

September 19, 2016

This is a summary of the Reserve Study that has been performed for Sierra Canyon 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 Full Study for the January 1, 2017 - December 31, 2017 fiscal year.

Sierra Canyon Association is a Planned Community with a total of 1,212 Lots.

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.

Sierra Canyon Association
Nevada Member Summary
Final
Prepared for the 2017 Fiscal Year

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2016 Fully Funded Balance	2017 Fully Funded Balance	2017 Line Item Contribution based on Cash Flow Method
01000 - Paving	125,622	2-25	1-15	59,252	69,686	10,226
02000 - Concrete	35,500	5-10	1-8	7,800	10,080	4,606
03000 - Painting: Exterior	72,408	5-10	0-5	55,986	62,536	7,506
03500 - Painting: Interior	56,661	10-10	1-5	40,055	46,864	5,832
04000 - Structural Repairs	160,484	5-30	4-20	56,951	64,619	8,933
05000 - Roofing	318,240	5-40	5-40	19,286	21,467	6,380
08000 - Rehab	110,115	18-30	7-20	55,316	62,272	6,713
11000 - Gate Equipment	1,200	12-12	2-2	1,000	1,128	100
12000 - Pool	47,728	3-24	1-14	32,782	38,178	4,655
13000 - Spa	13,246	5-24	3-23	2,421	4,399	2,073
14000 - Recreation	224,720	5-25	1-15	110,105	144,976	32,826
17000 - Tennis Court	56,137	4-21	1-11	30,580	37,045	5,997
18000 - Landscaping	96,250	1-20	1-10	39,600	72,647	31,309
19000 - Fencing	145,420	18-30	10-20	62,821	72,302	9,632
20000 - Lighting	53,100	5-30	2-20	22,500	26,199	3,787
21000 - Signage	4,125	10-15	5-5	2,333	2,759	388
22000 - Office Equipment	8,433	2-20	2-10	3,328	4,481	1,976
23000 - Mechanical Equipment	512,265	9-18	2-11	304,699	344,919	35,762
23500 - Elevator	103,000	25-30	15-19	38,367	42,968	5,328
24000 - Furnishings	138,750	6-25	1-19	65,698	75,972	10,035
24500 - Audio / Visual	15,080	10-12	2-9	3,888	5,510	1,716
24600 - Safety / Access	17,400	5-8	4-7	3,450	5,996	2,650
25000 - Flooring	162,426	4-25	2-15	67,155	81,919	14,742
25500 - Wallcoverings	2,142	25-25	15-15	857	966	119
26000 - Outdoor Equipment	64,300	3-30	2-20	36,872	41,871	4,547
27000 - Appliances	12,550	8-15	0-10	8,072	7,903	1,013
Totals	\$2,557,302			\$1,131,175	\$1,349,660	\$218,850
Estimated Ending Balance				\$1,062,015	\$1,131,998	\$15.05
Percent Funded				93.9%	83.9%	/Lot/month @ 1212