

RESERVE STUDY

Component Analysis and Reserve Fund Plan

Annual Review Study 2017

For

Cedarwood HOA

Sunnyvale, CA

Prepared By

**RESERVE ANALYSIS
CONSULTING, LLC**

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**Cedarwood HOA
1288 Riesling Terrace
Sunnyvale, CA**

ATTN: Board of Directors

RE: Cedarwood HOA - Annual Review Study 2017

Please find enclosed the Reserve Fund Analysis prepared for your Association. The purpose of this analysis is to quantify the major components the Association is responsible to maintain, and to project funding requirements adequate to repair/replace or maintain these components in conformance with California Civil Codes § 5300, 5500-5570 ((old 1365, 1365.5, & 1365.2.5)). The underlying principle of these Code requirements is that current owners should pay their appropriate share for components as they are being used and not transfer these costs to future owners.

TERMS & CONDITIONS OF STUDY

This Reserve Fund Analysis, undertaken by Reserve Analysis Consulting, L.L.C., has been conducted in compliance with California Civil Codes § 5300, 5500-5570 ((old 1365, 1365.5, & 1365.2.5)) and in compliance with standards established by the Association of Professional Reserve Analysts (APRA) and the California Association Institute (CAI).

Components that meet the following criteria are included in this report:

- 1) The component maintenance is the responsibility of the Association.
- 2) The component is not covered by the Association's annual operating budget.
- 3) The component's estimated remaining life is less than thirty (30) years from the date of this study.
- 4) Components with a remaining useful life in excess of thirty (30) years may be included for the benefit of knowledge of these components, but will not be factored into the funding plan.

All components listed in this report are those that have been selected and approved by the Board as prescribed by the Association's CC&Rs. Component useful life and remaining life projections are based on industry standards, manufacturer information, date and maintenance information provided by the Contractee and/or its management and staff. However, as a result of construction methodology, maintenance by the facility staff or other specific local conditions, component useful life and/or remaining life may vary from standard. Repair or replacement schedules and the resulting assessment schedules are derived by combining the resources described above. Reliance on these schedules is at the Contractee's discretion. Reserve Analysis Consulting, L.L.C. makes no guarantee as to the actual performance of any of the components. Each component's condition, life expectancy, and replacement cost evaluation is based on visual inspection only. Inspection was limited to areas accessible to the inspectors. Where components were not accessible, assumptions were made based on available component statistical data. There was no disassembly of components or demolition involved.

This report does not address any factory defects or any damage due to improper maintenance, system design, or installation. The analysis of these components, for which the Association has responsibility, does not employ methods used for forensic or defect investigation or actual construction. It is also assumed that all components covered by this report receive reasonable maintenance by the Contractee. Reserve Analysis Consulting, L.L.C. makes no statement of warranty, either specific or implied, as to the actual future performance of any component.

The costs for components included in this report are based on current published construction industry repair or replacement costs and local cost conditions. Due to component cost changes in the future over which Reserve Analysis Consulting, L.L.C. has no control, we advise the Contractee to have this study reviewed on an annual basis and make any necessary adjustment regarding component performance and/or costs. The reliance on costs included in this Component Analysis is at the discretion and acceptance of the Contractee and/or its management. Reserve Analysis Consulting, L.L.C. makes no guarantee that projected costs will represent actual job costs at the time of component repair or replacement. An inflation factor based on current construction industry index information is used and provided to the Contractee for approval prior to inclusion in the Final Report.

The cash flow projections made within this report could vary significantly due to future conditions. Without regular, periodic updates, the Contractee should not rely on these cash flow projections beyond the first funding year of this report.

GENERAL DEFINITIONS OF STUDY**RESERVE STUDY:**

A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Component Inventory and the Funding Analysis.

COMPONENT INVENTORY and ANALYSIS:

The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of the association design and organizational documents, a review of established association precedents, and discussion with appropriate representative(s) of the association or cooperative.

FUNDING ANALYSIS :

The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented.

FUNDING PRINCIPLES:

- Sufficient funds to defray future repair and replacement requirements.
- Consistent contribution rate throughout the 30 year Funding Plan.
- Appropriate contribution levels to ensure that current owners pay their share for component usage.
- Fiscally responsible.

FUNDING GOALS:

Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balances above zero.

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount.

Full Funding: Establishing a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

PERCENT FUNDED:

The ratio, at a particular point in time (typically the ending of the Fiscal Year) of the actual (or projected) Reserve balance to the Fully Funded balance, expressed as a percentage.

CASH FLOW FUNDING METHOD:

A method of developing a Reserve Funding Plan where consistent contributions to the Reserve fund are designed to offset the variable annual expenditures. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

ASSUMED LONG-TERM INTEREST AND INFLATION

"Assumed Long-Term" (as used in the Davis-Stirling Act) is interpreted to mean an approximate 30 Year average. When assigning the interest rate, per Statute 5300(b)(7) ((old 1365(a)(4))), the rate may not be in excess of 2% above the current Federal Reserve Rate.

INFORMATION REFERENCE

TRADE:	Financial Information	TRADE:	Component Replacement Dates
NAME:	Ms. Brandi Lancaster	NAME:	Ms. Brandi Lancaster
COMPANY:	MB Homeowners Management	COMPANY:	MB Homeowners Management
ADDRESS:	1210 S. Bascom Ave. Suite 220	ADDRESS:	1210 S. Bascom Ave. Suite 220
CITY, STATE:	San Jose, CA 95128	CITY, STATE:	San Jose, CA 95128
PHONE:	(408) 871-9500	PHONE:	(408) 871-9500

PROPERTY INFORMATION

<i>PROPERTY NAME:</i>	Cedarwood HOA		
<i>STREET ADDRESS:</i>	1288 Riesling Terrace		
<i>CITY, STATE, ZIP:</i>	Sunnyvale, CA		
<i>GOVERNING ENTITY:</i>	Board of Directors		
<i>YEAR CONSTRUCTED:</i>	1971	<i>NUMBER OF CONSTRUCTION PHASES:</i>	1
<i>NUMBER OF UNITS:</i>	76	<i>NUMBER OF RESIDENTIAL BUILDINGS:</i>	17

CONTACT INFORMATION

<i>CURRENT PROPERTY CONTACT:</i>	Ms. Brandi Lancaster MB Homeowners Management 1210 S. Bascom Ave. Suite 220 San Jose, CA 95128 Phone: (408) 871-9500 Email: brandi@mbhm.net
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RESERVE STUDY INFORMATION

<i>TYPE OF STUDY:</i>	Annual Review Study 2017 (no site inspection performed with this review)
<i>BEGINNING YEAR OF STUDY:</i>	2017
<i>YEAR OF LAST PHYSICAL INSPECTION:</i>	2014
<i>YEAR OF NEXT PHYSICAL INSPECTION:</i>	2017 (as required by the Davis-Stirling Act)
<i>RESERVE STUDY PREPARER:</i>	Reserve Analysis Consulting, L.L.C. 1750 Bridgeway, Suite B106 • Sausalito, CA 94965 Sausalito, California 94965 Office Phone: (415) 332-7800 FAX: (415) 332-7801
<i>PERFORMED BY:</i>	Orlando Montalvan Direct Phone: (415) 289-7444 Email: orlandom@reserveanalysis.com

RESERVE FUND FINANCIAL INFORMATION

<i>BUDGET YEAR ENDING DATE:</i>	12/31	2016	2017
<i>ANNUAL RESERVE CONTRIBUTION:</i>		\$106,896	\$113,316
<i>MONTHLY RESERVE CONTRIBUTION:</i>		\$8,908	\$9,443
<i>PER UNIT MONTHLY (AVG.) CONTRIBUTION:</i>		\$117.21	\$124.25
<i>TOTAL SPECIAL ASSESSMENT:</i>		N/A	N/A
<i>PER UNIT (AVG.) SPECIAL ASSESSMENT:</i>		N/A	N/A
<i>PROPOSED RESERVE FUND EXPENDITURES:</i>			(\$547,601)
<i>ESTIMATED YEAR ENDING BALANCE:</i>		\$532,943	\$99,865
<i>REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE:</i>			N/A

RESERVE PERCENT FUNDED CALCULATION

<i>AMOUNT NEEDED TO BE 100% FUNDED:</i>	\$1,467,795	\$1,058,283
<i>THEORETICAL PER UNIT UNDERFUNDED:</i>	\$12,301	\$12,611
<i>CALCULATED PERCENT FUNDED:</i>	36.31%	9.44%

RESERVE PROJECTED INTEREST & INFLATION

<i>"ASSUMED LONG-TERM INTEREST RATE":</i>	2.00%
<i>"ASSUMED LONG-TERM INFLATION RATE":</i>	3.00%

PROPERTY DESCRIPTION & COMPONENT INCLUSION:

Cedarwood HOA is a 76-member association located in Sunnyvale, CA. The Association is responsible for 17 residential buildings that were originally built in 1 phase in 1971. The Association is responsible for all components as the Board of Directors has interpreted the CC&Rs. For specific component inclusion based on that interpretation please refer to the Component Data or Schedule Sections.

5300(b)(4) - COMPONENT CONDITION:

The property is composed of a variety of components that are in a range of conditions due to their various ages and expected lives. The projections in this Reserve Study intend to maintain these components at an appropriate condition in the future; however, it is the Board's responsibility to investigate and cause the actual maintenance, repair and replacement projects at the appropriate time(s).

Per Davis-Stirling Section 5500 ((old 1365.5)), on a quarterly basis the Board will review actual reserve expenses compared to the year's proposed reserve expenses. Depending on each component's condition and available information at that time, the Board will determine to undertake repair and replacement projects as appropriate. Please refer to the Sections of Component Data and/or Component Schedule for specific details on component ages, expected lives, and remaining lives. A component with a negative remaining life does not necessarily mean the component is being deferred, but rather signifies that the component is past its statistically average life and will be reviewed annually until it is appropriate for replacement. If the Board has specifically determined to defer or not undertake a component's repair or replacement, that decision and its justification is required to be in meeting minutes and disclosed separately in the Annual Budget Report.

5300(b)(3,5,6,7,8) - FUNDING PLAN ANALYSIS & CALCULATIONS:

5300(b)(3) - "the association shall provide the full reserve study plan upon request."

Specific Details regarding the following statements can be viewed in the "30 YEAR FUNDING PLAN" (included with this Reserve Summary).

5300(b)(5) - If applicable, the amount and commencement date of Board determined or anticipated special assessments will be shown and if a vote of the membership is required.

5300(b)(6) - The mechanism(s) by which the board will fund the reserves, including assessments, borrowing, and/or use of other assets. Refer to 5300(b)(4) above for deferral/selected repair/replacements.

5300(b)(7) - Procedures & methodology used for these calculations can be found in section "Procedures & Methodologies" (included with this Reserve Summary).

5300(b)(8) - If applicable, details regarding outstanding loans can be found in the 5570 "Reserve Summary and Disclosure" (included with this summary) and/or separately in the Annual Budget Report.

The Reserve Study is a SERIES OF PROJECTIONS, and consequently the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as future inflation rates, the level of preventative maintenance completed by future boards, unknown material defects, changes in technology, efficiency, and/or government regulations.

The Reserve Study is an evolving document that represents a moment in time covering a 30 year period. As required by The Davis-Stirling Act, we recommend that the Association review and update this Reserve Analysis on an annual basis to make adjustments for component expenditures and fluctuations in annual revenue, interest, and inflation.

4.00

30 YEAR RESERVE FUNDING PLAN

2016 Average unit per month reserve contribution *1 = \$117.21

2016 Total annual reserve contribution *1 = \$106,896

** All future numbers are PROPOSED and/or PROJECTED.*

DESCRIPTION - 1ST 10 YEARS	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Projected Beginning Fund Balance *1	\$532,943	\$99,865	\$147,550	\$227,891	\$196,560	\$240,659	\$372,592	\$355,922	\$436,446	\$544,514
Contribution % increase over previous yr.	6.01%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.00%
Contribution avg. unit/month \$ increase	\$7.04	\$8.70	\$9.31	\$9.96	\$10.65	\$11.40	\$12.20	\$13.05	\$13.97	\$12.81
Contribution avg. per unit/month	\$124.25	\$132.95	\$142.25	\$152.21	\$162.87	\$174.27	\$186.47	\$199.52	\$213.48	\$226.29
Reserve Contribution - Annual	\$113,316	\$121,248	\$129,735	\$138,817	\$148,534	\$158,932	\$170,057	\$181,961	\$194,698	\$206,380
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$646,259	\$221,114	\$277,286	\$366,708	\$345,094	\$399,591	\$542,648	\$537,883	\$631,144	\$750,894
Projected Expenditures - inflated	-\$547,601	-\$75,347	-\$52,150	-\$172,525	-\$107,345	-\$31,504	-\$191,030	-\$106,715	-\$93,214	-\$57,681
Balance after expenditures	\$98,658	\$145,766	\$225,136	\$194,183	\$237,749	\$368,086	\$351,619	\$431,168	\$537,930	\$693,213
Interest on balance after tax	\$1,208	\$1,784	\$2,756	\$2,377	\$2,910	\$4,505	\$4,304	\$5,277	\$6,584	\$8,485
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	9.44%	12.95%	18.26%	15.73%	18.28%	25.48%	24.30%	28.14%	32.85%	38.87%
Projected Year Ending Balance *3	\$99,865	\$147,550	\$227,891	\$196,560	\$240,659	\$372,592	\$355,922	\$436,446	\$544,514	\$701,697

** All future numbers are PROPOSED and/or PROJECTED.*

DESCRIPTION - 2ND 10 YEARS	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Projected Beginning Fund Balance *1	\$701,697	\$887,362	\$1,106,456	\$982,180	\$1,076,014	\$1,112,950	\$1,373,859	\$538,613	\$864,543	\$921,673
Contribution % increase over previous yr.	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.00%	0.00%
Contribution avg. unit/month \$ increase	\$15.84	\$16.95	\$18.14	\$19.41	\$20.76	\$22.22	\$23.77	\$25.44	\$23.33	\$0.00
Contribution avg. per unit/month	\$242.13	\$259.08	\$277.22	\$296.62	\$317.39	\$339.61	\$363.38	\$388.81	\$412.14	\$412.14
Reserve Contribution - Annual	\$220,826	\$236,284	\$252,824	\$270,522	\$289,458	\$309,721	\$331,401	\$354,599	\$375,875	\$375,875
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$922,524	\$1,123,647	\$1,359,280	\$1,252,702	\$1,365,472	\$1,422,670	\$1,705,260	\$893,212	\$1,240,418	\$1,297,548
Projected Expenditures - inflated	-\$45,891	-\$30,570	-\$388,977	-\$189,699	-\$265,980	-\$65,424	-\$1,173,160	-\$39,123	-\$329,890	-\$496,814
Balance after expenditures	\$876,632	\$1,093,077	\$970,303	\$1,063,003	\$1,099,492	\$1,357,246	\$532,100	\$854,089	\$910,528	\$800,734
Interest on balance after tax	\$10,730	\$13,379	\$11,877	\$13,011	\$13,458	\$16,613	\$6,513	\$10,454	\$11,145	\$9,801
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	44.96%	51.08%	48.43%	51.72%	53.85%	61.08%	38.81%	54.50%	60.66%	62.46%
Projected Year Ending Balance *3	\$887,362	\$1,106,456	\$982,180	\$1,076,014	\$1,112,950	\$1,373,859	\$538,613	\$864,543	\$921,673	\$810,535

4.00

30 YEAR RESERVE FUNDING PLAN

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 3RD 10 YEARS	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Projected Beginning Fund Balance *1	\$810,535	\$1,153,187	\$1,410,697	\$1,708,888	\$1,952,042	\$777,493	\$1,007,241	\$1,328,913	\$1,612,679	\$1,816,983
Contribution % increase over previous yr.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contribution avg. unit/month \$ increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contribution avg. per unit/month	\$412.14	\$412.14	\$412.14	\$412.14	\$412.14	\$412.14	\$412.14	\$412.14	\$412.14	\$412.14
Reserve Contribution - Annual	\$375,875	\$375,875	\$375,875	\$375,875	\$375,875	\$375,875	\$375,875	\$375,875	\$375,875	\$375,875
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$1,186,410	\$1,529,062	\$1,786,572	\$2,084,763	\$2,327,917	\$1,153,368	\$1,383,116	\$1,704,788	\$1,988,554	\$2,192,858
Projected Expenditures - inflated	-\$47,167	-\$135,423	-\$98,348	-\$156,325	-\$1,559,825	-\$158,307	-\$70,271	-\$111,610	-\$193,541	-\$81,762
Balance after expenditures	\$1,139,243	\$1,393,639	\$1,688,224	\$1,928,438	\$768,091	\$995,061	\$1,312,844	\$1,593,178	\$1,795,012	\$2,111,097
Interest on balance after tax	\$13,944	\$17,058	\$20,664	\$23,604	\$9,401	\$12,180	\$16,069	\$19,501	\$21,971	\$25,840
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	76.70%	86.12%	93.98%	99.82%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Projected Year Ending Balance *3	\$1,153,187	\$1,410,697	\$1,708,888	\$1,952,042	\$777,493	\$1,007,241	\$1,328,913	\$1,612,679	\$1,816,983	\$2,136,936

***1. Current Year Financial Information**

The Association has provided current financial information including reserve account balance, total annual assessment amount and total annual reserve contribution. Reserve Analysis Consulting, L.L.C. assumes no responsibility for the accuracy of current or projected budget figures provided by others.

***2. Percent Funded**

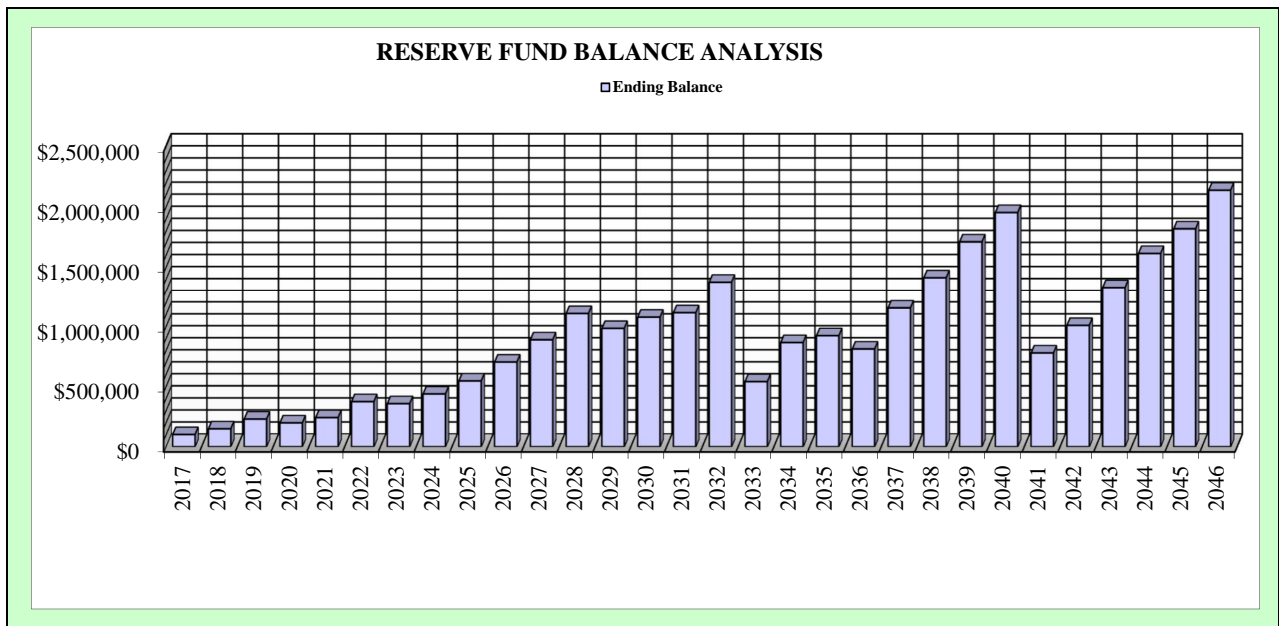
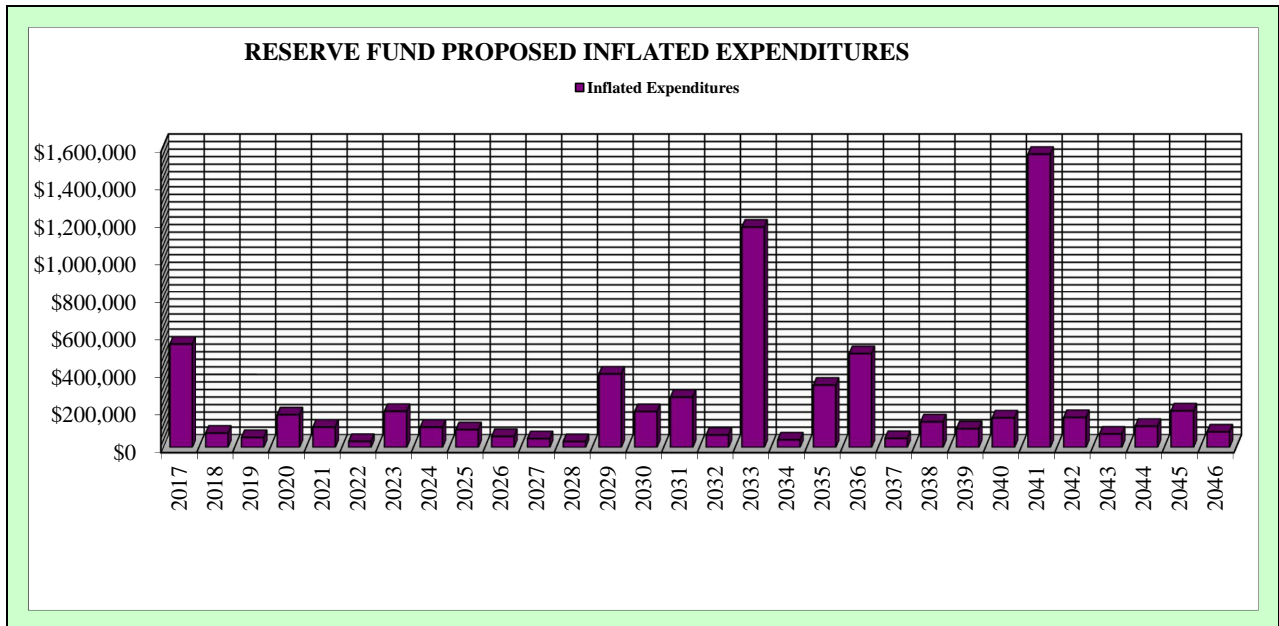
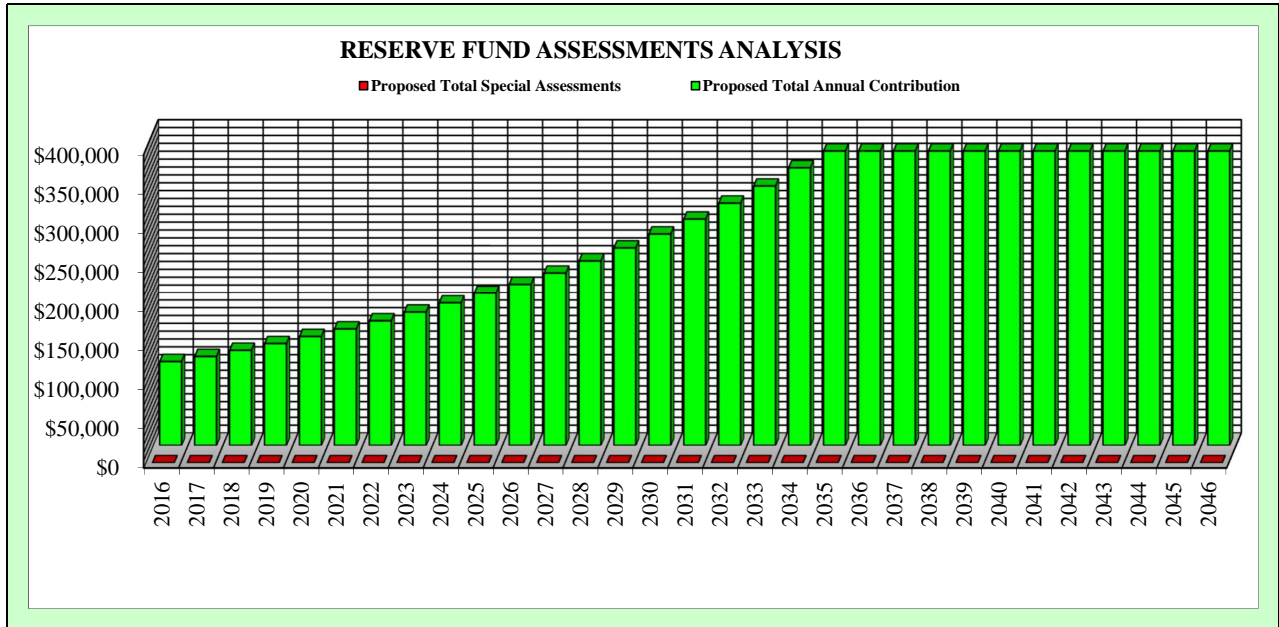
The percent funded figure is calculated as defined by the Davis-Stirling Act, which states in 5570(b)(4) ((old 1365.2.5)) that the amount projected to be in reserves at a given time be divided by the amount "required to be fully funded" at that time. The amount required is defined in 5570(b)(4) ((old 1365.2.5)) as "the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component." The data required to calculate this amount for the current year is located in Section 11.00, Percent Funded Calculation. The percent funding method of calculation for future years includes estimated interest earned in the projected reserve account balances, as well as an estimated inflation of costs in the amount "required." The final sentence in 5570(b)(4) ((old 1365.2.5)) states "**This shall not be construed to require the board to fund reserves in accordance with this calculation.**"

*** 3. Projected Year Ending Balance.**

The Davis-Stirling Act does not require a minimum funding level other than to say in 5550(b)(5) ((old 1365.5)) that the association "plans...to meet" its 30 year obligations of repair and replacement. Through the Reserve Study preparation process, the Association and its Management have reviewed the preliminary funding plan(s) and have approved the plan as shown here to be sufficient at this time.

General Notes:

- 1) The cash flow projections shown are based on current economic conditions. These projections are based upon future variables that cannot be controlled. Therefore, reliance on these projections beyond the first year of this study is not recommended. As required by the Davis-Stirling Act, we recommend the Association review its Reserve Fund accounts quarterly and cause the Reserve Study to be reviewed and adjustments integrated annually.
- 2) Additionally, California Civil Code § 5550 ((old 1365.5)) states in part, "At least once every three years the board of directors shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements."



Year 1 - 2017

3.00 CONCRETE	
3.01 Annual Replacement Allowances	\$3,500
5.00 FENCING	
5.01 Fence Replacement Allowance ~ 5% Annually (See Note)	\$4,408
6.00 IRRIGATION, LANDSCAPING & DOMESTIC WATER SYSTEMS	
6.01 System Replacement Allowance - Ongoing	\$1,500
6.03 Landscape Enhancement Allowance - Ongoing	\$5,000
6.04 Tree Removal/Replacement Allowance - Ongoing	\$5,000
8.00 SWIMMING POOL	
8.05 Seal Coping/Walk Joint	\$1,088
8.09 Chlorinator	\$750
8.10 Solar Controller	\$750
8.13 Furniture Replacement Allowance	\$3,339
9.00 CLUB HOUSE INTERIOR	
9.01 Re-Finish Parquet Floors	\$972
13.00 PAINT SITE	
13.01 Paint All Wood & Metal Components (See Note)	\$71,683
13.02 Paint Exterior Stucco	\$85,111
14.00 SIDING & TRIM REPLACEMENT ALLOWANCE	
14.01 Bldg Inspections/Construction Mgmt for Siding/Trim/Paint	\$15,000
14.02 Stucco Replacement Allowance - Done w/Painting	\$15,000
14.03 Wood Siding Replacement Allowance - Done w/Painting	\$15,000
14.04 Fascia/Trim/Util. Closet/Belly Band Replace Allow.- w/Paint	\$15,000
14.05 Siding, Trim, Fascia & Belly Band Major Repairs	\$277,149
16.00 MISCELLANEOUS	
16.03 Site Inspection Reserve Study	\$1,275
Unscheduled Expenses Related to Each Year's Projects	\$26,076
Year 1 - 2017 Total Proposed Expenditures:	<u><u>\$547,601</u></u>

Year 2 - 2018

2.00 ASPHALT	
2.01 Asphalt Sealing	\$14,663
2.02 Painted Curb & Striping	\$1,030
2.03 Asphalt Repairs - Ongoing Allowance ~ 10% of Total	\$25,750
3.00 CONCRETE	
3.01 Annual Replacement Allowances	\$3,605
5.00 FENCING	
5.01 Fence Replacement Allowance ~ 5% Annually (See Note)	\$4,540
6.00 IRRIGATION, LANDSCAPING & DOMESTIC WATER SYSTEMS	
6.01 System Replacement Allowance - Ongoing	\$1,545
6.03 Landscape Enhancement Allowance - Ongoing	\$5,150
6.04 Tree Removal/Replacement Allowance - Ongoing	\$5,150
10.00 CLUB HOUSE EXTERIOR	
10.04 Iron Gate & Hardware - Repair/Replace Allowance	\$1,030

6.00	NEXT 3 YEARS PROJECTED EXPENDITURES
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12.00 RESIDENTIAL BLDG EXTERIOR

12.01 Roof, Gutter, Downspout Repair/Replace Allowance \$5,150

15.00 MAINTENANCE ALLOWANCE

15.02 Plumbing Repair/Replacement Allowance \$3,502

16.00 MISCELLANEOUS

16.01 Annual Reserve Study \$644

Unscheduled Expenses Related to Each Year's Projects \$3,588

Year 2 - 2018 Total Proposed Expenditures: \$75,347

Year 3 - 2019

1.00 SIGNAGE

1.02 Pool Signs Replace/Upgrade As needed \$371

3.00 CONCRETE

3.01 Annual Replacement Allowances \$3,713

3.03 Concrete Gutters in Parking Areas \$28,043

5.00 FENCING

5.01 Fence Replacement Allowance ~ 5% Annually (See Note) \$4,676

6.00 IRRIGATION, LANDSCAPING & DOMESTIC WATER SYSTEMS

6.01 System Replacement Allowance - Ongoing \$1,591

6.03 Landscape Enhancement Allowance - Ongoing \$5,305

6.04 Tree Removal/Replacement Allowance - Ongoing \$5,305

16.00 MISCELLANEOUS

16.02 Annual Reserve Study \$663

Unscheduled Expenses Related to Each Year's Projects \$2,483

Year 3 - 2019 Total Proposed Expenditures: \$52,150

7.00 A PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS																
CODE	COMPONENT DESCRIPTION	CURRENT COST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 1 2017	YR. 2 2018	YR. 3 2019	YR. 4 2020	YR. 5 2021	YR. 6 2022	YR. 7 2023	YR. 8 2024	YR. 9 2025	YR. 10 2026	TOTAL 10 YRS.
1.00	SIGNAGE															
1.01	Carved Wood Entrance Signs	\$4,000	1995	25	3				\$4,371							\$4,371
1.02	Pool Signs Replace/Upgrade As needed	\$350	2009	10	2			\$371								\$371
1.03	Directory Sign	\$2,311	2015	15	13											
1.04	Misc. Street Sign Replacement	\$1,000	2005	15	3				\$1,093							\$1,093
2.00	ASPHALT															
2.01	Asphalt Sealing	\$14,236	2012	6	1		\$14,663						\$17,509			\$32,172
2.02	Painted Curb & Striping	\$1,000	2012	6	1		\$1,030						\$1,230			\$2,260
2.03	Asphalt Repairs - Ongoing Allowance ~ 10% of Total	\$25,000	2012	6	1		\$25,750						\$30,747			\$56,497
2.04	Asphalt Future Major Repair/Replacement - 50%	\$201,165	1971	65	19											
2.05	Asphalt Future Major Repair/Replacement - 50%	\$201,165	1971	70	24											
3.00	CONCRETE															
3.01	Annual Replacement Allowances	\$3,500	2016	1	0	\$3,500	\$3,605	\$3,713	\$3,825	\$3,939	\$4,057	\$4,179	\$4,305	\$4,434	\$4,567	\$40,124
3.02	Pool Decking	\$66,100	1971	60	14											
3.03	Concrete Gutters in Parking Areas	\$26,433	1971	48	2			\$28,043								\$28,043
4.00	RETAINING WALLS															
4.01	Wood - 1' @ Property Line	\$13,880	1985	35	3				\$15,167							\$15,167
4.02	Wood - 2' @ Property Line	\$5,000	1985	35	3				\$5,464							\$5,464
5.00	FENCING															
5.01	Fence Replacement Allowance ~ 5% Annually (See Note)	\$4,408	2016	1	0	\$4,408	\$4,540	\$4,676	\$4,817	\$4,961	\$5,110	\$5,263	\$5,421	\$5,584	\$5,751	\$50,531
5.02	Iron @ Pool	\$10,875	1985	40	8									\$13,776		\$13,776
5.03	Masonry Wall @ Property Line - Repair/Replace Allowance	\$80,250	1971	60	14											
6.00	IRRIGATION, LANDSCAPING & DOMESTIC WATER SYSTEMS															
6.01	System Replacement Allowance - Ongoing	\$1,500	2016	1	0	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957	\$17,196
6.02	Irrigation System Renovation	\$20,862	2010	10	3				\$22,796							\$22,796
6.03	Landscape Enhancement Allowance - Ongoing	\$5,000	2016	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$57,319
6.04	Tree Removal/Replacement Allowance - Ongoing	\$5,000	2016	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$57,319
6.05	Tree Removal/Replacement Allowance - Major	\$31,182	2015	5	3				\$34,073						\$39,500	\$73,574
6.06	Domestic Backflow Prevention = 8"	\$11,000	2003	35	21											
6.07	Domestic Backflow Prevention = 8"	\$11,000	2008	35	26											
6.08	Irrigation Backflow Prevention	\$1,750	2005	35	23											
6.09	Irrigation Backflow Prevention	\$2,550	2013	35	31											
6.10	Irrigation Backflow Prevention	\$5,100	2014	35	32											
6.11	Domestic Isolation Valve Installation	\$11,000	2014	30	27											
7.00	LIGHTING															
7.01	Light Poles	\$46,200	1971	50	4					\$51,999						\$51,999
7.02	Pole Light Fixtures	\$10,500	1996	25	4					\$11,818						\$11,818
7.03	Garage Motion Sensing Spots	\$11,400	1985	35	3				\$12,457							\$12,457
7.04	Club House Exterior Carriage Fixtures	\$900	1985	35	3				\$983							\$983
7.05	Club House Interior Fixtures (Inventory in Notes)	\$2,400	2013	35	31											
7.06	Pool Light	\$400	1995	25	3				\$437							\$437
8.00	SWIMMING POOL															
8.01	Drainage Upgrade Allowance	\$2,500	2009	15	7								\$3,075			\$3,075
8.02	Replastering	\$10,380	2009	15	7								\$12,766			\$12,766
8.03	Coping	\$4,080	2009	30	22											
8.04	Tile	\$3,140	2009	30	22											
8.05	Seal Coping/Walk Joint	\$1,088	2009	7	-1	\$1,088							\$1,338			\$2,426
8.06	Heater (Used as a backup to solar)	\$2,500	1995	30	8									\$3,167		\$3,167
8.07	Filter (repairs in 2015)	\$1,800	1995	25	3				\$1,967							\$1,967
8.08	Filter Pump	\$1,170	2014	15	12											
8.09	Chlorinator	\$750	2005	10	-2	\$750										\$750
8.10	Solar Controller	\$750	1995	20	-2	\$750										\$750
8.11	Solar Pump	\$850	1995	25	3				\$929							\$929
8.12	Solar Panels	\$10,500	1995	25	3				\$11,474							\$11,474

7.00 A PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CODE	COMPONENT DESCRIPTION	CURRENT COST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 1 2017	YR. 2 2018	YR. 3 2019	YR. 4 2020	YR. 5 2021	YR. 6 2022	YR. 7 2023	YR. 8 2024	YR. 9 2025	YR. 10 2026	TOTAL 10 YRS.
8.13	Furniture Replacement Allowance	\$3,339	2012	5	0	\$3,339					\$3,870					\$7,209
9.00	CLUB HOUSE INTERIOR															
9.01	Re-Finish Parquet Floors	\$972	1999	15	-3	\$972										\$972
9.02	Parquet Floors	\$5,832	1999	30	12											
9.03	Toilet Partitions	\$5,000	1985	35	3				\$5,464							\$5,464
9.04	Kitchen - 2-burner stove	\$600	1971	50	4					\$675						\$675
9.05	Kitchen - Exhaust fan	\$300	1971	50	4					\$338						\$338
9.06	Countertop	\$400	1971	50	4					\$450						\$450
9.07	Base Cabinets	\$1,000	1971	50	4					\$1,126						\$1,126
9.08	Wall Cabinets	\$1,400	1971	50	4					\$1,576						\$1,576
9.09	Interior Doors	\$1,000	1971	50	4					\$1,126						\$1,126
9.10	Baseboard Heaters	\$1,000	1971	50	4					\$1,126						\$1,126
9.11	Restroom Fixtures	\$1,800	1985	35	3				\$1,967							\$1,967
9.12	Furniture Upgrade Allowance	\$1,610	2000	20	3				\$1,759							\$1,759
10.00	CLUB HOUSE EXTERIOR															
10.01	Tile Repair & Underlayment Replacement	\$12,499	2008	30	21											
10.02	Gutters	\$1,240	2008	30	21											
10.03	Downspouts	\$400	2008	30	21											
10.04	Iron Gate & Hardware - Repair/Replace Allowance	\$1,000	2008	10	1		\$1,030									\$1,030
10.05	Pool Pump Room Doors	\$1,833	2016	35	34											
10.06	Exterior Wood Doors	\$5,490	1985	40	8									\$6,955		\$6,955
10.07	Sliding Glass Doors	\$3,000	1985	35	3				\$3,278							\$3,278
10.08	Window Repair/Replace Allowance	\$1,500	1985	35	3				\$1,639							\$1,639
11.00	GARAGES															
11.01	Composition Shingle Roof	\$185,291	1993	40	16											
11.02	Gutters	\$25,840	1993	40	16											
11.03	Downspouts	\$14,720	1993	40	16											
12.00	RESIDENTIAL BLDG EXTERIOR															
12.01	Roof, Gutter, Downspout Repair/Replace Allowance	\$5,000	2015	3	1		\$5,150			\$5,628			\$6,149			\$16,927
12.02	Composition Roof	\$351,888	1993	40	16											
12.03	Gutters	\$48,180	1993	40	16											
12.04	Downspouts	\$41,910	1993	40	16											
13.00	PAINT SITE															
13.01	Paint All Wood & Metal Components (See Note)	\$71,683	2017	6	6	\$71,683						\$85,593				\$157,277
13.02	Paint Exterior Stucco	\$85,111	2017	12	12	\$85,111										\$85,111
13.03	Paint Interior of Club House/Restrooms	\$2,510	2010	12	5						\$2,910					\$2,910
13.04	Paint Masonry Wall @ Property Line	\$6,420	2014	12	9										\$8,377	\$8,377
14.00	SIDING & TRIM REPLACEMENT ALLOWANCE															
14.01	Bldg Inspections/Construction Mgmt for Siding/Trim/Paint	\$15,000	2017	6	6	\$15,000						\$17,911				\$32,911
14.02	Stucco Replacement Allowance - Done w/Painting	\$15,000	2017	12	12	\$15,000										\$15,000
14.03	Wood Siding Replacement Allowance - Done w/Painting	\$15,000	2017	6	6	\$15,000						\$17,911				\$32,911
14.04	Fascia/Trim/Util. Closet/Belly Band Replace Allow. - w/Paint	\$15,000	2017	6	6	\$15,000						\$17,911				\$32,911
14.05	Siding, Trim, Fascia & Belly Band Major Repairs	\$277,149	2017	24	24	\$277,149										\$277,149
15.00	MAINTENANCE ALLOWANCE															
15.01	Site Wood Repairs (Including Solar Structure & Trellis)	\$15,000	2020	3	3				\$16,391			\$17,911			\$19,572	\$53,873
15.02	Plumbing Repair/Replacement Allowance	\$3,400	2015	3	1		\$3,502			\$3,827			\$4,182			\$11,510
16.00	MISCELLANEOUS															
16.01	Annual Reserve Study	\$625	2015	3	1		\$644			\$703			\$769			\$2,116
16.02	Annual Reserve Study	\$625	2016	3	2			\$663			\$725			\$792		\$2,179
16.03	Site Inspection Reserve Study	\$1,275	2014	3	0	\$1,275			\$1,393			\$1,522			\$1,664	\$5,854

UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS	5.00%					\$26,076	\$3,588	\$2,483	\$8,215	\$5,112	\$1,500	\$9,097	\$5,082	\$4,439	\$2,747	\$0
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INFLATION FACTOR	3.00%					1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	
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7.00 A PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS																
COMPONENT		CURRENT	YEAR	USEFL	RMNG	YR. 1	YR. 2	YR. 3	YR. 4	YR. 5	YR. 6	YR. 7	YR. 8	YR. 9	YR. 10	TOTAL
CODE	DESCRIPTION	COST	NEW	LIFE	LIFE	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 YRS.
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE						\$547,601	\$75,347	\$52,150	\$172,525	\$107,345	\$31,504	\$191,030	\$106,715	\$93,214	\$57,681	\$1,366,774

7.00 B PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS

COMPONENT		REPLACE/	YEAR	USEFL	RMNG	YR. 11	YR. 12	YR. 13	YR. 14	YR. 15	YR. 16	YR. 17	YR. 18	YR. 19	YR. 20	TOTAL
CODE	DESCRIPTION	REPAIR CST	NEW	LIFE	LIFE	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2nd 10 Yrs
1.00	SIGNAGE															
1.01	Carved Wood Entrance Signs	\$4,000	1995	25	3											
1.02	Pool Signs Replace/Upgrade As needed	\$350	2009	10	2			\$499								\$499
1.03	Directory Sign	\$2,311	2015	15	13				\$3,394							\$3,394
1.04	Misc. Street Sign Replacement	\$1,000	2005	15	3									\$1,702		\$1,702
2.00	ASPHALT															
2.01	Asphalt Sealing	\$14,236	2012	6	1				\$20,907						\$24,963	\$45,870
2.02	Painted Curb & Striping	\$1,000	2012	6	1				\$1,469						\$1,754	\$3,222
2.03	Asphalt Repairs - Ongoing Allowance ~ 10% of Total	\$25,000	2012	6	1				\$36,713						\$43,838	\$80,551
2.04	Asphalt Future Major Repair/Replacement - 50%	\$201,165	1971	65	19										\$352,744	\$352,744
2.05	Asphalt Future Major Repair/Replacement - 50%	\$201,165	1971	70	24											
3.00	CONCRETE															
3.01	Annual Replacement Allowances	\$3,500	2016	1	0	\$4,704	\$4,845	\$4,990	\$5,140	\$5,294	\$5,453	\$5,616	\$5,785	\$5,959	\$6,137	\$53,923
3.02	Pool Decking	\$66,100	1971	60	14					\$99,982						\$99,982
3.03	Concrete Gutters in Parking Areas	\$26,433	1971	48	2											
4.00	RETAINING WALLS															
4.01	Wood - 1' @ Property Line	\$13,880	1985	35	3											
4.02	Wood - 2' @ Property Line	\$5,000	1985	35	3											
5.00	FENCING															
5.01	Fence Replacement Allowance ~ 5% Annually (See Note)	\$4,408	2016	1	0	\$5,924	\$6,102	\$6,285	\$6,473	\$6,667	\$6,867	\$7,073	\$7,286	\$7,504	\$7,729	\$67,910
5.02	Iron @ Pool	\$10,875	1985	40	8											
5.03	Masonry Wall @ Property Line - Repair/Replace Allowance	\$80,250	1971	60	14					\$121,385						\$121,385
6.00	IRRIGATION, LANDSCAPING & DOMESTIC WATER SYSTEMS															
6.01	System Replacement Allowance - Ongoing	\$1,500	2016	1	0	\$2,016	\$2,076	\$2,139	\$2,203	\$2,269	\$2,337	\$2,407	\$2,479	\$2,554	\$2,630	\$23,110
6.02	Irrigation System Renovation	\$20,862	2010	10	3				\$30,637							\$30,637
6.03	Landscape Enhancement Allowance - Ongoing	\$5,000	2016	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
6.04	Tree Removal/Replacement Allowance - Ongoing	\$5,000	2016	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
6.05	Tree Removal/Replacement Allowance - Major	\$31,182	2015	5	3				\$45,792					\$53,085		\$98,877
6.06	Domestic Backflow Prevention = 8"	\$11,000	2003	35	21											
6.07	Domestic Backflow Prevention = 8"	\$11,000	2008	35	26											
6.08	Irrigation Backflow Prevention	\$1,750	2005	35	23											
6.09	Irrigation Backflow Prevention	\$2,550	2013	35	31											
6.10	Irrigation Backflow Prevention	\$5,100	2014	35	32											
6.11	Domestic Isolation Valve Installation	\$11,000	2014	30	27											
7.00	LIGHTING															
7.01	Light Poles	\$46,200	1971	50	4											
7.02	Pole Light Fixtures	\$10,500	1996	25	4											
7.03	Garage Motion Sensing Spots	\$11,400	1985	35	3											
7.04	Club House Exterior Carriage Fixtures	\$900	1985	35	3											
7.05	Club House Interior Fixtures (Inventory in Notes)	\$2,400	2013	35	31											
7.06	Pool Light	\$400	1995	25	3											
8.00	SWIMMING POOL															
8.01	Drainage Upgrade Allowance	\$2,500	2009	15	7											
8.02	Replastering	\$10,380	2009	15	7											
8.03	Coping	\$4,080	2009	30	22											
8.04	Tile	\$3,140	2009	30	22											
8.05	Seal Coping/Walk Joint	\$1,088	2009	7	-1					\$1,646						\$1,646
8.06	Heater (Used as a backup to solar)	\$2,500	1995	30	8											
8.07	Filter (repairs in 2015)	\$1,800	1995	25	3											
8.08	Filter Pump	\$1,170	2014	15	12			\$1,668								\$1,668
8.09	Chlorinator	\$750	2005	10	-2	\$1,008										\$1,008
8.10	Solar Controller	\$750	1995	20	-2											
8.11	Solar Pump	\$850	1995	25	3											
8.12	Solar Panels	\$10,500	1995	25	3											

7.00 B PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS

COMPONENT		REPLACE/	YEAR	USEFL	RMNG	YR. 11	YR. 12	YR. 13	YR. 14	YR. 15	YR. 16	YR. 17	YR. 18	YR. 19	YR. 20	TOTAL
CODE	DESCRIPTION	REPAIR CST	NEW	LIFE	LIFE	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2nd 10 Yrs
8.13	Furniture Replacement Allowance	\$3,339	2012	5	0	\$4,487					\$5,201					\$9,688
9.00	CLUB HOUSE INTERIOR															
9.01	Re-Finish Parquet Floors	\$972	1999	15	-3						\$1,514					\$1,514
9.02	Parquet Floors	\$5,832	1999	30	12			\$8,315								\$8,315
9.03	Toilet Partitions	\$5,000	1985	35	3											
9.04	Kitchen - 2-burner stove	\$600	1971	50	4											
9.05	Kitchen - Exhaust fan	\$300	1971	50	4											
9.06	Countertop	\$400	1971	50	4											
9.07	Base Cabinets	\$1,000	1971	50	4											
9.08	Wall Cabinets	\$1,400	1971	50	4											
9.09	Interior Doors	\$1,000	1971	50	4											
9.10	Baseboard Heaters	\$1,000	1971	50	4											
9.11	Restroom Fixtures	\$1,800	1985	35	3											
9.12	Furniture Upgrade Allowance	\$1,610	2000	20	3											
10.00	CLUB HOUSE EXTERIOR															
10.01	Tile Repair & Underlayment Replacement	\$12,499	2008	30	21											
10.02	Gutters	\$1,240	2008	30	21											
10.03	Downspouts	\$400	2008	30	21											
10.04	Iron Gate & Hardware - Repair/Replace Allowance	\$1,000	2008	10	1		\$1,384									\$1,384
10.05	Pool Pump Room Doors	\$1,833	2016	35	34											
10.06	Exterior Wood Doors	\$5,490	1985	40	8											
10.07	Sliding Glass Doors	\$3,000	1985	35	3											
10.08	Window Repair/Replace Allowance	\$1,500	1985	35	3											
11.00	GARAGES															
11.01	Composition Shingle Roof	\$185,291	1993	40	16						\$297,337					\$297,337
11.02	Gutters	\$25,840	1993	40	16						\$41,466					\$41,466
11.03	Downspouts	\$14,720	1993	40	16						\$23,621					\$23,621
12.00	RESIDENTIAL BLDG EXTERIOR															
12.01	Roof, Gutter, Downspout Repair/Replace Allowance	\$5,000	2015	3	1	\$6,720			\$7,343		\$8,024			\$8,768		\$30,853
12.02	Composition Roof	\$351,888	1993	40	16						\$564,677					\$564,677
12.03	Gutters	\$48,180	1993	40	16						\$77,315					\$77,315
12.04	Downspouts	\$41,910	1993	40	16						\$67,253					\$67,253
13.00	PAINT SITE															
13.01	Paint All Wood & Metal Components (See Note)	\$71,683	2017	6	6			\$102,203						\$122,036		\$224,239
13.02	Paint Exterior Stucco	\$85,111	2017	12	12			\$121,348								\$121,348
13.03	Paint Interior of Club House/Restrooms	\$2,510	2010	12	5								\$4,149			\$4,149
13.04	Paint Masonry Wall @ Property Line	\$6,420	2014	12	9											
14.00	SIDING & TRIM REPLACEMENT ALLOWANCE															
14.01	Bldg Inspections/Construction Mgmt for Siding/Trim/Paint	\$15,000	2017	6	6			\$21,386						\$25,536		\$46,923
14.02	Stucco Replacement Allowance - Done w/Painting	\$15,000	2017	12	12			\$21,386								\$21,386
14.03	Wood Siding Replacement Allowance - Done w/Painting	\$15,000	2017	6	6			\$21,386						\$25,536		\$46,923
14.04	Fascia/Trim/Util. Closet/Belly Band Replace Allow. - w/Paint	\$15,000	2017	6	6			\$21,386						\$25,536		\$46,923
14.05	Siding, Trim, Fascia & Belly Band Major Repairs	\$277,149	2017	24	24											
15.00	MAINTENANCE ALLOWANCE															
15.01	Site Wood Repairs (Including Solar Structure & Trellis)	\$15,000	2020	3	3			\$21,386			\$23,370			\$25,536		\$70,292
15.02	Plumbing Repair/Replacement Allowance	\$3,400	2015	3	1	\$4,569			\$4,993		\$5,456			\$5,962		\$20,980
16.00	MISCELLANEOUS															
16.01	Annual Reserve Study	\$625	2015	3	1	\$840			\$918		\$1,003			\$1,096		\$3,857
16.02	Annual Reserve Study	\$625	2016	3	2		\$865			\$945		\$1,033				\$2,844
16.03	Site Inspection Reserve Study	\$1,275	2014	3	0			\$1,818			\$1,986			\$2,171		\$5,975

UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS	5.00%		\$2,185	\$1,456	\$18,523	\$9,033	\$12,666	\$3,115	\$55,865	\$1,863	\$15,709	\$23,658	\$0
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INFLATION FACTOR	3.00%		1.34	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75
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7.00 B PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS																
COMPONENT		REPLACE/	YEAR	USEFL	RMNG	YR. 11	YR. 12	YR. 13	YR. 14	YR. 15	YR. 16	YR. 17	YR. 18	YR. 19	YR. 20	TOTAL
CODE	DESCRIPTION	REPAIR CST	NEW	LIFE	LIFE	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2nd 10 Yrs
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE						\$45,891	\$30,570	\$388,977	\$189,699	\$265,980	\$65,424	\$1,173,160	\$39,123	\$329,890	\$496,814	\$2,881,456

7.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

COMPONENT		REPLACE/	YEAR	USEFL	RMNG	YR. 21	YR. 22	YR. 23	YR. 24	YR. 25	YR. 26	YR. 27	YR. 28	YR. 29	YR. 30	TOTAL
CODE	DESCRIPTION	REPAIR CST	NEW	LIFE	LIFE	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	3rd 10 Yrs
1.00	SIGNAGE															
1.01	Carved Wood Entrance Signs	\$4,000	1995	25	3									\$9,152		\$9,152
1.02	Pool Signs Replace/Upgrade As needed	\$350	2009	10	2			\$671								\$671
1.03	Directory Sign	\$2,311	2015	15	13									\$5,288		\$5,288
1.04	Misc. Street Sign Replacement	\$1,000	2005	15	3											
2.00	ASPHALT															
2.01	Asphalt Sealing	\$14,236	2012	6	1						\$29,808					\$29,808
2.02	Painted Curb & Striping	\$1,000	2012	6	1						\$2,094					\$2,094
2.03	Asphalt Repairs - Ongoing Allowance ~ 10% of Total	\$25,000	2012	6	1						\$52,344					\$52,344
2.04	Asphalt Future Major Repair/Replacement - 50%	\$201,165	1971	65	19											
2.05	Asphalt Future Major Repair/Replacement - 50%	\$201,165	1971	70	24					\$408,928						\$408,928
3.00	CONCRETE															
3.01	Annual Replacement Allowances	\$3,500	2016	1	0	\$6,321	\$6,511	\$6,706	\$6,908	\$7,115	\$7,328	\$7,548	\$7,775	\$8,008	\$8,248	\$72,468
3.02	Pool Decking	\$66,100	1971	60	14											
3.03	Concrete Gutters in Parking Areas	\$26,433	1971	48	2											
4.00	RETAINING WALLS															
4.01	Wood - 1' @ Property Line	\$13,880	1985	35	3											
4.02	Wood - 2' @ Property Line	\$5,000	1985	35	3											
5.00	FENCING															
5.01	Fence Replacement Allowance ~ 5% Annually (See Note)	\$4,408	2016	1	0	\$7,961	\$8,200	\$8,446	\$8,699	\$8,960	\$9,229	\$9,506	\$9,791	\$10,085	\$10,387	\$91,265
5.02	Iron @ Pool	\$10,875	1985	40	8											
5.03	Masonry Wall @ Property Line - Repair/Replace Allowance	\$80,250	1971	60	14											
6.00	IRRIGATION, LANDSCAPING & DOMESTIC WATER SYSTEMS															
6.01	System Replacement Allowance - Ongoing	\$1,500	2016	1	0	\$2,709	\$2,790	\$2,874	\$2,960	\$3,049	\$3,141	\$3,235	\$3,332	\$3,432	\$3,535	\$31,058
6.02	Irrigation System Renovation	\$20,862	2010	10	3				\$41,173							\$41,173
6.03	Landscape Enhancement Allowance - Ongoing	\$5,000	2016	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	\$103,525
6.04	Tree Removal/Replacement Allowance - Ongoing	\$5,000	2016	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	\$103,525
6.05	Tree Removal/Replacement Allowance - Major	\$31,182	2015	5	3				\$61,540					\$71,342		\$132,883
6.06	Domestic Backflow Prevention = 8"	\$11,000	2003	35	21		\$20,463									\$20,463
6.07	Domestic Backflow Prevention = 8"	\$11,000	2008	35	26							\$23,723				\$23,723
6.08	Irrigation Backflow Prevention	\$1,750	2005	35	23				\$3,454							\$3,454
6.09	Irrigation Backflow Prevention	\$2,550	2013	35	31											
6.10	Irrigation Backflow Prevention	\$5,100	2014	35	32											
6.11	Domestic Isolation Valve Installation	\$11,000	2014	30	27								\$24,434			\$24,434
7.00	LIGHTING															
7.01	Light Poles	\$46,200	1971	50	4											
7.02	Pole Light Fixtures	\$10,500	1996	25	4										\$24,744	\$24,744
7.03	Garage Motion Sensing Spots	\$11,400	1985	35	3											
7.04	Club House Exterior Carriage Fixtures	\$900	1985	35	3											
7.05	Club House Interior Fixtures (Inventory in Notes)	\$2,400	2013	35	31											
7.06	Pool Light	\$400	1995	25	3									\$915		\$915
8.00	SWIMMING POOL															
8.01	Drainage Upgrade Allowance	\$2,500	2009	15	7			\$4,790								\$4,790
8.02	Replastering	\$10,380	2009	15	7			\$19,889								\$19,889
8.03	Coping	\$4,080	2009	30	22			\$7,818								\$7,818
8.04	Tile	\$3,140	2009	30	22			\$6,017								\$6,017
8.05	Seal Coping/Walk Joint	\$1,088	2009	7	-1		\$2,024							\$2,489		\$4,513
8.06	Heater (Used as a backup to solar)	\$2,500	1995	30	8											
8.07	Filter (repairs in 2015)	\$1,800	1995	25	3									\$4,118		\$4,118
8.08	Filter Pump	\$1,170	2014	15	12								\$2,599			\$2,599
8.09	Chlorinator	\$750	2005	10	-2	\$1,355										\$1,355
8.10	Solar Controller	\$750	1995	20	-2	\$1,355										\$1,355
8.11	Solar Pump	\$850	1995	25	3									\$1,945		\$1,945
8.12	Solar Panels	\$10,500	1995	25	3									\$24,023		\$24,023

7.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

COMPONENT		REPLACE/	YEAR	USEFL	RMNG	YR. 21	YR. 22	YR. 23	YR. 24	YR. 25	YR. 26	YR. 27	YR. 28	YR. 29	YR. 30	TOTAL
CODE	DESCRIPTION	REPAIR CST	NEW	LIFE	LIFE	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	3rd 10 Yrs
8.13	Furniture Replacement Allowance	\$3,339	2012	5	0	\$6,030					\$6,990					\$13,020
9.00	CLUB HOUSE INTERIOR															
9.01	Re-Finish Parquet Floors	\$972	1999	15	-3											
9.02	Parquet Floors	\$5,832	1999	30	12											
9.03	Toilet Partitions	\$5,000	1985	35	3											
9.04	Kitchen - 2-burner stove	\$600	1971	50	4											
9.05	Kitchen - Exhaust fan	\$300	1971	50	4											
9.06	Countertop	\$400	1971	50	4											
9.07	Base Cabinets	\$1,000	1971	50	4											
9.08	Wall Cabinets	\$1,400	1971	50	4											
9.09	Interior Doors	\$1,000	1971	50	4											
9.10	Baseboard Heaters	\$1,000	1971	50	4											
9.11	Restroom Fixtures	\$1,800	1985	35	3											
9.12	Furniture Upgrade Allowance	\$1,610	2000	20	3				\$3,177							\$3,177
10.00	CLUB HOUSE EXTERIOR															
10.01	Tile Repair & Underlayment Replacement	\$12,499	2008	30	21		\$23,252									\$23,252
10.02	Gutters	\$1,240	2008	30	21		\$2,307									\$2,307
10.03	Downspouts	\$400	2008	30	21		\$744									\$744
10.04	Iron Gate & Hardware - Repair/Replace Allowance	\$1,000	2008	10	1		\$1,860									\$1,860
10.05	Pool Pump Room Doors	\$1,833	2016	35	34											
10.06	Exterior Wood Doors	\$5,490	1985	40	8											
10.07	Sliding Glass Doors	\$3,000	1985	35	3											
10.08	Window Repair/Replace Allowance	\$1,500	1985	35	3											
11.00	GARAGES															
11.01	Composition Shingle Roof	\$185,291	1993	40	16											
11.02	Gutters	\$25,840	1993	40	16											
11.03	Downspouts	\$14,720	1993	40	16											
12.00	RESIDENTIAL BLDG EXTERIOR															
12.01	Roof, Gutter, Downspout Repair/Replace Allowance	\$5,000	2015	3	1			\$9,581			\$10,469			\$11,440		\$31,489
12.02	Composition Roof	\$351,888	1993	40	16											
12.03	Gutters	\$48,180	1993	40	16											
12.04	Downspouts	\$41,910	1993	40	16											
13.00	PAINT SITE															
13.01	Paint All Wood & Metal Components (See Note)	\$71,683	2017	6	6					\$145,717						\$145,717
13.02	Paint Exterior Stucco	\$85,111	2017	12	12					\$173,013						\$173,013
13.03	Paint Interior of Club House/Restrooms	\$2,510	2010	12	5										\$5,916	\$5,916
13.04	Paint Masonry Wall @ Property Line	\$6,420	2014	12	9		\$11,943									\$11,943
14.00	SIDING & TRIM REPLACEMENT ALLOWANCE															
14.01	Bldg Inspections/Construction Mgmt for Siding/Trim/Paint	\$15,000	2017	6	6					\$30,492						\$30,492
14.02	Stucco Replacement Allowance - Done w/Painting	\$15,000	2017	12	12					\$30,492						\$30,492
14.03	Wood Siding Replacement Allowance - Done w/Painting	\$15,000	2017	6	6					\$30,492						\$30,492
14.04	Fascia/Trim/Util. Closet/Belly Band Replace Allow.- w/Paint	\$15,000	2017	6	6					\$30,492						\$30,492
14.05	Siding, Trim, Fascia & Belly Band Major Repairs	\$277,149	2017	24	24					\$563,387						\$563,387
15.00	MAINTENANCE ALLOWANCE															
15.01	Site Wood Repairs (Including Solar Structure & Trellis)	\$15,000	2020	3	3		\$27,904			\$30,492			\$33,319			\$91,716
15.02	Plumbing Repair/Replacement Allowance	\$3,400	2015	3	1			\$6,515			\$7,119			\$7,779		\$21,413
16.00	MISCELLANEOUS															
16.01	Annual Reserve Study	\$625	2015	3	1			\$1,198			\$1,309			\$1,430		\$3,936
16.02	Annual Reserve Study	\$625	2016	3	2	\$1,129			\$1,233			\$1,348			\$1,473	\$5,183
16.03	Site Inspection Reserve Study	\$1,275	2014	3	0		\$2,372			\$2,592			\$2,832			\$7,796

UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS	5.00%		\$2,246	\$6,449	\$4,683	\$7,444	\$74,277	\$7,538	\$3,346	\$5,315	\$9,216	\$3,893	\$0
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INFLATION FACTOR	3.00%		1.81	1.86	1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36
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7.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS																
COMPONENT		REPLACE/	YEAR	USEFL	RMNG	YR. 21	YR. 22	YR. 23	YR. 24	YR. 25	YR. 26	YR. 27	YR. 28	YR. 29	YR. 30	TOTAL
CODE	DESCRIPTION	REPAIR CST	NEW	LIFE	LIFE	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	3rd 10 Yrs
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE						\$47,167	\$135,423	\$98,348	\$156,325	\$1,559,825	\$158,307	\$70,271	\$111,610	\$193,541	\$81,762	\$2,488,171

8.00 PROCEDURES & METHODOLOGIES

DAVIS-STIRLING ACT PROCEDURES & REQUIREMENTS

Current Davis-Stirling statutes 5300 & 5550 ((old 1365 & 1365.5)) require the Association to Review the Reserve Study on an annual basis and implement any necessary adjustments regarding component performance, replacement and/or deferral; as well as recalculation of financial figures based on that review and current financial data. Additionally, Statute 5550 ((old 1365.5)) continues to require a Site Inspection based Update of the complete Study at a minimum every three years. The Reserve Study is to include:

- Identification of the major components.
- Establishment of reasonable life expectancies and remaining life of all components.
- Projected estimated cost of all repair and replacements.
- Development of a 30 year Funding Plan which identifies date and amount of regular and special assessments.
- Calculation of Percent Funded and amount of per unit deficiency.
- Statement of methodology.
- Additionally, calculation of 5570 ((old 1365.2.5)) Reserve Summary and Disclosure Document.

SCOPE OF STUDY

The time frame covered by this analysis is from 2017 through 2046. These are the beginning and ending points for all repairs and replacements included in the 30 Year Funding Plan included in this study.

STATEMENT OF RESERVE STUDY METHODOLOGY

The components included in this analysis were identified by age, quantity, and type. Upon completion of the component list and the Reserve Fund Requirement Analysis, the report was presented to the Homeowners Association's Board for approval. The following sources were used, when applicable, to make our determinations:

- Original plans and specifications
- Original contractors, current contractors and vendors
- Association maintenance staff
- Association management
- Association Board of Directors

While gathering this information there were some assumptions made regarding existing conditions, future conditions and additional circumstances that may occur that would affect the cost of repairs. Some of these assumptions may come true and others may not; therefore, the cost of repairs and life of certain components could vary substantially. Life expectancies of all components were based on industry standard experiences, and on the components being in reasonable and ordinary condition.

All component conditions were based on visual inspection. There was no disassembly of components or demolition involved. This report does not address any factory or product defects or any damage due to improper maintenance, system design, or installation. It's also assumed all components will receive reasonable maintenance for their remaining life.

Only components that met the following criteria were included in this report:

- The component maintenance is the responsibility of the Association.
- The component is not covered by the Association's Annual Operating Budget.
- The component's useful life is greater than one year, except in the case of variable ongoing repair of a major component
- The component has an identifiable expected cost and replacement cost.
- Inclusion in the Funding plan requires the component's remaining estimated useful life is less than 30 years.

The Reserve Study includes a 30 year component expenditure projection from which a Funding Plan was developed which proposes a "schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the Reserve Funding Plan." The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account that will enable the Association to fulfill its "obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less." It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The cost projections in this report are inflated based on an "assumed long-term inflation rate" based on a 30 year average and adjusted for local economies. The Funding Plan in this report includes an "assumed long-term interest rate" which is not to exceed "2% above the discount rate published by the Federal Reserve Bank of San Francisco." Both rates were reviewed in the Preliminary Draft and approved by the Board of Directors.

9.00

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
This update did NOT include a site inspection. All condition ratings are as of the previous site inspection update and may have changed.									
1.00	SIGNAGE								
1.01	Carved Wood Entrance Signs	1995	25	FAIR		2	EA.	\$2,000.00	\$4,000
1.02	Pool Signs Replace/Upgrade As needed	2009	10	AS NEEDED		1	EA.	\$350.00	\$350
1.03	Directory Sign	2015	15	GOOD		2	EA.	\$1,155.70	\$2,311
1.04	Misc. Street Sign Replacement	2005	15	AS NEEDED		1	L.S.	\$1,000.00	\$1,000
2.00	ASPHALT								
2.01	Asphalt Sealing	2012	6	FAIR		61897	S.F.	\$0.23	\$14,236
2.02	Painted Curb & Striping	2012	6	FAIR		1	L.S.	\$1,000.00	\$1,000
2.03	Asphalt Repairs - Ongoing Allowance ~ 10% of Total	2012	6	AS NEEDED		1	L.S.	\$25,000.00	\$25,000
2.04	Asphalt Future Major Repair/Replacement - 50%	1971	65	FAIR		61897	S.F.	\$3.25	\$201,165
2.05	Asphalt Future Major Repair/Replacement - 50%	1971	70	FAIR		61897	S.F.	\$3.25	\$201,165
3.00	CONCRETE								
3.01	Annual Replacement Allowances	2016	1	AS NEEDED		1	L.S.	\$3,500.00	\$3,500
3.02	Pool Decking	1971	60	FAIR		3305	S.F.	\$20.00	\$66,100
3.03	Concrete Gutters in Parking Areas	1971	48	FAIR/POOR		1762	S.F.	\$15.00	\$26,433
4.00	RETAINING WALLS								
4.01	Wood - 1' @ Property Line	1985	35	FAIR		347	L.F.	\$40.00	\$13,880
4.02	Wood - 2' @ Property Line	1985	35	FAIR		100	L.F.	\$50.00	\$5,000
5.00	FENCING								
5.01	Fence Replacement Allowance ~ 5% Annually (See Note)	2016	1	AS NEEDED	Yes	1	L.S.	\$4,407.88	\$4,408
5.02	Iron @ Pool	1985	40	GOOD/FAIR		145	L.F.	\$75.00	\$10,875
5.03	Masonry Wall @ Property Line - Repair/Replace Allowance	1971	60	FAIR		535	L.F.	\$150.00	\$80,250
6.00	IRRIGATION, LANDSCAPING & DOMESTIC WATER SYSTEMS								
6.01	System Replacement Allowance - Ongoing	2016	1	AS NEEDED		1	L.S.	\$1,500.00	\$1,500
6.02	Irrigation System Renovation	2010	10	GOOD		1	L.S.	\$20,862.00	\$20,862
6.03	Landscape Enhancement Allowance - Ongoing	2016	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
6.04	Tree Removal/Replacement Allowance - Ongoing	2016	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
6.05	Tree Removal/Replacement Allowance - Major	2015	5	AS NEEDED		1	L.S.	\$31,182.00	\$31,182
6.06	Domestic Backflow Prevention = 8"	2003	35	GOOD		1	EA.	\$11,000.00	\$11,000
6.07	Domestic Backflow Prevention = 8"	2008	35	GOOD		1	EA.	\$11,000.00	\$11,000
6.08	Irrigation Backflow Prevention	2005	35	GOOD		1	EA.	\$1,750.00	\$1,750
6.09	Irrigation Backflow Prevention	2013	35	GOOD		1	EA.	\$2,550.00	\$2,550
6.10	Irrigation Backflow Prevention	2014	35	GOOD		2	EA.	\$2,550.00	\$5,100
6.11	Domestic Isolation Valve Installation	2014	30	AS NEEDED		1	EA.	\$11,000.00	\$11,000
7.00	LIGHTING								

9.00

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
7.01	Light Poles	1971	50	FAIR		42	EA.	\$1,100.00	\$46,200
7.02	Pole Light Fixtures	1996	25	FAIR		42	EA.	\$250.00	\$10,500
7.03	Garage Motion Sensing Spots	1985	35	FAIR		76	EA.	\$150.00	\$11,400
7.04	Club House Exterior Carriage Fixtures	1985	35	FAIR		6	EA.	\$150.00	\$900
7.05	Club House Interior Fixtures (Inventory in Notes)	2013	35	GOOD	Yes	1	L.S.	\$2,400.00	\$2,400
7.06	Pool Light	1995	25	AS NEEDED		1	EA.	\$400.00	\$400
8.00	SWIMMING POOL								
8.01	Drainage Upgrade Allowance	2009	15	GOOD		1	L.S.	\$2,500.00	\$2,500
8.02	Replastering	2009	15	GOOD		173	S.Y.	\$60.00	\$10,380
8.03	Coping	2009	30	GOOD		136	L.F.	\$30.00	\$4,080
8.04	Tile	2009	30	GOOD		157	L.F.	\$20.00	\$3,140
8.05	Seal Coping/Walk Joint	2009	7	AS NEEDED		136	L.F.	\$8.00	\$1,088
8.06	Heater (Used as a backup to solar)	1995	30	AS NEEDED		1	EA.	\$2,500.00	\$2,500
8.07	Filter (repairs in 2015)	1995	25	AS NEEDED		1	EA.	\$1,800.00	\$1,800
8.08	Filter Pump	2014	15	GOOD		1	EA.	\$1,170.00	\$1,170
8.09	Chlorinator	2005	10	AS NEEDED		1	EA.	\$750.00	\$750
8.10	Solar Controller	1995	20	AS WANTED		1	EA.	\$750.00	\$750
8.11	Solar Pump	1995	25	AS WANTED		1	EA.	\$850.00	\$850
8.12	Solar Panels	1995	25	AS WANTED		14	EA.	\$750.00	\$10,500
8.13	Furniture Replacement Allowance	2012	5	GOOD		1	L.S.	\$3,338.62	\$3,339
9.00	CLUB HOUSE INTERIOR								
9.01	Re-Finish Parquet Floors	1999	15	POOR		486	S.F.	\$2.00	\$972
9.02	Parquet Floors	1999	30	FAIR		486	S.F.	\$12.00	\$5,832
9.03	Toilet Partitions	1985	35	FAIR		5	EA.	\$1,000.00	\$5,000
9.04	Kitchen - 2-burner stove	1971	50	AS WANTED		1	EA.	\$600.00	\$600
9.05	Kitchen - Exhaust fan	1971	50	AS WANTED		1	EA.	\$300.00	\$300
9.06	Countertop	1971	50	AS WANTED		4	L.F.	\$100.00	\$400
9.07	Base Cabinets	1971	50	AS WANTED		4	L.F.	\$250.00	\$1,000
9.08	Wall Cabinets	1971	50	AS WANTED		4	L.F.	\$350.00	\$1,400
9.09	Interior Doors	1971	50	AS WANTED		2	EA.	\$500.00	\$1,000
9.10	Baseboard Heaters	1971	50	AS NEEDED		2	EA.	\$500.00	\$1,000
9.11	Restroom Fixtures	1985	35	FAIR		6	EA.	\$300.00	\$1,800
9.12	Furniture Upgrade Allowance	2000	20	AS WANTED	Yes	1	L.S.	\$1,610.00	\$1,610
10.00	CLUB HOUSE EXTERIOR								
10.01	Tile Repair & Underlayment Replacement	2008	30	GOOD		1250	S.F.	\$10.00	\$12,499
10.02	Gutters	2008	30	GOOD		124	L.F.	\$10.00	\$1,240

9.00

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
10.03	Downspouts	2008	30	GOOD		40	L.F.	\$10.00	\$400
10.04	Iron Gate & Hardware - Repair/Replace Allowance	2008	10	AS NEEDED		1	EA.	\$1,000.00	\$1,000
10.05	Pool Pump Room Doors	2016	35	IN PROGRESS		2	EA.	\$916.50	\$1,833
10.06	Exterior Wood Doors	1985	40	GOOD/FAIR		6	EA.	\$915.00	\$5,490
10.07	Sliding Glass Doors	1985	35	FAIR		2	EA.	\$1,500.00	\$3,000
10.08	Window Repair/Replace Allowance	1985	35	FAIR		1	L.S.	\$1,500.00	\$1,500
11.00	GARAGES								
11.01	Composition Shingle Roof	1993	40	GOOD/FAIR	Yes	41176	EA.	\$4.50	\$185,291
11.02	Gutters	1993	40	GOOD/FAIR		2584	EA.	\$10.00	\$25,840
11.03	Downspouts	1993	40	GOOD/FAIR		1472	EA.	\$10.00	\$14,720
12.00	RESIDENTIAL BLDG EXTERIOR								
12.01	Roof, Gutter, Downspout Repair/Replace Allowance	2015	3	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
12.02	Composition Roof	1993	40	GOOD/FAIR		78197	S.F.	\$4.50	\$351,888
12.03	Gutters	1993	40	GOOD/FAIR		4818	L.F.	\$10.00	\$48,180
12.04	Downspouts	1993	40	GOOD/FAIR		4191	L.F.	\$10.00	\$41,910
13.00	PAINT SITE								
13.01	Paint All Wood & Metal Components (See Note)	2017	6	To Determine	Yes	1	L.S.	\$71,683.19	\$71,683
13.02	Paint Exterior Stucco	2017	12	To Determine		121587	S.F.	\$0.70	\$85,111
13.03	Paint Interior of Club House/Restrooms	2010	12	GOOD		2510	S.F.	\$1.00	\$2,510
13.04	Paint Masonry Wall @ Property Line	2014	12	GOOD		3210	S.F.	\$2.00	\$6,420
14.00	SIDING & TRIM REPLACEMENT ALLOWANCE								
14.01	Bldg Inspections/Construction Mgmt for Siding/Trim/Paint	2017	6	IN PROGRESS		1	L.S.	\$15,000.00	\$15,000
14.02	Stucco Replacement Allowance - Done w/Painting	2017	12	IN PROGRESS		1	L.S.	\$15,000.00	\$15,000
14.03	Wood Siding Replacement Allowance - Done w/Painting	2017	6	IN PROGRESS		1	L.S.	\$15,000.00	\$15,000
14.04	Fascia/Trim/Util. Closet/Belly Band Replace Allow.- w/Paint	2017	6	IN PROGRESS		1	L.S.	\$15,000.00	\$15,000
14.05	Siding, Trim, Fascia & Belly Band Major Repairs	2017	24	IN PROGRESS		1	L.S.	\$277,149	\$277,149
15.00	MAINTENANCE ALLOWANCE								
15.01	Site Wood Repairs (Including Solar Structure & Trellis)	2020	3	AS NEEDED		1	L.S.	\$15,000.00	\$15,000
15.02	Plumbing Repair/Replacement Allowance	2015	3	AS NEEDED		1	L.S.	\$3,400.00	\$3,400
16.00	MISCELLANEOUS								
16.01	Annual Reserve Study	2015	3	N/A		1	L.S.	\$625.00	\$625
16.02	Annual Reserve Study	2016	3	N/A		1	L.S.	\$625.00	\$625
16.03	Site Inspection Reserve Study	2014	3	N/A		1	L.S.	\$1,275.00	\$1,275

GENERAL NOTES:

1. Where component replacement dates were unavailable, assumptions were made based on the visual condition of the component and its statistical life expectancy.
2. The use of a 0 year life expectancy in this report indicates a project and expenditure intended to occur only one time in the year shown as year new.
3. Per Davis-Stirling Act 5550 ((old 1365.5)), inspections and subsequent condition reports contained within this report were based on visual identification and inspection of accessible areas only. No destructive testing was performed during this inspection.
4. Based on #3, AS APPLICABLE to this property, the Board may want to seek appropriate expert inspection, testing, and opinions for the following component areas. These may include, but are not restricted to:
 - A) Defective construction and component installation
 - B) Dry rot damage
 - C) Pest infestation
 - D) Mold infestation
 - E) Moisture penetration
 - F) Roof inspection and repair
 - G) Balcony, deck and stair condition
 - H) Siding and trim condition
 - I) Window and door installation
5. Units of Measurement abbreviations:
 - L.F. = Linear Feet
 - S.F. = Square Feet
 - S.Y. = Square Yard
 - EA = Each
 - L.S. = Lump Sum
6. Condition Description Rating Guidelines:
 - GOOD = In first ~10% of its Expected Life, and visually in NEW condition.
 - GOOD/FAIR = Between ~10% and 35% of its Expected Life, visually still LIKE new, but not brand new.
 - FAIR = Between ~35% and 65% of its Expected Life, perfectly "operational", but visually showing some deterioration.
 - FAIR/POOR = Between ~65% and 90% of its Expected Life, still functional, but visual deterioration easily found and the need for repair and/or replacement should be monitored closely.
 - POOR = In final ~10% of its Life, is visibly failing, and/or a potential safety hazard -- replace ASAP.
 - AS NEEDED = Component is either a budget allowance of funds for ongoing repair/replacement in the future; or a component that should be replaced whenever it is warranted.
 - PROPOSED = The replacement date for this component has been proposed in the future by the Board of Directors and/or representative.
 - IN PROGRESS = The component is currently being investigated, repaired and/or replaced; and the next Reserve Study Update will incorporate the final details.

Please continue to following page(s) for specific component related inventories and notes:

SPECIFIC NOTES:

MAIN HEADING: 13.00 PAINT SITE

SUB HEADING: 13.01 PAINT ALL WOOD & METAL COMPONENTS

46 Wood @ Property Line - Shared w/ Fremont Av	\$45.00	\$2,047.50
135 Wood @ Property Line - Shared with City Lot	\$45.00	\$6,075.00
231 Wood @ Property Line - Shared with 3 East nei	\$45.00	\$10,395.00
315 Wood @ Property Line - @ School	\$45.00	\$14,175.00
802 Wood @ Units	\$45.00	\$36,090.00
179 Wood @ Trash Enclosure	\$45.00	\$8,055.00
14 Wood Gates @ Trash Enclosure	\$500.00	\$7,000.00
96 Wood @ Pool	\$45.00	\$4,320.00
		<u>\$88,157.50</u>

MAIN HEADING: 7.00 ELECTRICAL

SUB HEADING: 7.05 CLUB HOUSE INTERIOR FIXTURES

1 1-Head Spot	\$100.00	\$100.00
4 Fluorescent Tube Fixtures (4')	\$125.00	\$500.00
2 Ceiling Mount	\$95.00	\$190.00
		<u>\$790.00</u>

MAIN HEADING: 9.00 CLUB HOUSE INTERIOR

SUB HEADING: 9.10 FURNITURE

7 Folding Card Tables	\$50.00	\$350.00
42 Folding Chairs	\$30.00	\$1,260.00
		<u>\$1,610.00</u>

MAIN HEADING: 13.00 PAINT SITE

SUB HEADING: 13.01 PAINT ALL WOOD & METAL COMPONENTS

16354 S.F. of Wood Siding	\$0.80	\$13,083.20
32164 S.F. of Wood Trim, Fascia, Belly Band, Trellis	\$0.80	\$25,731.39
17451 S.F. of Wood Fence	\$1.00	\$17,451.00
1618 S.F. of Wood Retaining Walls	\$0.80	\$1,294.40
145 L.F. of Iron Fence	\$0.80	\$116.00
4818 S.F. of Metal Gutter	\$0.80	\$3,854.40
4191 S.F. of Metal Downspout	\$0.80	\$3,352.80
68 Units of Garage Doors	\$100.00	\$6,800.00
		<u>\$71,683.19</u>

11.00

PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
1.00	SIGNAGE							
1.01	Carved Wood Entrance Signs	\$3,360	1995	25	3	\$4,000	\$160	\$3,520
1.02	Pool Signs Replace/Upgrade As needed	\$245	2009	10	2	\$350	\$35	\$280
1.03	Directory Sign	\$154	2015	15	13	\$2,311	\$154	\$308
1.04	Misc. Street Sign Replacement	\$733	2005	15	3	\$1,000	\$67	\$800
	Category Sub-Total	\$4,492				\$7,661	\$416	\$4,908
2.00	ASPHALT							
2.01	Asphalt Sealing	\$9,491	2012	6	1	\$14,236	\$2,373	\$11,864
2.02	Painted Curb & Striping	\$667	2012	6	1	\$1,000	\$167	\$833
2.03	Asphalt Repairs - Ongoing Allowance ~ 10% of Total	\$16,667	2012	6	1	\$25,000	\$4,167	\$20,833
2.04	Asphalt Future Major Repair/Replacement - 50%	\$139,268	1971	65	19	\$201,165	\$3,095	\$142,363
2.05	Asphalt Future Major Repair/Replacement - 50%	\$129,321	1971	70	24	\$201,165	\$2,874	\$132,194
	Category Sub-Total	\$295,413				\$442,567	\$12,675	\$308,088
3.00	CONCRETE							
3.01	Annual Replacement Allowances	\$3,500	2016	1	0	\$3,500	\$3,500	\$3,500
3.02	Pool Decking	\$49,575	1971	60	14	\$66,100	\$1,102	\$50,677
3.03	Concrete Gutters in Parking Areas	\$24,781	1971	48	2	\$26,433	\$551	\$25,332
	Category Sub-Total	\$77,856				\$96,033	\$5,152	\$79,508
4.00	RETAINING WALLS							
4.01	Wood - 1' @ Property Line	\$12,294	1985	35	3	\$13,880	\$397	\$12,690
4.02	Wood - 2' @ Property Line	\$4,429	1985	35	3	\$5,000	\$143	\$4,571
	Category Sub-Total	\$16,722				\$18,880	\$539	\$17,262
5.00	FENCING							
5.01	Fence Replacement Allowance ~ 5% Annually (See Note)	\$4,408	2016	1	0	\$4,408	\$4,408	\$4,408
5.02	Iron @ Pool	\$8,428	1985	40	8	\$10,875	\$272	\$8,700
5.03	Masonry Wall @ Property Line - Repair/Replace Allowance	\$60,188	1971	60	14	\$80,250	\$1,338	\$61,525
	Category Sub-Total	\$73,024				\$95,533	\$6,017	\$74,633
6.00	IRRIGATION, LANDSCAPING & DOMESTIC WATER SYSTEMS							
6.01	System Replacement Allowance - Ongoing	\$1,500	2016	1	0	\$1,500	\$1,500	\$1,500
6.02	Irrigation System Renovation	\$12,517	2010	10	3	\$20,862	\$2,086	\$14,603
6.03	Landscape Enhancement Allowance - Ongoing	\$5,000	2016	1	0	\$5,000	\$5,000	\$5,000
6.04	Tree Removal/Replacement Allowance - Ongoing	\$5,000	2016	1	0	\$5,000	\$5,000	\$5,000
6.05	Tree Removal/Replacement Allowance - Major	\$6,236	2015	5	3	\$31,182	\$6,236	\$12,473
6.06	Domestic Backflow Prevention = 8"	\$4,086	2003	35	21	\$11,000	\$314	\$4,400
6.07	Domestic Backflow Prevention = 8"	\$2,514	2008	35	26	\$11,000	\$314	\$2,829
6.08	Irrigation Backflow Prevention	\$550	2005	35	23	\$1,750	\$50	\$600
6.09	Irrigation Backflow Prevention	\$219	2013	35	31	\$2,550	\$73	\$291
6.10	Irrigation Backflow Prevention	\$291	2014	35	32	\$5,100	\$146	\$437
6.11	Domestic Isolation Valve Installation	\$733	2014	30	27	\$11,000	\$367	\$1,100
	Category Sub-Total	\$38,647				\$105,944	\$21,086	\$48,233
7.00	LIGHTING							
7.01	Light Poles	\$41,580	1971	50	4	\$46,200	\$924	\$42,504
7.02	Pole Light Fixtures	\$8,400	1996	25	4	\$10,500	\$420	\$8,820
7.03	Garage Motion Sensing Spots	\$10,097	1985	35	3	\$11,400	\$326	\$10,423
7.04	Club House Exterior Carriage Fixtures	\$797	1985	35	3	\$900	\$26	\$823
7.05	Club House Interior Fixtures (Inventory in Notes)	\$206	2013	35	31	\$2,400	\$69	\$274
7.06	Pool Light	\$336	1995	25	3	\$400	\$16	\$352
	Category Sub-Total	\$61,416				\$71,800	\$1,780	\$63,196
8.00	SWIMMING POOL							
8.01	Drainage Upgrade Allowance	\$1,167	2009	15	7	\$2,500	\$167	\$1,333
8.02	Replastering	\$4,844	2009	15	7	\$10,380	\$692	\$5,536
8.03	Coping	\$952	2009	30	22	\$4,080	\$136	\$1,088
8.04	Tile	\$733	2009	30	22	\$3,140	\$105	\$837
8.05	Seal Coping/Walk Joint	\$1,088	2009	7	-1	\$1,088	\$155	\$0
8.06	Heater (Used as a backup to solar)	\$1,750	1995	30	8	\$2,500	\$83	\$1,833
8.07	Filter (repairs in 2015)	\$1,512	1995	25	3	\$1,800	\$72	\$1,584
8.08	Filter Pump	\$156	2014	15	12	\$1,170	\$78	\$234
8.09	Chlorinator	\$750	2005	10	-2	\$750	\$75	\$0

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
8.10	Solar Controller	\$750	1995	20	-2	\$750	\$38	\$0
8.11	Solar Pump	\$714	1995	25	3	\$850	\$34	\$748
8.12	Solar Panels	\$8,820	1995	25	3	\$10,500	\$420	\$9,240
8.13	Furniture Replacement Allowance	\$2,671	2012	5	0	\$3,339	\$668	\$0
Category Sub-Total		\$25,906				\$42,847	\$2,722	\$22,434
9.00	CLUB HOUSE INTERIOR							
9.01	Re-Finish Parquet Floors	\$972	1999	15	-3	\$972	\$65	\$0
9.02	Parquet Floors	\$3,305	1999	30	12	\$5,832	\$194	\$3,499
9.03	Toilet Partitions	\$4,429	1985	35	3	\$5,000	\$143	\$4,571
9.04	Kitchen - 2-burner stove	\$540	1971	50	4	\$600	\$12	\$552
9.05	Kitchen - Exhaust fan	\$270	1971	50	4	\$300	\$6	\$276
9.06	Countertop	\$360	1971	50	4	\$400	\$8	\$368
9.07	Base Cabinets	\$900	1971	50	4	\$1,000	\$20	\$920
9.08	Wall Cabinets	\$1,260	1971	50	4	\$1,400	\$28	\$1,288
9.09	Interior Doors	\$900	1971	50	4	\$1,000	\$20	\$920
9.10	Baseboard Heaters	\$900	1971	50	4	\$1,000	\$20	\$920
9.11	Restroom Fixtures	\$1,594	1985	35	3	\$1,800	\$51	\$1,646
9.12	Furniture Upgrade Allowance	\$1,288	2000	20	3	\$1,610	\$81	\$1,369
Category Sub-Total		\$16,718				\$20,914	\$648	\$16,329
10.00	CLUB HOUSE EXTERIOR							
10.01	Tile Repair & Underlayment Replacement	\$3,333	2008	30	21	\$12,499	\$417	\$3,750
10.02	Gutters	\$331	2008	30	21	\$1,240	\$41	\$372
10.03	Downspouts	\$107	2008	30	21	\$400	\$13	\$120
10.04	Iron Gate & Hardware - Repair/Replace Allowance	\$800	2008	10	1	\$1,000	\$100	\$900
10.05	Pool Pump Room Doors	\$0	2016	35	34	\$1,833	\$52	\$52
10.06	Exterior Wood Doors	\$4,255	1985	40	8	\$5,490	\$137	\$4,392
10.07	Sliding Glass Doors	\$2,657	1985	35	3	\$3,000	\$86	\$2,743
10.08	Window Repair/Replace Allowance	\$1,329	1985	35	3	\$1,500	\$43	\$1,371
Category Sub-Total		\$12,811				\$26,962	\$889	\$13,700
11.00	GARAGES							
11.01	Composition Shingle Roof	\$106,542	1993	40	16	\$185,291	\$4,632	\$111,174
11.02	Gutters	\$14,858	1993	40	16	\$25,840	\$646	\$15,504
11.03	Downspouts	\$8,464	1993	40	16	\$14,720	\$368	\$8,832
Category Sub-Total		\$129,864				\$225,851	\$5,646	\$135,510
12.00	RESIDENTIAL BLDG EXTERIOR							
12.01	Roof, Gutter, Downspout Repair/Replace Allowance	\$1,667	2015	3	1	\$5,000	\$1,667	\$3,333
12.02	Composition Roof	\$202,335	1993	40	16	\$351,888	\$8,797	\$211,133
12.03	Gutters	\$27,704	1993	40	16	\$48,180	\$1,205	\$28,908
12.04	Downspouts	\$24,098	1993	40	16	\$41,910	\$1,048	\$25,146
Category Sub-Total		\$255,804				\$446,978	\$12,716	\$268,520
13.00	PAINT SITE							
13.01	Paint All Wood & Metal Components (See Note)	\$59,736	2017	6	6	\$71,683	\$11,947	\$0
13.02	Paint Exterior Stucco	\$78,018	2017	12	12	\$85,111	\$7,093	\$0
13.03	Paint Interior of Club House/Restrooms	\$1,255	2010	12	5	\$2,510	\$209	\$1,464
13.04	Paint Masonry Wall @ Property Line	\$1,070	2014	12	9	\$6,420	\$535	\$1,605
Category Sub-Total		\$140,079				\$165,724	\$19,784	\$3,069
14.00	SIDING & TRIM REPLACEMENT ALLOWANCE							
14.01	Bldg Inspections/Construction Mgmt for Siding/Trim/Paint	\$12,500	2017	6	6	\$15,000	\$2,500	\$0
14.02	Stucco Replacement Allowance - Done w/Painting	\$13,750	2017	12	12	\$15,000	\$1,250	\$0
14.03	Wood Siding Replacement Allowance - Done w/Painting	\$12,500	2017	6	6	\$15,000	\$2,500	\$0
14.04	Fascia/Trim/Util. Closet/Belly Band Replace Allow.- w/Paint	\$12,500	2017	6	6	\$15,000	\$2,500	\$0
14.05	Siding, Trim, Fascia & Belly Band Major Repairs	\$265,601	2017	24	24	\$277,149	\$11,548	\$0
Category Sub-Total		\$316,851				\$337,149	\$20,298	\$0
15.00	MAINTENANCE ALLOWANCE							
15.01	Site Wood Repairs (Including Solar Structure & Trellis)	\$0	2020	3	3	\$15,000	\$5,000	\$0
15.02	Plumbing Repair/Replacement Allowance	\$1,133	2015	3	1	\$3,400	\$1,133	\$2,267
Category Sub-Total		\$1,133				\$18,400	\$6,133	\$2,267
16.00	MISCELLANEOUS							
16.01	Annual Reserve Study	\$208	2015	3	1	\$625	\$208	\$417

11.00 PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
16.02	Annual Reserve Study	\$0	2016	3	2	\$625	\$208	\$208
16.03	Site Inspection Reserve Study	\$850	2014	3	0	\$1,275	\$425	\$0
Category Sub-Total		\$1,058				\$2,525	\$842	\$625
						Total Value of Components:	<u>\$2,125,768</u>	
						Annual Straight-Line Allocation:	<u>\$117,345</u>	
		2016 End						2017 End
Total Dollars Necessary to be 100% Funded:		\$1,467,795						\$1,058,283
Actual Dollars In Reserve Fund:		\$532,943						\$99,865
Current Fund Deficiency:		\$934,852						\$958,417
Current Per Unit Deficiency:		\$12,301						\$12,611
Percent Funded:		36.31%						9.44%

(Actual dollars/Total Dollars Necessary)

STEPS FOR DETERMINING PERCENT FUNDED:

- Step 1: Calculate for each component a required contribution on a "straight-line" funding methodology.
(total component cost divided by the life expectancy of the component)
- Step 2: Calculate the required dollars in Reserves for each component.
(required annual contribution multiplied by the component's life in service)
- Step 3: Total the required dollars for each component to arrive at "required dollars in bank".
- Step 4: Divide actual dollars in bank by required dollars in bank to arrive at percent funded calculation.

This report includes, but is not limited to*, reserve calculations made using the formula described in section 5570(b)(4) ((old 1365.2.5(b)(4)) of the Davis-Stirling Act:

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

* The future funding levels developed in the Funding Plan of this Reserve Study are derived through cash flow funding calculations.