

Common
RESERVE EXPENDITURES

Tuscany Estates
Association, Inc.
Finleyville, Pennsylvania

Explanatory Notes:

- 1) **2.0%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031	12 2032	13 2033	14 2034	15 2035	
						Useful	Remaining	Unit (2020)	Per Phase (2020)	Total (2020)																		
Property Site Elements																												
4.040	730	730	Square Yards	Asphalt Pavement, Parking Area, Clubhouse, Overlay	2037	15 to 20	17	13.50	9,855	9,855	5.1%																	
4.046	70	70	Square Yards	Asphalt Pavement, Parking Area, Tuscany Estates Drive, Total Replacement	2026	15 to 20	6	75.00	5,250	5,250	5.4%						5,912											
Clubhouse Elements																												
5.450	1	1	Allowance	HVAC Equipment	2028	12 to 18	8	5,500.00	5,500	5,500	5.6%								6,444									
5.500	1	1	Allowance	Interior Renovation, Complete	2032	to 20	12	35,000.00	35,000	35,000	16.3%												44,388					
5.501	1	1	Allowance	Interior Renovation, Partial	2022	to 10	2	6,500.00	6,500	6,500	6.2%		6,763															
5.600	20	20	Squares	Roof, Asphalt Shingles	2030	15 to 20	10	425.00	8,500	8,500	9.2%											10,361						
5.788	1,800	1,800	Square Feet	Walls, Siding, Vinyl	2045	to 35	25	6.00	10,800	10,800	6.5%																	
5.800	300	300	Square Feet	Windows and Doors	2045	to 35	25	46.00	13,800	13,800	8.3%																	
Pool Elements																												
6.200	1,270	1,270	Square Feet	Concrete Deck, Inspections and Partial Repalcements	2026	8 to 12	6	2.50	3,175	3,175	4.9%							3,576										
6.300	620	620	Square Feet	Cover, Vinyl	2025	6 to 8	5	3.50	2,170	2,170	4.5%						2,396							2,807				
6.400	200	200	Linear Feet	Fence, Aluminum	2041	to 25	21	40.00	8,000	8,000	4.5%																	
6.800	620	620	Square Feet	Pool, Fiberglass, Gel Coating	2026	10 to 15	6	8.00	4,960	4,960	4.6%							5,586										
6.801	620	620	Square Feet	Pool, Fiberglass Structure, Replacement	2046	to 30	26	50.00	31,000	31,000	19.0%																	
Anticipated Expenditures, By Year (\$272,322 over 30 years)													0	0	6,763	0	0	2,396	15,074	0	6,444	0	10,361	0	44,388	2,807	0	0

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Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044	25 2045	26 2046	27 2047	28 2048	29 2049	30 2050
						Useful	Remaining	Unit (2020)	Per Phase (2020)	Total (2020)																
Property Site Elements																										
4.040	730	730	Square Yards	Asphalt Pavement, Parking Area, Clubhouse, Overlay	2037	15 to 20	17	13.50	9,855	9,855	5.1%		13,799													
4.046	70	70	Square Yards	Asphalt Pavement, Parking Area, Tuscany Estates Drive, Total Replacement	2026	15 to 20	6	75.00	5,250	5,250	5.4%											8,785				
Clubhouse Elements																										
5.450	1	1	Allowance	HVAC Equipment	2028	12 to 18	8	5,500.00	5,500	5,500	5.6%							8,673								
5.500	1	1	Allowance	Interior Renovation, Complete	2032	to 20	12	35,000.00	35,000	35,000	16.3%															
5.501	1	1	Allowance	Interior Renovation, Partial	2022	to 10	2	6,500.00	6,500	6,500	6.2%						10,049									
5.600	20	20	Squares	Roof, Asphalt Shingles	2030	15 to 20	10	425.00	8,500	8,500	9.2%													14,799		
5.788	1,800	1,800	Square Feet	Walls, Siding, Vinyl	2045	to 35	25	6.00	10,800	10,800	6.5%										17,719					
5.800	300	300	Square Feet	Windows and Doors	2045	to 35	25	46.00	13,800	13,800	8.3%										22,640					
Pool Elements																										
6.200	1,270	1,270	Square Feet	Concrete Deck, Inspections and Partial Repalcements	2026	8 to 12	6	2.50	3,175	3,175	4.9%	4,359										5,313				
6.300	620	620	Square Feet	Cover, Vinyl	2025	6 to 8	5	3.50	2,170	2,170	4.5%						3,289								3,854	
6.400	200	200	Linear Feet	Fence, Aluminum	2041	to 25	21	40.00	8,000	8,000	4.5%						12,125									
6.800	620	620	Square Feet	Pool, Fiberglass, Gel Coating	2026	10 to 15	6	8.00	4,960	4,960	4.6%	6,809														
6.801	620	620	Square Feet	Pool, Fiberglass Structure, Replacement	2046	to 30	26	50.00	31,000	31,000	19.0%											51,876				
Anticipated Expenditures, By Year (\$272,322 over 30 years)												11,168	13,799	0	0	0	15,414	10,049	8,673	0	40,359	65,974	0	14,799	3,854	0

RESERVE FUNDING PLAN

Common

CASH FLOW ANALYSIS

Tuscany Estates
Association, Inc.

Finleyville, Pennsylvania

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Reserves at Beginning of Year	<i>(Note 1)</i>	108,210	111,838	118,068	117,661	124,144	130,786	135,181	126,981	133,950	134,609	141,847	138,843	146,320	109,377	113,971	121,526
Total Recommended Reserve Contributions	<i>(Note 2)</i>	3,298	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600
Estimated Interest Earned, During Year	<i>(Note 3)</i>	330	1,030	1,056	1,083	1,142	1,191	1,174	1,169	1,203	1,238	1,257	1,277	1,145	1,001	1,055	1,123
Anticipated Expenditures, By Year		0	0	(6,763)	0	0	(2,396)	(15,074)	0	(6,444)	0	(10,361)	0	(44,388)	(2,807)	0	0
Anticipated Reserves at Year End		<u>\$111,838</u>	<u>\$118,068</u>	<u>\$117,661</u>	<u>\$124,144</u>	<u>\$130,786</u>	<u>\$135,181</u>	<u>\$126,981</u>	<u>\$133,950</u>	<u>\$134,609</u>	<u>\$141,847</u>	<u>\$138,843</u>	<u>\$146,320</u>	<u>\$109,377</u>	<u>\$113,971</u>	<u>\$121,526</u>	<u>\$129,249</u>

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

		2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Reserves at Beginning of Year		129,249	125,924	120,027	128,038	136,222	144,580	137,630	136,107	136,053	144,811	113,308	55,992	64,632	58,685	63,880
Total Recommended Reserve Contributions		6,700	6,800	6,900	7,000	7,100	7,200	7,300	7,400	7,500	7,700	7,900	8,100	8,300	8,500	8,700
Estimated Interest Earned, During Year		1,143	1,102	1,111	1,184	1,258	1,264	1,226	1,219	1,258	1,156	758	540	552	549	614
Anticipated Expenditures, By Year		(11,168)	(13,799)	0	0	0	(15,414)	(10,049)	(8,673)	0	(40,359)	(65,974)	0	(14,799)	(3,854)	0
Anticipated Reserves at Year End		<u>\$125,924</u>	<u>\$120,027</u>	<u>\$128,038</u>	<u>\$136,222</u>	<u>\$144,580</u>	<u>\$137,630</u>	<u>\$136,107</u>	<u>\$136,053</u>	<u>\$144,811</u>	<u>\$113,308</u>	<u>\$55,992</u>	<u>\$64,632</u>	<u>\$58,685</u>	<u>\$63,880</u>	<u>\$73,194</u>

(NOTE 4)

Explanatory Notes:

- 1) Year 2020 starting reserves are as of August 31, 2020; FY2020 starts January 1, 2020 and ends December 31, 2020.
- 2) Reserve Contributions for 2020 are the remaining budgeted 4 months; 2021 is the first year of recommended contributions.
- 3) 0.9% is the estimated annual rate of return on invested reserves; 2020 is a partial year of interest earned.
- 4) Accumulated year 2050 ending reserves consider the need to fund for complete interior renovation of the clubhouse shortly after 2050, and the age, size, overall condition and complexity of the property.

- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time:

- Electrical Systems, Common
- Foundations
- Pipes, Interior Building, Domestic Water and Waste, Common
- Pool Deck
- Structural Frames
- Walls, Siding, Vinyl (2019 - 2020)



Damaged siding at pool mechanical equipment building



Damaged trim at pool mechanical equipment building

- Windows and Door, Pool Mechanical Equipment Building (2019)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$5,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Carpet Floor Covering, Clubhouse, Interim
- Concrete Sidewalks, Clubhouse Area



Damaged concrete at clubhouse

- Gutters and Downspouts, Pool Mechanical Equipment Building
- Gutters and Downspouts, Residential Buildings, Repairs
- Landscape
- Paint Finishes, Clubhouse Interior, Interim
- Paint Finishes, Touch Up
- Pool Mechanical Equipment
- Power Washing, Building Exteriors, Townhome and Patio Units
- Retaining Walls, Stone
- Roof, Asphalt Shingles, Pool Mechanical Equipment Building
- Shutters, Paint Finishes
- Signage
- Trim and Fascia, Paint Finishes and Repairs (Based on discussion with Management and the Board)
- Walls, Vinyl Siding, Repairs
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to unit:

- Concrete Flatwork, Townhome and Patio Units
- Decks and Stairs (Including Railings), Townhome and Patio Units
- Driveways, Townhome and Patio Units
- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Homes and Lots, Single Family Homes
- Interiors
- Light Fixtures, Townhome and Patio Units
- Pipes, Interior Building, Water and Sewer
- Privacy Fences, Townhome and Patio Units
- Railing, Metal, Clubhouse



- Windows and Doors, Townhome and Patio Units

Certain items have been designated as the responsibility of the Developer to repair or replace. Property Maintained currently maintained by the Developer relates to:

- Asphalt Pavement (Excludes Parking Areas)
- Retention Pond
- Concrete Sidewalks (Excluding Clubhouse Area)
- Catch Basins

Management and the Board inform us the elements listed above will be turned over to the Township upon completion of construction.



Rear elevation at the townhomes



Front elevation and the patio units



Side elevation and the patio units



Rear elevation and the patio units

Gutters and Downspouts, Aluminum

Line Items: 1.240 and 1.241

Quantity and History: The Association maintains aluminum six-inch seamless gutters and three-inch by four-inch downspouts. Approximately 9,600 linear feet at the units constructed from 2006 to 2015 and approximately 600 linear feet at the units constructed in 2019 and 2020.

Condition: Condition varies from good to fair overall. We note isolated deflected gutter and downspouts discharging directly onto roof.



Typical gutter and downspout assembly at Tuscany Estates



Deflected gutter



Downspout discharges directly onto roof

Useful Life: 15- to 20-years

Component Detail Notes: Downspouts that discharge directly onto roofs cause premature deterioration of the roofs due to the high concentration of storm water. We recommend either routing these downspouts directly to the ground, connecting the downspouts to the gutters of the lower roof or distributing the storm water discharge over a large area.

The useful life of gutters and downspouts coincides with that of the asphalt shingle roofs. Coordinated replacement will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Due to the varied ages of the gutters and downspouts, we depict replacement in a phased manner. We recommend the Association fund repairs and minor replacements of the gutters and downspouts through the operating budget.

Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Pool, Fiberglass

Line Items: 6.800 and 6.801

Quantity: Approximately 620 square feet of fiberglass pool shell, based on the horizontal surface area

History: Original to 2016

Condition: We were unable to inspect the pools due to the covers.

Useful Life: We recommend the Association budget for gel coating applications up to every 10- to 15-years and replacement of the fiberglass pool structure up to every 30 years

Component Detail Notes: To maintain the integrity of the pool structures, we recommend the Association budget for the following:

- Inspection of the fiberglass pool structure
- Application of protective coating on fiberglass surface
- Partial replacements of the scuppers and coping as needed
- Replacement of tiles as needed
- Replacement of joint sealants as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs