



The Overlook II HOA

Scottsdale, AZ

Level of Service: Update "With-Site-Visit"

Report #: 25455-3

of Units: 78

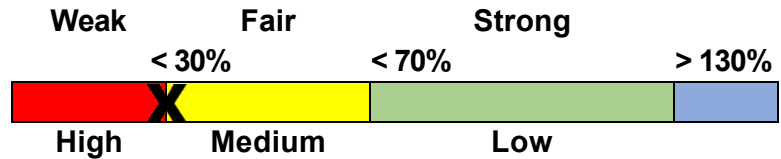
January 1, 2025 through December 31, 2025

Findings & Recommendations

as of January 1, 2025

Projected Starting Reserve Balance	\$476,415
Current Fully Funded Reserve Balance	\$1,589,840
Average Reserve Deficit (Surplus) Per Unit	\$14,275
Percent Funded	30.0 %
Current Monthly Reserve Contribution	\$9,641
Recommended 2025 Monthly Reserve Contribution	\$14,000

Reserve Fund Strength: 30.0%



Risk of Special Assessment:

Economic Assumptions:

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

Annual Inflation Rate 3.00 %

This is an Update "With-Site-Visit" Reserve Study based on a prior report prepared by Association Reserves for your 2021 Fiscal Year. We performed the site inspection on 2/20/2024.

The Reserve expense threshold for this analysis is \$3,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 30.0 % Funded. This means the Reserve Fund status is Fair, and the HOA's risk of special assessments & deferred maintenance is currently High.

The objective of your multi-year Funding Plan is to Fully Fund Reserves, where associations enjoy a low risk of Reserve cash flow problems.

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$14,000 for the 2025 Fiscal Year. Annual increases are scheduled to help offset inflation. Going forward, the contribution rate should be increased as illustrated on the 30-Year Summary Table.

This Reserve Study does not account for every potential expense the Association may face. Projects deemed unpredictable with regard to timing and cost are typically not included. It is beyond the scope of a Reserve Study to inspect or assess structural conditions of buildings, walls, electrical systems, utilities, plumbing systems, irrigation, drainage, etc. We recommend scheduling periodic inspections by qualified engineers or other industry professionals to assess any potential issues or concerns.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
GROUNDS				
103	Concrete - Repair	5	3	\$3,000
201	Asphalt - Repave	30	12	\$135,000
202	Asphalt - Seal/Repair	4	1	\$9,500
205	Brick Pavers - Repair	15	13	\$5,000
318	Landscape Lights - Replace	12	10	\$3,500
322	Bollard Lights - Replace	20	5	\$150,000
403	Mailboxes - Replace	20	3	\$12,000
503	Metal Fence - Replace	30	12	\$47,500
510	Wood Pergola - Replace	20	5	\$5,000
701	Monument - Refurbish	20	5	\$7,500
703	Entry System - Replace	15	8	\$6,500
706	Gate Operators - Replace	18	1	\$27,000
708	Vehicle Gates - Replace	35	16	\$20,000
712	Gate Loops - Replace	15	10	\$3,500
1001	Irrigation System - Repair	15	8	\$80,000
1010	Backflow Valves - Repair/Replace	8	6	\$9,500
1107	Metal Fence/Gates - Repaint	5	1	\$8,000
1111	Bollard Lights - Repaint	5	1	\$6,500
POOL AREA				
503	Metal Fence - Replace	30	15	\$31,500
1107	Metal Fence - Repaint	5	1	\$3,000
1200	Pool Deck - Resurface	16	4	\$34,500
1201	Pool Deck - Seal/Repair	4	0	\$10,000
1202	Pool - Resurface	18	1	\$55,000
1203	Pool Lights - Replace (A)	18	13	\$3,000
1203	Pool Lights - Replace (B)	18	1	\$3,500
1206	Spa - Resurface	12	1	\$7,500
1210	Pool Furniture - Replace	15	5	\$20,000
1212	Pool Furniture - Refurbish	5	3	\$5,000
1220	Pool/Spa Filters - Replace (A)	15	2	\$3,000
1220	Pool/Spa Filters - Replace (B)	15	0	\$6,500
1223	Pool/Spa Heaters - Replace (A)	10	5	\$6,500
1223	Pool/Spa Heaters - Replace (B)	10	1	\$22,500
1223	Pool/Spa Heaters - Replace (C)	10	2	\$22,500
1224	Pool/Spa Pumps - Replace (A)	12	6	\$5,000
1224	Pool/Spa Pumps - Replace (B)	12	2	\$3,000
1224	Pool/Spa Pumps - Replace (C)	12	9	\$3,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
RECREATION BUILDINGS				
305	HVAC Units - Replace	18	3	\$18,000
405	Concrete Furniture - Replace	30	10	\$16,500
407	BBQ Grill - Replace	15	2	\$4,500
412	Fireplace - Repair	15	5	\$3,500
510	Wood Pergola - Replace	20	5	\$100,000
901	Rubber Floor - Replace	12	4	\$6,000
903	Tile Floor - Replace	25	9	\$12,500
908	Window Blinds - Replace	25	5	\$5,500
910	Interior Lights - Replace	25	5	\$5,000
912	Furniture - Partial Replace	8	4	\$4,500
920	Kitchen - Remodel	25	5	\$10,000
925	Restrooms - Remodel	25	5	\$15,000
930	Cardio Equipment - Replace	8	2	\$30,000
935	Strength Equipment - Replace	15	7	\$17,000
970	Doors + Windows - Replace	40	20	\$35,000
1100	Interior Surfaces - Repaint	10	2	\$5,000
UNIT BUILDINGS				
324	Wall Lights - Replace	25	5	\$70,000
515	Wood/Metal Surfaces - Repair	8	2	\$6,500
630	Concrete Steps - Repair	10	5	\$4,000
765	Plumbing - Repair	2	1	\$5,000
780	Fire Alarm Panels - Replace	15	4	\$6,000
785	Sprinkler System - Repair	18	16	\$12,000
1113	Metal Rails - Repaint	4	0	\$40,000
1115	Building Exteriors - Repaint	8	0	\$230,000
1150	Landing Decks - Resurface	30	12	\$50,000
1155	Landing Decks - Seal/Repair	10	2	\$19,500
1300	Foam Roofs - Replace	30	17	\$725,000
1301	Foam Roofs - Recoat	10	7	\$240,000
1304	Tile Roofs - Refurbish	30	11	\$130,000

65 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year.