



ADVANCED RESERVE SOLUTIONS, INC.

*It's simple to make something difficult,
but it's difficult to make something simple.*



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Laguna Hills, California (Headquarters) • Los Angeles, California • Riverside, California • Central California
Las Vegas, Nevada • Denver, Colorado • Western Washington • Eastern Washington/Idaho • Oregon • New England



ADVANCED RESERVE SOLUTIONS, INC.

Difficult challenges met with simple solutions...

Advanced Reserve Solutions, Inc. sets the industry standard for excellence in service and enable our clients to meet their long-range fiscal planning goals by providing the most accurate and comprehensive reserve analyses.



The Lofts at Westinghouse Condominium Association
Boston-Hyde Park, Massachusetts

ARS is an internationally recognized authority on reserve budgeting. Clients on three continents — North America, Europe and Asia — have chosen ARS because of our vast experience, attention to detail and unsurpassed report format.

ARS developed and uses WinReserve™ reserve study software. WinReserve™ is a revolutionary Microsoft Windows®-based application developed specifically for the analysis of homeowner association reserve funds. Full-color ARS reserve studies have earned rave reviews from our clients as well as our competitors.

ARS specializes in the preparation of reserve analyses. We are not involved in other unrelated fields such as construction defect investigation or construction management. Providing reserve solutions is a demanding specialty which requires focus and purpose.

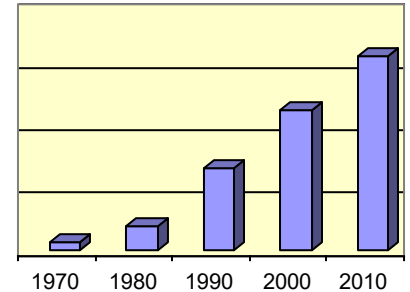
Currently, over 62 million people in the United States live in some form of homeowners association

It's budget time again...

And, you're faced with developing a realistic and adequate reserve budget for the coming year and beyond...

You want it done right.

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual property values are significantly impacted by the level of maintenance and upkeep provided by the association. A "healthy" reserve fund is essential to protect and maintain the association's common areas and the property values of the individual unit owners.



Association living is the fastest-growing form of housing in the nation. In 1970, there were 10,000 community associations; today, there are more than 300,000.

**A prudent plan must be implemented
to address the issues of long-range
maintenance and replacement of common areas**

When your community's assets and property values are on the line, it takes strategic vision combined with superior logic-based solutions to develop a financial "blueprint" that addresses your community's future needs. ARS customizes each reserve analysis to meet the unique needs of the individual client. A dedicated effort is made to ensure that the reserve analysis accurately reflects your association's maintenance responsibilities and standards. An ARS reserve analysis is one of the most significant elements of any association's long-range plan.



Edgewater Gardens Condominium Association
Holyoke, Massachusetts

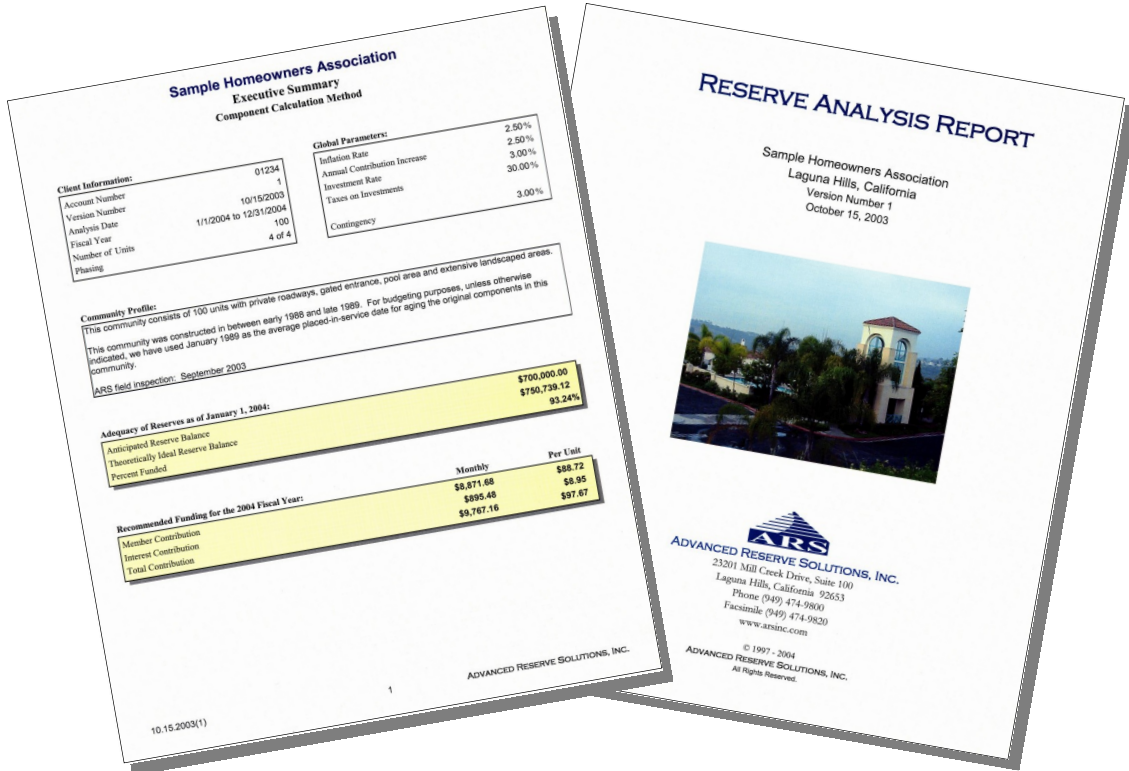
**ARS reserve analyses provide the
critical link between**

**sound business judgment
and
good fiscal planning**

Introducing the ARS Reserve Analysis ▼ ▼ ▼ ▼

Full-color ARS reserve studies include a variety of informative and easy-to-understand summaries as well as a comprehensive detail section.

Sample reserve studies are available in PDF format at our web site: arsinc.com.



Executive Summary ▲ ▲ ▲ ▲

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results. This single page summary provides the “adequacy of reserves” in terms of the percent funded as well as the “bottom line” recommended funding.

Our findings and recommendations are clear and concise.

ARS serves over 2,000,000 owners



Shadowbrook Homeowners Association
South Hadley, Massachusetts

Calculation of Percent Funded ▶▶▶▶

Displays all reserve components, shown here in “category” order, along with useful life, remaining life, current replacement cost and theoretically ideal reserves. Each column is sub totaled throughout the summary and the total is displayed at the bottom.

Your CPA will use this summary as part of your annual audit or review.

*According to a CAI survey,
the number one reason people
serve as board members is
“to protect property values”*

	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
Cabana - Plumbing Fixtures	15	30	\$5,085.00	\$2,542.50
Cabana - Restroom Partitions	0	15	\$2,800.00	\$2,800.00
Cabana - Water Heater	1	16	\$900.00	\$843.75
Pool - Filter	0	12	\$1,000.00	\$1,000.00
Pool - Heater	1	16	\$2,450.00	\$2,296.88
Pool - Refiberglass & Tile Replace	0	8	\$8,311.50	\$8,311.50
Pool Area - Furniture	0	6	\$7,315.00	\$7,315.00
Pool Area - Mastic	0	4	\$540.00	\$540.00
Sub Total	0 - 15	4 - 30	\$43,688.94	\$35,033.92
070 Decks:				
Decks - Resurface	5	10	\$128,940.00	\$64,470.00
Decks - Top Coat	0	5	\$30,700.00	\$30,700.00
Sub Total	0 - 5	5 - 10	\$159,640.00	\$95,170.00
080 Doors:				
Doors - Garages & Trash Enclosures	4	19	\$80,750.00	\$63,750.00
Doors - Utility Closets, 1996	10	18	\$76,160.00	\$33,848.89
Doors - Utility Closets, Original	0	15	\$32,640.00	\$32,640.00
Sub Total	0 - 10	15 - 19	\$189,550.00	\$130,238.89
090 Miscellaneous:				
Fire Extinguisher Cabinets	4	19	\$8,550.00	\$6,750.00
Mailboxes - Unfunded	n.a.	n.a.	\$0.00	\$0.00
Monument Sign	5	20	\$2,750.00	\$2,062.50
Stairways - Unfunded	n.a.	n.a.	\$0.00	\$0.00
Sub Total	4 - 5	19 - 20	\$11,300.00	\$8,812.50
100 Landscaping:				
Landscape - Irrigation Controllers	0	12	\$5,040.00	\$5,040.00
Landscape - Replacements	n.a.	n.a.	\$0.00	\$20,600.00
Landscape - Tree Trimming	1	3	\$15,000.00	\$10,000.00
Sub Total	0 - 1	3 - 12	\$20,040.00	\$35,640.00
Contingency	n.a.	n.a.	n.a.	\$21,866.19
Total	0 - 15	2 - 30	\$1,034,509.49	\$750,739.14
Anticipated Reserve Balance				\$700,000.00
Percent Funded				93.24%

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Aliso Viejo Community Association
Aliso Viejo, California

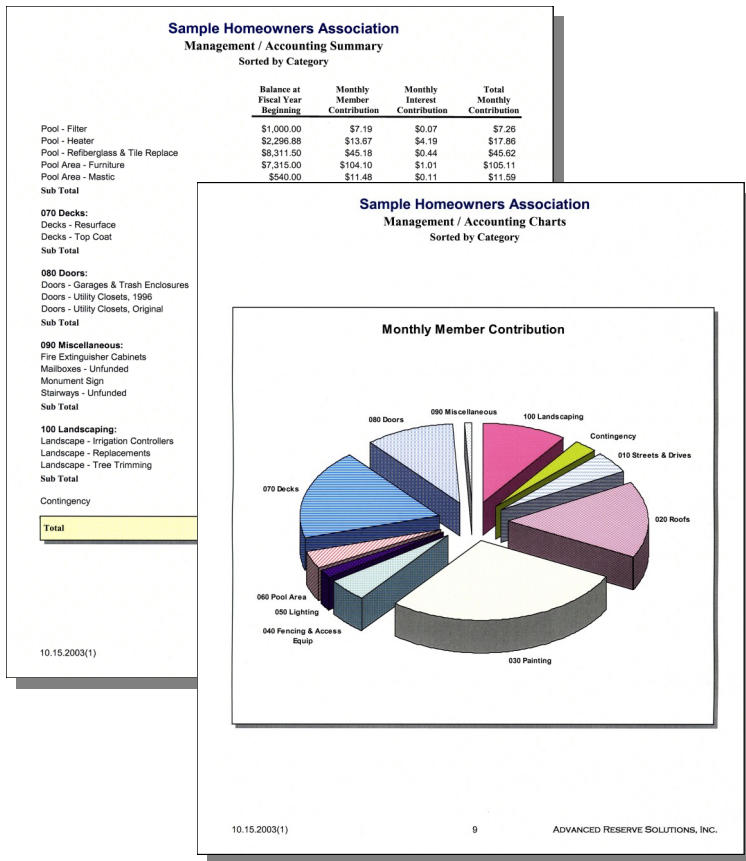
◀◀◀◀ Distribution of Reserve Funds

Displays all reserve components, shown here in “ascending remaining life” order, along with theoretically ideal reserves and assigned reserves.

The assigned reserves column shows the amount of existing reserve funds that were assigned to each component during the first step in the component method calculation process.

	Remaining Life	Theoretically Ideal Balance	Assigned Reserves
Cabana - Ceramic Tile, Exterior	0	\$2,439.04	\$2,439.04
Cabana - Restroom Partitions	0	\$2,800.00	\$2,800.00
Decks - Top Coat	0	\$30,700.00	\$30,700.00
Doors - Utility Closets, Original	0	\$32,640.00	\$32,640.00
Landscape - Irrigation Controllers	0	\$5,040.00	\$5,040.00
Landscape - Replacements	n.a.	\$20,600.00	\$20,600.00
Mailboxes - Unfunded	n.a.	\$0.00	\$0.00
Painting - Red Curbs	0	\$796.25	\$796.25
Painting - Woodwork	0	\$66,408.00	\$66,408.00
Painting - Wrought Iron, Units	0	\$3,675.00	\$3,675.00
Pool - Filter	0	\$1,000.00	\$1,000.00
Pool - Refiberglass & Tile Replace	0	\$8,311.50	\$8,311.50
Pool Area - Furniture	0	\$7,315.00	\$7,315.00
Pool Area - Mastic	0	\$540.00	\$540.00
Roofs - Flat, Original	0	\$72,594.00	\$72,594.00
Stairways - Unfunded	n.a.	\$0.00	\$0.00
Streets - Asphalt, Repair	0	\$2,519.00	\$2,519.00
Streets - Asphalt, Slurry Seal	0	\$5,038.00	\$5,038.00
Streets - Concrete, Unfunded	n.a.	\$0.00	\$0.00
Access - Gate Operator, Entrance	1	\$2,025.00	\$2,025.00
Access - Phone System	1	\$3,825.00	\$3,825.00
Cabana - Water Heater	1	\$843.75	\$843.75
Landscape - Tree Trimming	1	\$10,000.00	\$10,000.00
Painting - Wrought Iron, Grounds	1	\$2,238.89	\$2,238.89
Pool - Heater	1	\$2,296.88	\$2,296.88
Access - Gate Operator, Exit	4	\$1,350.00	\$1,350.00
Cabana - Doors	4	\$1,421.05	\$1,421.05
Doors - Garages & Trash Enclosures	4	\$63,750.00	\$63,750.00
Fire Extinguisher Cabinets	4	\$6,750.00	\$6,750.00
Lighting - Buildings	4	\$8,897.37	\$8,897.37
Painting - Stucco & Masonry	4	\$40,456.13	\$40,456.13
Decks - Resurface	5	\$64,470.00	\$64,470.00
Fencing - Wrought Iron, Perimeter	5	\$13,272.04	\$13,272.04
Fencing - Wrought Iron, Pool Area	5	\$8,097.19	\$8,097.19
Monument Sign	5	\$2,062.50	\$2,062.50
Roofs - Flat, 1997	7	\$4,192.74	\$4,192.74

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Management/Accounting Summary & Charts

Summary displays all reserve components, shown here in “category” order, along with fund balance at fiscal year beginning and, monthly member, interest and total contributions. Each column is sub totaled throughout the summary and the total is displayed at the bottom.

Charts show the information in an easy-to-understand, full-color graphic format.

Your treasurer or property manager will use this summary to reallocate reserves on your balance sheet and to prepare the annual budget.

A “healthy” reserve fund will decrease or eliminate the need for special assessments



The Lodge at Mountain Village
Telluride, Colorado



FantaSea Flagship Owners Association
Atlantic City, New Jersey



Marriott's Phuket Beach Club
Phuket, Thailand



Spinnaker Bay Slip Owners Association
Long Beach, California

Annual Expenditure Summary ▶ ▶ ▶ ▶
Displays all anticipated expenditures for each year of the projection period, typically 30 years.

Board members and homeowners will appreciate the simplicity of this information.

Sample Homeowners Association Annual Expenditure Detail	
2004 Fiscal Year	
Cabana - Ceramic Tile, Exterior	\$2,439.04
Cabana - Restroom Partitions	\$2,800.00
Decks - Top Coat	\$30,700.00
Doors - Utility Closets, Original	\$32,640.00
Landscape - Irrigation Controllers	\$5,040.00
Painting - Red Curbs	\$796.25
Painting - Woodwork	\$66,408.00
Painting - Wrought Iron, Units	\$3,675.00
Pool - Filter	\$1,000.00
Pool - Referglass & Tile Replace	\$8,311.50
Pool Area - Furniture	\$7,315.00
Pool Area - Mastic	\$540.00
Roofs - Flat, Original	\$72,694.00
Streets - Asphalt, Repair	\$2,519.00
Streets - Asphalt, Slurry Seal	\$5,038.00
Total	\$241,815.79
2005 Fiscal Year	
Access - Gate Operator, Entrance	\$2,306.25
Access - Phone System	\$4,356.25
Cabana - Water Heater	\$922.50
Landscape - Tree Trimming	\$15,375.00
Painting - Wrought Iron, Grounds	\$3,492.18
Pool - Heater	\$2,511.25
Total	\$26,963.43
2006 Fiscal Year	
Painting - Red Curbs	\$836.62
Total	\$836.62
2008 Fiscal Year	
Access - Gate Operator, Exit	\$2,483.58
Cabana - Doors	\$1,986.86
Doors - Garages & Trash Enclosures	\$69,132.89
Fire Extinguisher Cabinets	\$9,437.50
Landscape - Tree Trimming	\$16,557.19
Lighting - Buildings	\$12,439.97
Painting - Red Curbs	\$879.06
Painting - Stucco & Masonry	\$89,293.41
Painting - Woodwork	\$73,300.94
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Shadowbrook Homeowners Association
South Hadley, Massachusetts

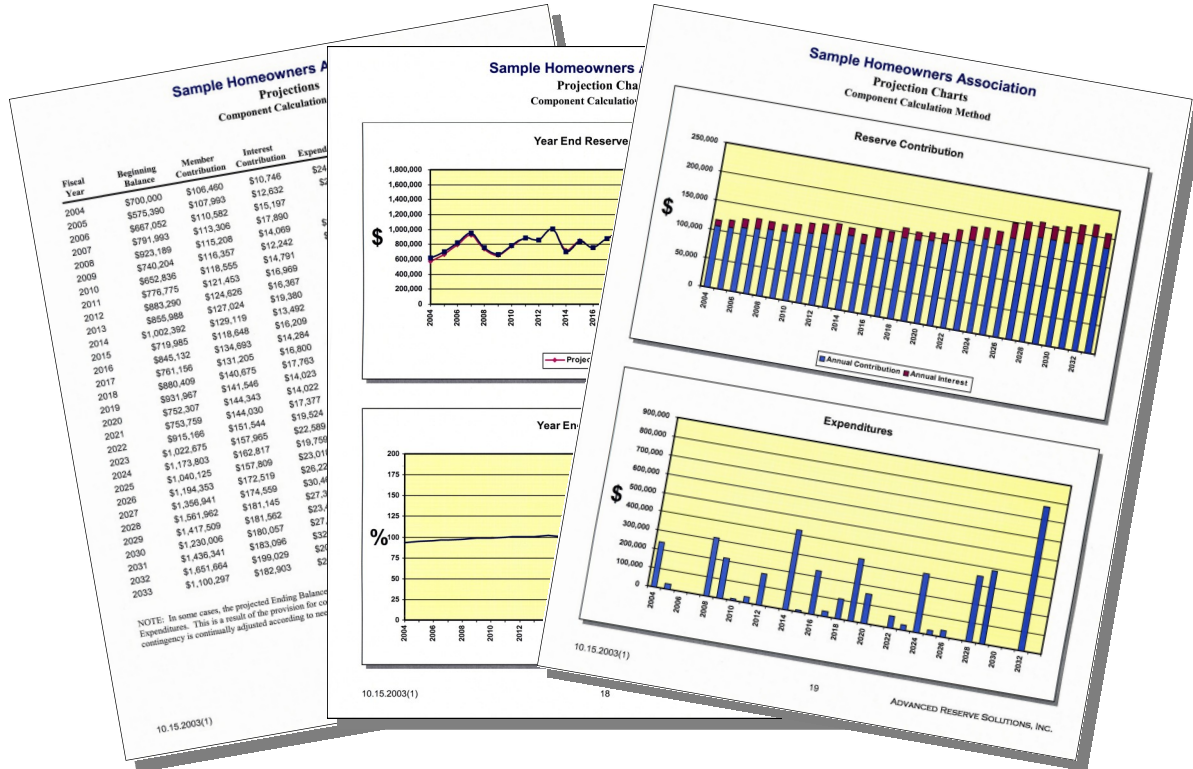
*Reserve expenditures are essential
to maintain property values*

Projections & Charts ▼ ▼ ▼ ▼

Projections show the beginning balance, reserve contribution, interest earned, expenditures, ending balance, theoretically ideal ending balance and percent funded for each year in the projection period (typically 30 years).

Full-color charts show the same information in an easy-to-understand graphic format.

Every member of the Board will appreciate the long-range plan depicted on these pages.



Shadowbrook Homeowners Association
South Hadley, Massachusetts

CAI estimates that U.S. associations hold \$35 billion in total reserve funds


ARS clients contribute over \$15 million per month into their reserve funds; ARS clients maintain total reserve funds of over \$750 million

**Sample Homeowners Association
Component Detail
Sorted by Category**

Streets - Asphalt, Overlay

Category	010 Streets & Drives	Quantity	1 total
GL Code	2001 Grounds	Unit Cost	\$59,153.760
		% of Replacement	100.00%
		Current Cost	\$59,153.76
		Future Cost	\$72,073.10
Placed In Service	01/89	Assigned Reserves at FYB	\$38,578.53
Useful Life	20	Monthly Member Contribution	\$232.50
Adjustment	+3	Monthly Interest Contribution	\$70.42
Remaining Life	8	Total Monthly Contribution	\$302.92
Replacement Year	2012		

Comments:



62,976 sq. ft. of overlay @ \$0.85 = \$53,528.7
 12 manhole cover adjustments @ \$375.00 = \$4,500.0
 9 valve cover adjustments @ \$125.00 = \$1,125.0
 TOTAL = \$59,153.7

Most asphalt areas can be expected to last approximately 20 years before it will become necessary for applied. This can double the life of the surface upon application. It will be necessary to adjust manhole at the time the overlay is applied. Deflection testing should be conducted by an independent consultant the estimated useful life to determine the condition of the asphalt and estimated remaining life before it required.

In addition to this service, a consultant may be obtained to prepare the application specifications, and contractor during actual installation. It is recommended that the client obtain bids for such a consultant the estimated useful life. As costs vary, a provision for this consulting has not been included in this cost the client request, this cost can be incorporated into this analysis.

The remaining life of the asphalt overlay has been adjusted to align with the future replacement cycles repairs and seal coating.

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Component Detail Section

Provided for each reserve component; shows inventory, placed-in-service date, useful life, remaining life, replacement year, current cost, future cost, assigned reserve funds and monthly contribution requirement. Optional photos add an additional layer of detail.


Everything known about each reserve component is indicated in this section.

**Sample Homeowners Association
Component Detail
Sorted by Category**

Fencing - Wrought Iron, Perimeter

Category	040 Fencing & Access Equip	Quantity	1 total
GL Code	2001 Grounds	Unit Cost	\$17,696.050
		% of Replacement	100.00%
		Current Cost	\$17,696.05
		Future Cost	\$20,021.46
Placed In Service	01/89	Assigned Reserves at FYB	\$13,272.04
Useful Life	20	Monthly Member Contribution	\$79.57
Remaining Life	5	Monthly Interest Contribution	\$24.22
Replacement Year	2009	Total Monthly Contribution	\$103.79

Comments:



225 - lin. ft. of 2.5' fencing @ \$20.15 = \$4,533.75
 82 - lin. ft. of 3.5' fencing @ \$24.70 = \$2,025.40
 97 - lin. ft. of 4.5' fencing @ \$29.20 = \$2,832.40
 13 - lin. ft. of 5' fencing @ \$31.50 = \$409.50
 1 - 2.5' x 4.5' gate @ \$170.00 = \$170.00
 1 - 3.5' x 6.5' gate w/mesh @ \$385.00 = \$385.00
 1 - 4' x 8' gate w/mesh @ \$340.00 = \$340.00
 2 - 12' x 6.5' "crash" gates @ \$1,650.00 = \$3,300.00
 2 - 14.5' x 6.5' vehicle gates @ \$1,850.00 = \$3,700.00
 TOTAL = \$17,696.05


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**Sample Homeowners Association
Component Detail
Sorted by Category**

Pool - Refiberglass & Tile Replace

Category	060 Pool Area	Quantity	1 pool
GL Code	2002 Recreation	Unit Cost	\$8,311.500
		% of Replacement	100.00%
		Current Cost	\$8,311.50
		Future Cost	\$12,338.47
Placed In Service	01/96	Assigned Reserves at FYB	\$8,311.50
Useful Life	16	Monthly Member Contribution	\$45.18
Adjustment	-8	Monthly Interest Contribution	\$0.44
Remaining Life	0	Total Monthly Contribution	\$45.62
Replacement Year	2004		

Comments:



882 sq. ft. of refiberglassing @ \$7.50 = \$6,615.00
 129 lin. ft. of trim tile @ \$9.75 = \$1,257.75
 45 lin. ft. of bench tile @ \$6.50 = \$292.50
 15 lin. ft. of lane tile @ \$9.75 = \$146.25
 TOTAL = \$8,311.50

The pool was fiberglassed in approximately 1996.

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

The remaining life of this component has been decreased due to its condition at our most recent field inspection.

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Details, details, details...



Desert Shores Community Association
Las Vegas, Nevada

*The ARS reserve analysis
is unparalleled in the industry*