4,079
350	Basketball Assembly - Replace	\$2,680	X	19	/	30	=	\$1,697
								\$382,751

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Sterling Crossing HOA				
120 Asphalt - Resurface	30	\$255,000	\$8,500	26.57 %
121 Asphalt - Seal Coat	5	\$29,300	\$5,860	18.32 %
138 Fence (Park & Pond) A - Replace	20	\$11,249	\$562	1.76 %
138 Fence (Park & Pond) B - Replace	20	\$24,400	\$1,220	3.81 %
139 Fence (Monument)- Replace	20	\$4,140	\$207	0.65 %
140 Trellis - Replace	20	\$3,200	\$160	0.50 %
141 Fences & Trellis - Stain	5	\$28,800	\$5,760	18.01 %
145 Vinyl Double Rail Fence - Replace	30	\$14,580	\$486	1.52 %
160 Pole Lights - Replace	25	\$81,000	\$3,240	10.13 %
170 Landscape - Refurbish	5	\$5,150	\$1,030	3.22 %
200 Entry Signs - Refurbish	20	\$8,860	\$443	1.38 %
205 Mailboxes - Replace	20	\$30,400	\$1,520	4.75 %
210 Pet Waste Stations	15	\$1,850	\$123	0.39 %
340 Play Equipment - Replace	20	\$25,400	\$1,270	3.97 %
341 Wood Chips - Replenish	3	\$2,630	\$877	2.74 %
342 Playground Retention Wall - Replace	20	\$1,960	\$98	0.31 %
346 Site Furniture - Replace	20	\$6,540	\$327	1.02 %
349 Concrete Basketball Court - Replace	30	\$6,440	\$215	0.67 %
350 Basketball Assembly - Replace	30	\$2,680	\$89	0.28 %
19 Total Funded Components			\$31,987	100.00 %

Fiscal Year Start: 2027

Net After Tax Interest:

1.00 %

Avg 30-Yr Inflation: 3.00 %

Reserve Fund Strength (as-of Fiscal Year Start)				Projected Reserve Balance Changes						
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses	
2027	\$100,197	\$382,751	26.2 %	High	102.85 %	\$56,400	\$0	\$790	\$99,470	
2028	\$57,918	\$324,726	17.8 %	High	3.00 %	\$58,092	\$0	\$686	\$37,307	
2029	\$79,389	\$329,978	24.1 %	High	3.00 %	\$59,835	\$0	\$1,098	\$0	
2030	\$140,322	\$374,831	37.4 %	Medium	3.00 %	\$61,630	\$0	\$1,705	\$2,874	
2031	\$200,783	\$419,118	47.9 %	Medium	3.00 %	\$63,479	\$0	\$2,336	\$0	
2032	\$266,597	\$468,774	56.9 %	Medium	3.00 %	\$65,383	\$0	\$2,638	\$73,324	
2033	\$261,295	\$445,508	58.7 %	Medium	3.00 %	\$67,345	\$0	\$2,462	\$99,859	
2034	\$231,242	\$395,359	58.5 %	Medium	3.00 %	\$69,365	\$0	\$2,671	\$0	
2035	\$303,279	\$447,741	67.7 %	Medium	3.00 %	\$71,446	\$0	\$3,406	\$0	
2036	\$378,130	\$502,909	75.2 %	Low	3.00 %	\$73,589	\$0	\$4,108	\$11,965	
2037	\$443,863	\$548,661	80.9 %	Low	3.00 %	\$75,797	\$0	\$4,413	\$85,003	
2038	\$439,070	\$521,846	84.1 %	Low	3.00 %	\$78,071	\$0	\$2,865	\$385,786	
2039	\$134,220	\$185,749	72.3 %	Low	3.00 %	\$80,413	\$0	\$1,733	\$3,750	
2040	\$212,616	\$234,433	90.7 %	Low	3.00 %	\$82,825	\$0	\$2,552	\$0	
2041	\$297,994	\$289,850	102.8 %	Low	-32.39 %	\$56,000	\$0	\$3,275	\$0	
2042	\$357,269	\$348,381	102.6 %	Low	3.00 %	\$57,680	\$0	\$3,349	\$105,521	
2043	\$312,776	\$301,476	103.7 %	Low	3.00 %	\$59,410	\$0	\$3,196	\$48,783	
2044	\$326,599	\$313,144	104.3 %	Low	3.00 %	\$61,193	\$0	\$3,588	\$0	
2045	\$391,380	\$376,995	103.8 %	Low	3.00 %	\$63,028	\$0	\$4,130	\$23,628	
2046	\$434,910	\$420,058	103.5 %	Low	3.00 %	\$64,919	\$0	\$4,695	\$0	
2047	\$504,525	\$490,433	102.9 %	Low	3.00 %	\$66,867	\$0	\$4,543	\$171,563	
2048	\$404,372	\$387,943	104.2 %	Low	3.00 %	\$68,873	\$0	\$4,045	\$72,272	
2049	\$405,018	\$386,432	104.8 %	Low	3.00 %	\$70,939	\$0	\$4,425	\$0	
2050	\$480,382	\$461,155	104.2 %	Low	3.00 %	\$73,067	\$0	\$5,193	\$0	
2051	\$558,642	\$540,013	103.4 %	Low	3.00 %	\$75,259	\$0	\$5,963	\$5,346	
2052	\$634,518	\$617,682	102.7 %	Low	3.00 %	\$77,517	\$0	\$6,099	\$132,431	
2053	\$585,703	\$568,791	103.0 %	Low	3.00 %	\$79,843	\$0	\$6,285	\$0	
2054	\$671,830	\$656,909	102.3 %	Low	3.00 %	\$82,238	\$0	\$7,133	\$5,842	
2055	\$755,359	\$743,784	101.6 %	Low	3.00 %	\$84,705	\$0	\$8,014	\$0	
2056	\$848,078	\$841,478	100.8 %	Low	3.00 %	\$87,246	\$0	\$8,881	\$15,412	

Fiscal Year Start: 2027

Net After Tax Interest:

1.00 %

Avg 30-Yr Inflation: 3.00 %

Reserve Fund Strength (as-of Fiscal Year Start)				Projected Reserve Balance Changes						
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses	
2027	\$100,197	\$382,751	26.2 %	High	72.64 %	\$48,000	\$0	\$748	\$99,470	
2028	\$49,475	\$324,726	15.2 %	High	3.00 %	\$49,440	\$0	\$558	\$37,307	
2029	\$62,167	\$329,978	18.8 %	High	3.00 %	\$50,923	\$0	\$880	\$0	
2030	\$113,970	\$374,831	30.4 %	Medium	3.00 %	\$52,451	\$0	\$1,394	\$2,874	
2031	\$164,941	\$419,118	39.4 %	Medium	3.00 %	\$54,024	\$0	\$1,928	\$0	
2032	\$220,894	\$468,774	47.1 %	Medium	3.00 %	\$55,645	\$0	\$2,130	\$73,324	
2033	\$205,345	\$445,508	46.1 %	Medium	3.00 %	\$57,315	\$0	\$1,849	\$99,859	
2034	\$164,651	\$395,359	41.6 %	Medium	3.00 %	\$59,034	\$0	\$1,951	\$0	
2035	\$225,635	\$447,741	50.4 %	Medium	3.00 %	\$60,805	\$0	\$2,572	\$0	
2036	\$289,012	\$502,909	57.5 %	Medium	3.00 %	\$62,629	\$0	\$3,158	\$11,965	
2037	\$342,834	\$548,661	62.5 %	Medium	3.00 %	\$64,508	\$0	\$3,341	\$85,003	
2038	\$325,681	\$521,846	62.4 %	Medium	3.00 %	\$66,443	\$0	\$1,668	\$385,786	
2039	\$8,006	\$185,749	4.3 %	High	3.00 %	\$68,437	\$0	\$405	\$3,750	
2040	\$73,098	\$234,433	31.2 %	Medium	3.00 %	\$70,490	\$0	\$1,088	\$0	
2041	\$144,676	\$289,850	49.9 %	Medium	-29.07 %	\$50,000	\$0	\$1,705	\$0	
2042	\$196,381	\$348,381	56.4 %	Medium	3.00 %	\$51,500	\$0	\$1,701	\$105,521	
2043	\$144,061	\$301,476	47.8 %	Medium	3.00 %	\$53,045	\$0	\$1,469	\$48,783	
2044	\$149,791	\$313,144	47.8 %	Medium	3.00 %	\$54,636	\$0	\$1,779	\$0	
2045	\$206,207	\$376,995	54.7 %	Medium	3.00 %	\$56,275	\$0	\$2,236	\$23,628	
2046	\$241,090	\$420,058	57.4 %	Medium	3.00 %	\$57,964	\$0	\$2,713	\$0	
2047	\$301,767	\$490,433	61.5 %	Medium	3.00 %	\$59,703	\$0	\$2,470	\$171,563	
2048	\$192,377	\$387,943	49.6 %	Medium	3.00 %	\$61,494	\$0	\$1,878	\$72,272	
2049	\$183,476	\$386,432	47.5 %	Medium	3.00 %	\$63,339	\$0	\$2,161	\$0	
2050	\$248,976	\$461,155	54.0 %	Medium	3.00 %	\$65,239	\$0	\$2,829	\$0	
2051	\$317,044	\$540,013	58.7 %	Medium	3.00 %	\$67,196	\$0	\$3,496	\$5,346	
2052	\$382,389	\$617,682	61.9 %	Medium	3.00 %	\$69,212	\$0	\$3,524	\$132,431	
2053	\$322,693	\$568,791	56.7 %	Medium	3.00 %	\$71,288	\$0	\$3,600	\$0	
2054	\$397,581	\$656,909	60.5 %	Medium	3.00 %	\$73,427	\$0	\$4,334	\$5,842	
2055	\$469,499	\$743,784	63.1 %	Medium	3.00 %	\$75,629	\$0	\$5,096	\$0	
2056	\$550,225	\$841,478	65.4 %	Medium	3.00 %	\$77,898	\$0	\$5,841	\$15,412	

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$100,197	\$57,918	\$79,389	\$140,322	\$200,783
Annual Reserve Funding	\$56,400	\$58,092	\$59,835	\$61,630	\$63,479
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$790	\$686	\$1,098	\$1,705	\$2,336
<b>Total Income</b>	<b>\$157,388</b>	<b>\$116,696</b>	<b>\$140,322</b>	<b>\$203,657</b>	<b>\$266,597</b>
# Component					
<b>Sterling Crossing HOA</b>					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$29,300	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) A - Replace	\$0	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) B - Replace	\$24,400	\$0	\$0	\$0	\$0
139 Fence (Monument)- Replace	\$4,140	\$0	\$0	\$0	\$0
140 Trellis - Replace	\$3,200	\$0	\$0	\$0	\$0
141 Fences & Trellis - Stain	\$28,800	\$0	\$0	\$0	\$0
145 Vinyl Double Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$5,150	\$0	\$0	\$0	\$0
200 Entry Signs - Refurbish	\$0	\$9,126	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
210 Pet Waste Stations	\$1,850	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$26,162	\$0	\$0	\$0
341 Wood Chips - Replenish	\$2,630	\$0	\$0	\$2,874	\$0
342 Playground Retention Wall - Replace	\$0	\$2,019	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
349 Concrete Basketball Court - Replace	\$0	\$0	\$0	\$0	\$0
350 Basketball Assembly - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$99,470</b>	<b>\$37,307</b>	<b>\$0</b>	<b>\$2,874</b>	<b>\$0</b>
Ending Reserve Balance	\$57,918	\$79,389	\$140,322	\$200,783	\$266,597

<b>Fiscal Year</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
Starting Reserve Balance	\$266,597	\$261,295	\$231,242	\$303,279	\$378,130
Annual Reserve Funding	\$65,383	\$67,345	\$69,365	\$71,446	\$73,589
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,638	\$2,462	\$2,671	\$3,406	\$4,108
<b>Total Income</b>	<b>\$334,619</b>	<b>\$331,101</b>	<b>\$303,279</b>	<b>\$378,130</b>	<b>\$455,828</b>
<b># Component</b>					
<b>Sterling Crossing HOA</b>					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$33,967	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) A - Replace	\$0	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) B - Replace	\$0	\$0	\$0	\$0	\$0
139 Fence (Monument)- Replace	\$0	\$0	\$0	\$0	\$0
140 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
141 Fences & Trellis - Stain	\$33,387	\$0	\$0	\$0	\$0
145 Vinyl Double Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$96,718	\$0	\$0	\$0
170 Landscape - Refurbish	\$5,970	\$0	\$0	\$0	\$0
200 Entry Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
210 Pet Waste Stations	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
341 Wood Chips - Replenish	\$0	\$3,140	\$0	\$0	\$3,432
342 Playground Retention Wall - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$8,533
349 Concrete Basketball Court - Replace	\$0	\$0	\$0	\$0	\$0
350 Basketball Assembly - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$73,324</b>	<b>\$99,859</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,965</b>
<b>Ending Reserve Balance</b>	<b>\$261,295</b>	<b>\$231,242</b>	<b>\$303,279</b>	<b>\$378,130</b>	<b>\$443,863</b>

<b>Fiscal Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>
Starting Reserve Balance	\$443,863	\$439,070	\$134,220	\$212,616	\$297,994
Annual Reserve Funding	\$75,797	\$78,071	\$80,413	\$82,825	\$56,000
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,413	\$2,865	\$1,733	\$2,552	\$3,275
<b>Total Income</b>	<b>\$524,073</b>	<b>\$520,006</b>	<b>\$216,366</b>	<b>\$297,994</b>	<b>\$357,269</b>
<b># Component</b>					
<b>Sterling Crossing HOA</b>					
120 Asphalt - Resurface	\$0	\$352,980	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$39,377	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) A - Replace	\$0	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) B - Replace	\$0	\$0	\$0	\$0	\$0
139 Fence (Monument)- Replace	\$0	\$0	\$0	\$0	\$0
140 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
141 Fences & Trellis - Stain	\$38,705	\$0	\$0	\$0	\$0
145 Vinyl Double Rail Fence - Replace	\$0	\$20,182	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$6,921	\$0	\$0	\$0	\$0
200 Entry Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
210 Pet Waste Stations	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
341 Wood Chips - Replenish	\$0	\$0	\$3,750	\$0	\$0
342 Playground Retention Wall - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
349 Concrete Basketball Court - Replace	\$0	\$8,914	\$0	\$0	\$0
350 Basketball Assembly - Replace	\$0	\$3,710	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$85,003</b>	<b>\$385,786</b>	<b>\$3,750</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Reserve Balance</b>	<b>\$439,070</b>	<b>\$134,220</b>	<b>\$212,616</b>	<b>\$297,994</b>	<b>\$357,269</b>

<b>Fiscal Year</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>
Starting Reserve Balance	\$357,269	\$312,776	\$326,599	\$391,380	\$434,910
Annual Reserve Funding	\$57,680	\$59,410	\$61,193	\$63,028	\$64,919
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,349	\$3,196	\$3,588	\$4,130	\$4,695
<b>Total Income</b>	<b>\$418,297</b>	<b>\$375,382</b>	<b>\$391,380</b>	<b>\$458,538</b>	<b>\$504,525</b>
<b># Component</b>					
<b>Sterling Crossing HOA</b>					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$45,648	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) A - Replace	\$0	\$0	\$0	\$19,151	\$0
138 Fence (Park & Pond) B - Replace	\$0	\$0	\$0	\$0	\$0
139 Fence (Monument)- Replace	\$0	\$0	\$0	\$0	\$0
140 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
141 Fences & Trellis - Stain	\$44,869	\$0	\$0	\$0	\$0
145 Vinyl Double Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$8,024	\$0	\$0	\$0	\$0
200 Entry Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$48,783	\$0	\$0	\$0
210 Pet Waste Stations	\$2,882	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
341 Wood Chips - Replenish	\$4,097	\$0	\$0	\$4,477	\$0
342 Playground Retention Wall - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
349 Concrete Basketball Court - Replace	\$0	\$0	\$0	\$0	\$0
350 Basketball Assembly - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$105,521</b>	<b>\$48,783</b>	<b>\$0</b>	<b>\$23,628</b>	<b>\$0</b>
<b>Ending Reserve Balance</b>	<b>\$312,776</b>	<b>\$326,599</b>	<b>\$391,380</b>	<b>\$434,910</b>	<b>\$504,525</b>

<b>Fiscal Year</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>
Starting Reserve Balance	\$504,525	\$404,372	\$405,018	\$480,382	\$558,642
Annual Reserve Funding	\$66,867	\$68,873	\$70,939	\$73,067	\$75,259
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,543	\$4,045	\$4,425	\$5,193	\$5,963
<b>Total Income</b>	<b>\$575,934</b>	<b>\$477,290</b>	<b>\$480,382</b>	<b>\$558,642</b>	<b>\$639,865</b>
<b># Component</b>					
<b>Sterling Crossing HOA</b>					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$52,919	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) A - Replace	\$0	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) B - Replace	\$44,069	\$0	\$0	\$0	\$0
139 Fence (Monument)- Replace	\$7,477	\$0	\$0	\$0	\$0
140 Trellis - Replace	\$5,780	\$0	\$0	\$0	\$0
141 Fences & Trellis - Stain	\$52,016	\$0	\$0	\$0	\$0
145 Vinyl Double Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$9,301	\$0	\$0	\$0	\$0
200 Entry Signs - Refurbish	\$0	\$16,482	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
210 Pet Waste Stations	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$47,251	\$0	\$0	\$0
341 Wood Chips - Replenish	\$0	\$4,893	\$0	\$0	\$5,346
342 Playground Retention Wall - Replace	\$0	\$3,646	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
349 Concrete Basketball Court - Replace	\$0	\$0	\$0	\$0	\$0
350 Basketball Assembly - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$171,563</b>	<b>\$72,272</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,346</b>
<b>Ending Reserve Balance</b>	<b>\$404,372</b>	<b>\$405,018</b>	<b>\$480,382</b>	<b>\$558,642</b>	<b>\$634,518</b>

<b>Fiscal Year</b>	<b>2052</b>	<b>2053</b>	<b>2054</b>	<b>2055</b>	<b>2056</b>
Starting Reserve Balance	\$634,518	\$585,703	\$671,830	\$755,359	\$848,078
Annual Reserve Funding	\$77,517	\$79,843	\$82,238	\$84,705	\$87,246
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,099	\$6,285	\$7,133	\$8,014	\$8,881
<b>Total Income</b>	<b>\$718,134</b>	<b>\$671,830</b>	<b>\$761,201</b>	<b>\$848,078</b>	<b>\$944,204</b>
<b># Component</b>					
<b>Sterling Crossing HOA</b>					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$61,348	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) A - Replace	\$0	\$0	\$0	\$0	\$0
138 Fence (Park & Pond) B - Replace	\$0	\$0	\$0	\$0	\$0
139 Fence (Monument)- Replace	\$0	\$0	\$0	\$0	\$0
140 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
141 Fences & Trellis - Stain	\$60,301	\$0	\$0	\$0	\$0
145 Vinyl Double Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$10,783	\$0	\$0	\$0	\$0
200 Entry Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
210 Pet Waste Stations	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
341 Wood Chips - Replenish	\$0	\$0	\$5,842	\$0	\$0
342 Playground Retention Wall - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$15,412
349 Concrete Basketball Court - Replace	\$0	\$0	\$0	\$0	\$0
350 Basketball Assembly - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$132,431</b>	<b>\$0</b>	<b>\$5,842</b>	<b>\$0</b>	<b>\$15,412</b>
<b>Ending Reserve Balance</b>	<b>\$585,703</b>	<b>\$671,830</b>	<b>\$755,359</b>	<b>\$848,078</b>	<b>\$928,793</b>



## Accuracy, Limitations, and Disclosures

"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." Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Jim Talaga, company President, is a credentialed Reserve Specialist (#66). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation. Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified. Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to: project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to, plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing. Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses. In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.



## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area). Equivalent to Square Feet
<b>GSY</b>	Gross Square Yards (area). Equivalent to Square Yards
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)
<b>UOM</b>	Unit of Measure
<b>Effective Age</b>	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
<b>Fully Funded Balance (FFB)</b>	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
<b>Inflation</b>	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
<b>Interest</b>	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
<b>Percent Funded</b>	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
<b>Remaining Useful Life (RUL)</b>	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
<b>Useful Life (UL)</b>	The estimated time, in years, that a common area component can be expected to serve its intended function.



## Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our research and analysis. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding: 1) The project is the Association's present obligation. 2) The need and schedule of a project can be reasonably anticipated. 3) The total cost of the project is material, can be estimated and includes all direct & related costs. Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above three criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed "Best Cost" and "Worst Cost". There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur. Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

## Sterling Crossing HOA

---

**Comp #: 100 Concrete - Repair/Replace****Approx Quantity: 1 Extensive square footage****Location:** Sidewalks and curbs throughout community.**Funded?:** No. Useful life is not predictable.**History:** Original to construction.**Comments:** Not funded - no changes from prior reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:**

---

**Comp #: 106 Gravel Areas - Refurbish****Approx Quantity: 1,100 SF****Location:** Through park on Karenna Ln. SE (tract D).**Funded?:** No. Best handled through operating funds.**History:** None known.**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:**

---

**Comp #: 120 Asphalt - Resurface****Approx Quantity: 64,000 SF****Location:** 77th Trail SE, Kaelin Elise Ln. SE, Karenna Ln. SE (tracts H and I), and alley between 77th Trail SE and Karenna Ln. SE (behind lots 40-46).**Funded?:** Yes.**History:** Original to construction.**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 30 years**Remaining Life:**

11 years

**Lower Estimate:** \$ 230,000**Higher Estimate:**

\$281,000

**Cost Source:** ARI Cost Database: Similar Project

Cost History

---

**Comp #: 121 Asphalt - Seal Coat****Approx Quantity: 64,000 SF****Location:** 77th Trail SE, Kaelin Elise Ln. SE, Karenna Ln. SE (tracts H and I), and alley between 77th Trail SE and Karenna Ln. SE (behind lots 40-46).**Funded?:** Yes.**History:** Original to construction.**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 5 years**Remaining Life:**

0 years

**Lower Estimate:** \$ 26,400**Higher Estimate:**

\$32,200

**Cost Source:** ARI Cost Database: Similar Project

Cost History

---

**Comp #: 138 Fence (Park & Pond) A - Replace****Approx Quantity: 284 LF Wood****Location:** South perimeter of the community from Trails End Dr. SE to the end of the west cul-de-sac of 77th Trail SE (behind park and retention pond - tracts D and F).**Funded?:** Yes.**History:** 2025 Replaced \$10,600; Original to construction.**Comments:** Remaining useful life reset, and cost adjusted based on actual project done by LGL Construction in 2025.**Useful Life:** 20 years**Remaining Life:**

18 years

**Lower Estimate:** \$ 10,100**Higher Estimate:**

\$12,400

**Cost Source:** Inflated Client Cost History - LGL

Construction (2025)

---

**Comp #: 138 Fence (Park & Pond) B - Replace****Approx Quantity: 616 LF Wood****Location:** South perimeter of the community from Trails End Dr. SE to the end of the west cul-de-sac of 77th Trail SE (behind park and retention pond - tracts D and F).**Funded?:** Yes.**History:** Original to construction.**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 20 years**Remaining Life:**

0 years

**Lower Estimate:** \$ 22,000**Higher Estimate:**

\$26,800

**Cost Source:** Inflated Client Cost History - LGL

Construction (2025)

**Comp #: 139 Fence (Monument)- Replace****Approx Quantity: 60 LF Wood****Location:** Behind monument on northwest corner of Trails End Dr. SE and Karennia Ln. SE (tract J).**Funded?:** Yes. Maintenance costs shared with adjacent owner (lot 40).**History:** Original to construction.**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 20 years**Remaining Life:** 0 years**Lower Estimate:** \$ 3,730**Higher Estimate:** \$4,550**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 140 Trellis - Replace****Approx Quantity: 8 8 x 20****Location:** Monument on northwest corner of Trails End Dr. SE and Karennia Ln. SE (tract J).**Funded?:** Yes.**History:** Original to construction.**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 20 years**Remaining Life:** 0 years**Lower Estimate:** \$ 2,880**Higher Estimate:** \$3,520**Cost Source:** Budget Allowance**Comp #: 141 Fences & Trellis - Stain****Approx Quantity: 14,400 SF/ 2,400LF****Location:** Both sides of wood fence along south perimeter of the community, and trellis behind monument on Karennia Ln. SE.**Funded?:** Yes.**History:** None known.**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 5 years**Remaining Life:** 0 years**Lower Estimate:** \$ 25,900**Higher Estimate:** \$31,700**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 144 Chain Link Fence - Replace****Approx Quantity: 300 LF****Location:** West perimeter of community at the end of 77th Trail SE.**Funded?:** No. Responsibility of adjacent property.**History:** None known.**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:****Comp #: 145 Vinyl Double Rail Fence - Replace****Approx Quantity: 270 LF****Location:** East and north perimeter of park Karennia Ln. SE (tract D).**Funded?:** Yes.**History:** Original to construction.**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 30 years**Remaining Life:** 11 years**Lower Estimate:** \$ 13,100**Higher Estimate:** \$16,000**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 160 Pole Lights - Replace****Approx Quantity: 16 metal poles****Location:** Along roadways of community.**Funded?:** Yes. Association is responsible until community is annexed by the city.**History:** Original to construction.**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 25 years**Remaining Life:** 6 years**Lower Estimate:** \$ 72,900**Higher Estimate:** \$89,100**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 164 Landscape Lights - Replace****Approx Quantity: 3 Lights****Location:** Monument on northwest corner of Trails End Dr. SE and Karennia Ln. SE (tract J).**Funded?:** No. Best handled through operating funds.**History:** None known.**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:**

**Comp #: 170 Landscape - Refurbish****Approx Quantity: 1 Extensive****Location:** Common areas of community (tracts A - G and tract J), and tract between lots 22 and 23.**Funded?:** Yes.**History:** None known.**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 5 years**Remaining Life:** 0 years**Lower Estimate:** \$ 4,640**Higher Estimate:** \$5,670**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 175 Irrigation System - Repair/Replace****Approx Quantity: 1 Extensive system****Location:** Throughout common area landscaping.**Funded?:** No. Useful life is not predictable.**History:** None known.**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:****Comp #: 182 Drainage/Stormwater Sys - Maintain****Approx Quantity: 1 Extensive system****Location:** Throughout community.**Funded?:** No. Useful life is not predictable.**History:** None known.**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:****Comp #: 185 Stormwater Ponds - Refurbish****Approx Quantity: 2 Ponds****Location:** South perimeter on west side of community behind lots 52-67 (tract F) and east side of community along 77th Trail SE (tract G)**Funded?:** No. Useful life is not predictable.**History:** None known.**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:****Comp #: 190 Trees - Trim/Remove****Approx Quantity: 1 Multiple various types****Location:** Parks (tracts C and D) , retention ponds (tracts G and F), monument sign (tract J), and east and north perimeters of community (tracts A and B).**Funded?:** No. Useful life is not predictable.**History:** 2022-Removal at \$7,111; 2021 local removal**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:****Comp #: 200 Entry Signs - Refurbish****Approx Quantity: 2 Monuments****Location:** Northwest corner of Trails End Dr. SE and Karennia Ln. SE (tract J), and north side of Trails End Dr. SE behind lot 1.**Funded?:** Yes.**History:** None known**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 20 years**Remaining Life:** 1 years**Lower Estimate:** \$ 7,970**Higher Estimate:** \$9,750**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 201 Common Signage - Replace****Approx Quantity: 25 Street & Pond Signs****Location:** Along roadways throughout community and adjacent to stormwater ponds.**Funded?:** No. Best handled through operating funds.**History:** Original to construction.**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:**

**Comp #: 205 Mailboxes - Replace****Approx Quantity: 6 cluster boxes****Location:** On east and west sides of 77th Trail SE and on Trails End Dr. SE.**Funded?:** Yes.**History:** 2023-Replaced due to vandalism**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 20 years**Remaining Life:** 16 years**Lower Estimate:** \$ 27,400**Higher Estimate:** \$33,400**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 210 Pet Waste Stations****Approx Quantity: 2 Stations****Location:** Park on Karennan Ln. SE (tract F) and retention pond on 77th Trail SE (tract G).**Funded?:** Yes.**History:** None known.**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 15 years**Remaining Life:** 0 years**Lower Estimate:** \$ 1,670**Higher Estimate:** \$2,040**Cost Source:** Budget Allowance**Comp #: 340 Play Equipment - Replace****Approx Quantity: 1 Play Structure****Location:** Park on Karennan Ln. SE (tract D).**Funded?:** Yes.**History:** 2021 maintenance completed for ~ \$985**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 20 years**Remaining Life:** 1 years**Lower Estimate:** \$ 22,900**Higher Estimate:** \$27,900**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 341 Wood Chips - Replenish****Approx Quantity: 1,250 SF****Location:** Park on Karennan Ln. SE (tract F).**Funded?:** Yes.**History:** None known.**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 3 years**Remaining Life:** 0 years**Lower Estimate:** \$ 2,370**Higher Estimate:** \$2,890**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 342 Playground Retention Wall - Replace****Approx Quantity: 100 LF****Location:** Park on Karennan Ln. SE (tract F).**Funded?:** Yes.**History:** Original to construction.**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 20 years**Remaining Life:** 1 years**Lower Estimate:** \$ 1,760**Higher Estimate:** \$2,160**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 346 Site Furniture - Replace****Approx Quantity: 5 Picnic Tables****Location:** Park on Karennan Ln. SE (tract D) and parks on 77th Trail SE (tracts C and E).**Funded?:** Yes.**History:** None known.**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 20 years**Remaining Life:** 9 years**Lower Estimate:** \$ 5,890**Higher Estimate:** \$7,190**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 349 Concrete Basketball Court - Replace****Approx Quantity: 900 SF****Location:** Park on Karennan Ln. SE (tract F).**Funded?:** Yes.**History:** Original to construction.**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 30 years**Remaining Life:** 11 years**Lower Estimate:** \$ 5,800**Higher Estimate:** \$7,080**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 350 Basketball Assembly - Replace****Approx Quantity: 1 Basketball Assembly****Location:** Park on Karennan Ln. SE (tract F).**Funded?:** Yes.**History:** Original to construction.**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**Useful Life:** 30 years**Remaining Life:** 11 years**Lower Estimate:** \$ 2,410**Higher Estimate:** \$2,950**Cost Source:** ARI Cost Database: Similar Project

Cost History

**Comp #: 990 Ancillary Evaluations****Approx Quantity: 1 Specialty evaluations****Location:** To augment reserve planning.**Funded?:** No. Operating expense in year of occurrence**History:** None known**Comments:** A reserve study is a budget model, limited to visual exterior observations and research. As there are some key details and factors of grounds hidden from view, it is prudent to conduct additional ancillary evaluations from time to time. The purpose of these evaluations is to aid planning and assess for any basis of predictable funding that may be incorporated into the reserve study. We recommend that you periodically engage specialty evaluations in the following areas/fields as applicable to your property:

- Civil Engineering review: Soils & drainage, pavement specifications, below grade waterproofing
- Arborist: Trees & landscape - plan of care and life cycle forecast
- Legal Responsibility Matrix: Governing document review for clear expense delineation between the association and unit owners
- Legal Governing Document review periodically to incorporate changes in law over time and best practices
- Investment consultant: Maximize return and cash flow management while protecting principal
- Insurance policy & coverage review: Understand what is and is not covered and by whom (association vs. owner policies)
- Masonry consultant: Assess mortar condition and waterproofing, and provide forecast and recommendations
- Energy Audit: Typically conducted by a utility company to assess efficiency, and cost benefit to retrofit existing equipment

**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:****Comp #: 999 Reserve Study - Update****Approx Quantity: 1 Annual update****Location:** Common and limited common areas.**Funded?:** No. Annual cost - best handled as operating expense.**History:** 2027 NSV, 2026 NSV, 2025 WSV, 2024 NSV, 2023 NSV, 2020 NSV, 2019 Full.**Comments:** Not funded – no changes from previous reserve study.

Thank you for choosing Association Reserves!

**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:**

