

November 05, 2020

This is a summary of the Reserve Study that has been performed for Summerlin West Community Association, (the "Association"). This study was conducted in compliance with Nevada *NRS 116.31151 and NRS 116.31152* and is being provided to you as a member of the Association. 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 prepared this Update w/ Site Visit Review for the January 1, 2021 - December 31, 2021 fiscal year.

Summerlin West Community Association is a Planned Community with a total of 9,271 Units.

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.

This reserve study was produced under the responsible charge of Robert W Browning who, pursuant to Nevada regulation R145-06, is a Nevada Reserve Study Specialist (RSS #5).

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.

Nevada statute imposes no reserve funding level requirements nor does it address funding level adequacy, and 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.

The board of directors does not anticipate any special reserve assessment will be required during the current 30-year life of the reserve study to repair, replace, maintain or restore any major component or to provide adequate reserves. (*NAC 116.430 8*)

During the 2020 reserve site visit, the association was under construction. Continuing construction activity may alter the projections presented in this study. If construction does alter the projections within this study, a new component inventory and funding plan will be required.

Summerlin West Community Association
Nevada Member Summary
First Draft
Prepared for the 2021 Fiscal Year

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2020 Fully Funded Balance</i>	<i>2021 Fully Funded Balance</i>	<i>2021 Line Item Contribution based on Cash Flow Method</i>
02000 - Concrete	55,059	5-25	8-25	35,589	38,623	2,721
03000 - Painting: Exterior	822,220	5-10	1-12	378,774	443,982	96,731
04000 - Structural Repairs	190,250	25-60	8-57	83,505	91,031	6,314
18000 - Landscaping	1,896,872	5-30	0-35	861,268	1,051,006	271,199
19000 - Fencing	2,144,360	10-30	1-30	896,858	994,186	129,329
19500 - Retaining Wall	28,274	5-5	5-15	3,704	4,473	4,311
20000 - Lighting	487,732	20-25	3-24	223,033	250,873	31,743
21000 - Signage	109,952	7-30	3-19	56,557	70,825	14,469
26000 - Outdoor Equipment	393,334	4-30	1-30	186,624	213,001	28,183
Totals	<u>\$6,128,053</u>			<u>\$2,725,911</u>	<u>\$3,157,999</u>	<u>\$585,000</u>
Estimated Ending Balance				\$1,844,797	\$1,700,195	\$5.26
Percent Funded				67.7%	53.8%	/Unit/month @ 9271