



RESERVE STUDY

Member Distribution Materials

Carnelian Woods

Update w/o Site Visit Review

2024/2025 Update- 3

Published - August 05, 2025

Prepared for the 2025/2026 Fiscal Year

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August 05, 2025

This is a summary of the Reserve Study that has been performed for Carnelian Woods, (the "Association") which is a Condominium with a total of 118 Units. This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

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

Browning Reserve Group, a division of Reserve Advisors, LLC prepared this Update w/o Site Visit Review for the October 1, 2025 - September 30, 2026 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 2.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

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

Funding Assessment

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

California statute imposes no reserve funding level requirements. Although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	2025/2026 Line Item Contribution based on Cash Flow Method
01000 - Paving	952,956	1-30	0-16	521,159	572,676	47,823
02000 - Concrete	133,461	5-40	0-26	53,325	49,474	4,438
04000 - Structural Repairs	2,954,989	1-40	0-29	791,839	924,177	105,533
04500 - Decking/Balconies	210,288	2-25	0-8	139,212	132,834	7,232
05000 - Roofing	2,789,289	5-40	0-32	1,565,974	1,659,686	42,737
08000 - Rehab	214,066	2-30	0-26	125,064	109,219	19,393
12000 - Pool	574,903	2-40	0-20	302,082	296,000	20,198
13000 - Spa	64,764	1-20	0-10	35,245	39,709	2,982
14000 - Recreation	22,042	10-20	4-6	16,480	18,169	783
17000 - Tennis Court	262,138	5-40	0-22	138,486	153,126	10,120
18000 - Landscaping	181,080	1-20	0-10	97,451	69,041	14,374
19000 - Fencing	84,193	1-40	0-15	50,238	54,815	2,918
20000 - Lighting	38,600	2-20	0-19	19,030	3,019	1,424
21000 - Signage	4,635	12-12	9-9	1,159	1,584	271
23000 - Mechanical Equipment	27,419	10-30	4-19	13,511	15,563	1,170
24000 - Furnishings	32,348	2-10	0-4	21,224	20,269	1,899
24600 - Safety / Access	53,825	5-10	0-2	52,795	7,365	3,186
25000 - Flooring	15,451	2-10	0-7	11,155	11,890	876
26000 - Outdoor Equipment	29,675	10-20	2-12	15,920	18,134	1,214
27000 - Appliances	6,180	6-6	7-7	773	905	516
29000 - Infrastructure	510,300	4-50	1-5	226,257	336,695	61,614
30000 - Miscellaneous	207,393	1-20	0-11	105,465	118,882	17,543
31000 - Reserve Study	5,000	3-3	0-2	2,167	3,417	978
32000 - Undesignated	10,000	1-1	1-1	5,000	10,250	2,882
Totals	\$9,384,994			\$4,311,009	\$4,626,899	\$372,103
Estimated Ending Balance				\$463,158	\$387,574	\$262.78
Percent Funded				10.7%	8.4%	/Unit/month @ 118

August 5, 2025

(1) The regular assessment per ownership interest is _____ per month for the fiscal year beginning October 1, 2025.

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

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

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
2024/2025	\$958.00	Reserves
Total:	\$958.00	

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

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

Yes No

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

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

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

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

(6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$4,311,009, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, a division of Reserve Advisors, LLC as of August, 2025. The projected reserve fund cash balance at the end of the current fiscal year is \$463,158 resulting in reserves being 10.7% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

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

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2025/26	\$4,626,899	\$387,574	8.4%
2026/27	\$4,716,216	\$616,932	13.1%
2027/28	\$5,095,744	\$825,790	16.2%
2028/29	\$5,422,924	\$929,825	17.1%
2029/30	\$5,606,091	\$929,566	16.6%

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

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

Additional Disclosures

§5565(d) The current deficiency in reserve funding as of September 30, 2026 is \$35,926 per ownership interest (average).

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

$$\text{Deficiency} = \frac{2025/2026 \text{ Fully Funded Balance} - 2025/2026 \text{ Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

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

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

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

30 Year Reserve Funding Plan Cash Flow Method

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	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Beginning Balance	302,754	463,158	387,574	616,932	825,790	929,825	929,566	1,246,010	1,630,870	1,887,481
Inflated Expenditures @ 2.5%	317,156	458,190	173,007	217,635	345,939	472,071	180,817	143,638	303,469	415,025
Reserve Contribution	355,060	372,103	389,964	408,682	428,299	448,857	470,402	492,981	516,644	541,443
<i>Units/month @ 118</i>	250.75	262.78	275.40	288.62	302.47	316.99	332.20	348.15	364.86	382.38
<i>Percentage Increase</i>		4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Special Assessments / Other	113,044 ¹	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	9,456	10,503	12,401	17,811	21,674	22,955	26,859	35,517	43,436	48,767
Ending Balance	463,158	387,574	616,932	825,790	929,825	929,566	1,246,010	1,630,870	1,887,481	2,062,667

1) There is a special assessment of \$113,044 in FY25.

	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
Beginning Balance	2,062,667	2,178,718	2,418,092	1,646,134	1,201,569	714,857	1,125,807	1,744,066	2,202,447	2,895,355
Inflated Expenditures @ 2.5%	503,744	412,046	1,445,346	1,132,849	1,194,849	329,106	168,935	378,191	195,694	273,752
Reserve Contribution	567,432	594,669	623,213	653,127	684,477	717,332	751,764	787,849	825,666	865,298
<i>Units/month @ 118</i>	400.73	419.96	440.12	461.25	483.39	506.59	530.91	556.39	583.10	611.09
<i>Percentage Increase</i>		4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	52,363	56,751	50,176	35,157	23,660	22,724	35,431	48,722	62,936	79,778
Ending Balance	2,178,718	2,418,092	1,646,134	1,201,569	714,857	1,125,807	1,744,066	2,202,447	2,895,355	3,566,679

	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Beginning Balance	3,566,679	3,355,675	4,169,286	5,108,540	6,101,517	6,819,717	7,763,563	8,675,861	9,927,215	11,302,028
Inflated Expenditures @ 2.5%	1,203,297	229,650	171,264	189,202	535,207	382,588	492,077	237,402	206,800	5,919,534
Reserve Contribution	906,832	950,360	995,977	1,043,784	1,093,886	1,146,393	1,201,420	1,259,088	1,319,524	1,382,861
<i>Units/month @ 118</i>	640.42	671.16	703.37	737.14	772.52	809.60	848.46	889.19	931.87	976.60
<i>Percentage Increase</i>		4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	85,461	92,901	114,541	138,396	159,521	180,041	202,956	229,668	262,089	225,842
Ending Balance	3,355,675	4,169,286	5,108,540	6,101,517	6,819,717	7,763,563	8,675,861	9,927,215	11,302,028	6,991,198