RESERVE STUDY

Component Analysis and Reserve Fund Study For

> Barron Square HOA 3yr. Update 2012

> > Prepared By

RESERVE ANALYSIS CONSULTING, LLC

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TERMS & CONDITIONS

Barron Square HOA - 3yr. Update 2012 Thain Way Palo Alto, CA

ATTN: Board of Directors

RE: Barron Square HOA - 3yr. Update 2012

Please find enclosed, the Reserve Fund Analysis prepared for your association. The purpose of this analysis is to identify the major components for which the association is responsible to maintain and to project funding requirements adequate to repair/replace or maintain these components in conformance with Califonia Civil Codes § 1365, 1365.5 & 1365.2.5. The underlying principle to 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 § 11365, 1365.5 & 1365.2.5 and in compliance with standards established by the Association of Professional Reserve Analysis (APRA).

Components that meet the following criteria will be 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 components 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 association 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 aud/or it's management or 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 and 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 components. Each components condition, life expectancy and replacement cost evaluations are based on visual inspections only. Inspection will be limited to areas accessible to the inspectors. When components are not accessible, assumptions will be made based on available component statistical information. There will be no disassembly of components or demo-

lition involved. This report will 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 hy 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 iudustry repair or replacement costs and local costs 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 auy necessary adjustments regarding component performance and/or costs. The reliance on any costs included in this Component Analysis is at the discretion and acceptance of the Contractee and/or it's 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. Au inflation factor based on current construction industry index information will be 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 ou these cash flow projections beyond the first funding year of this report.

RESERVE STUDY FINANCIAL SUMMARY

	1
Board of Directors	
Barron Square HOA - 3yr. Update 2012	
Thain Way	
Palo Alto, CA	
	•
2012 NUMBER OF UNITS IN PROJECT:	65
1979 NUMBER OF BUILDINGS ANALYZED:	13
1 YEAR ENDING DATE:	12/31
2011	
Reserve Analysis Consulting, L.L.C.	
2014 (as required by the Davis-Stirling Act - 1997)	
Reserve Analysis Consulting, L.L.C.	
3030 Bridgeway, Suite 330	
caseyo@reserveanalysis.com	
Ms.Deborah McGraw	
PML Management Corporation	
(650) 349-9113	
PML Management Corporation	· .
· ·	
	100
\$236,677 2012 ANNUAL RESERVE CONTRIBUTION:	\$246,757
\$19,723 2012 MONTHLY RESERVE CONTRIBUTION:	\$20,563
\$303.43 2012 UNIT PER MONTH CONTRIBUTION:	\$316.36
N/A 2012 PROPOSED SPECIAL ASSESSMENT:	\$0
\$2,021,017 REQUESTED MINIMUM BALANCE:	N/A
\$1,176,035 2012 PROJECTED BEGINNING YEAR BALANCE:	\$1,176,035
\$13,000 2012 PROJECTED REPLACEMENT EXPENSES:	\$196,550
58.19% ASSUMED LONG-TERM INFLATION RATE:	3.00%
0.50% ASSUMED LONG-TERM INTEREST RATE:	1,50%
	Barron Square HOA - 3yr. Update 2012 Thain Way Palo Alto, CA 2012 NUMBER OF UNITS IN PROJECT: 1979 NUMBER OF BUILDINGS ANALYZED: 1 YEAR ENDING DATE: 2011 Reserve Analysis Consulting, L.L.C. 2012 2014 (as required by the Davis-Stirling Act - 1997) Reserve Analysis Consulting, L.L.C. 3030 Bridgeway, Suite 330 Sausalito, California 94965 Caseyo@reserveanalysis.com Ms.Deborah McGraw PML Management Corporation 655 Mariners Island Blvd., Suite 301 San Mateo, CA 94404 (650) 349-9113 PML Management Corporation 655 Mariners Island Blvd., Suite 301 San Mateo, CA 94404 (650) 349-9113 PML Management Corporation § 5236,677 2012 ANNUAL RESERVE CONTRIBUTION: \$19,723 2012 MONTHLY RESERVE CONTRIBUTION: \$19,723 2012 MONTHLY RESERVE CONTRIBUTION: \$19,723 2012 MONTHLY RESERVE CONTRIBUTION: \$24,017 REQUESTED MINIMUM BALANCE: \$1,176,035 2012 PROJECTED BEGINNING YEAR BALANCE: \$1,3,000 2012 PROJECTED REPLACEMENT EXPENSES: \$8,19% ASSUMED LONG-TERM INFLATION RATE:

NARRATIVE CONCLUSION

PROPERTY DESCRIPTION:

3.00

Barron Square is a 65-member Common Interest Development located in Palo Alto, California.

The components listed here are those the Board of Directors has determined to be the major components which the Association is obligated to reserve for after reviewing its governing documents and/or consulting with legal counsel and other knowledgeable persons. The Board of Directors has determined that the maintenance and repair of major components not included in the reserve fund, if any, shall be funded throug the operations fund budget.

PROPERTY CONDITION:

The Association is generally in good/fair condition.

In 2009 the Association completed a major investigation and repair of it's wood components.

For specific details on component costs, quantities and condition please refer to the accompanying Component Data and Component Notes pages.

FUNDING ANALYSIS:

For specific details please refer to section Reserve Fund Cash Projections.

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 actioned 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, fluctuations in annual revenue, interest and inflation.

RESERVE FUND CASH PROJECTIONS

2011 Average unit per month reserve contribution = \$303.43

2011 Total annual reserve contribution *1 = \$236,677

DESCRIPTION - 1ST 10 YEARS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Projected Beginning Fund Balance	\$1,176,035	\$1,237,499	\$1,400,736	\$1,520,864	\$1,085,307	\$1,015,560	\$1,032,759	\$1,013,268	\$563,404	\$467,490
Proposed percentage increase	4.26%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Proposed unit per month dollar increase	\$12.92	\$15.82	\$16.61	\$17.44	\$18.31	\$19.23	\$20.19	\$21.20	\$22.26	\$23.37
Proposed average unit/month contribution	\$316.36	\$332.17	\$348.78	\$366.22	\$384.53	\$403.76	\$423.95	\$445.14	\$467.40	\$490.77
Proposed Total Annual Contribution *1	\$246,757	\$259,095	\$272,050	\$285,652	\$299,935	\$314,931	\$330,678	\$347,212	\$364,572	\$382,801
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
Proposed Total Special Assessment										
Does special assessment require vote?	*****									
Income from other sources						,				
Total Reserve Fund Available	\$1,422,792	\$1,496,594	\$1,672,785	\$1,806,516	\$1,385,241	\$1,330,491	\$1,363,437	\$1,360,480	\$927,977	\$850,291
Proposed inflated yearly expenditures	\$196,550	\$108,600	\$165,756	\$731,082	\$378,920	\$307,126	\$359,386	\$802,201	\$464,739	\$605,112
Balance after expenditures	\$1,226,242	\$1,387,994	\$1,507,029	\$1,075,434	\$1,006,322	\$1,023,365	\$1,004,051	\$558,279	\$463,237	\$245,179
Interest on balance after tax	\$11,257	\$12,742	\$13,835	\$9,872	\$9,238	\$9,394	\$9,217	\$5,125	\$4,253	\$2,251
Minimum requested balance	N/A	N/A	N/A							
Percent Funded (if implemented) *2	58.68%	59.43%	59.03%	48.19%	44.76%	43.65%	41.79%	27.29%	23.00%	13.20%
Projected Year Ending Balance *3	\$1,237,499	\$1,400,736	\$1,520,864	\$1,085,307	\$1,015,560	\$1,032,759	\$1,013,268	\$563,404	\$467,490	\$247,430

DESCRIPTION - 2ND 10 YEARS	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Projected Beginning Fund Balance	\$247,430	\$507,472	\$581,201	\$825,225	\$1,113,567	\$1,402,694	\$884,719	\$1,257,403	\$1,715,837	\$2,124,873
Proposed percentage increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Proposed unit per month dollar increase	\$24.54	\$25.77	\$27.05	\$28.41	\$29.83	\$31.32	\$32.88	\$34.53	\$36.25	\$38.07
Proposed average unit/month contribution	\$515.31	\$541.07	\$568.13	\$596.53	\$626.36	\$657.68	\$690.56	\$725.09	\$761.35	\$799.41
Proposed Total Annual Contribution *1	\$401,941	\$422,038	\$443,140	\$465,297	\$488,562	\$512,990	\$538,640	\$565,572	\$593,850	\$623,543
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
Proposed Total Special Assessment		-							-	
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$649,371	\$929,510	\$1,024,341	\$1,290,522	\$1,602,129	\$1,915,684	\$1,423,358	\$1,822,974	\$2,309,687	\$2,748,416
Proposed inflated yearly expenditures	\$146,516	\$353,596	\$206,623	\$187,085	\$212,195	\$1,039,013	\$177,394	\$122,745	\$204,143	\$265,849
Balance after expenditures	\$502,855	\$575,914	\$817,718	\$1,103,438	\$1,389,934	\$876,671	\$1,245,965	\$1,700,229	\$2,105,544	\$2,482,567
Interest on balance after tax	\$4,616	\$5,287	\$7,507	\$10,130	\$12,760	\$8,048	\$11,438	\$15,608	\$19,329	\$22,790
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	23.42%	25.62%	32.52%	39.12%	44.50%	32.90%	41.23%	49.20%	54.85%	59.28%
Projected Year Ending Balance *3	\$507,472	\$581,201	\$825,225	\$1,113,567	\$1,402,694	\$884,719	\$1,257,403	\$1,715,837	\$2,124,873	\$2,505,357

RESERVE FUND CASH PROJECTIONS

DESCRIPTION - 3RD 10 YEARS	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Projected Beginning Fund Balance	\$2,505,357	\$1,291,099	\$1,031,385	\$1,077,078	\$1,605,710	\$1,539,243	\$2,185,058	\$2,301,569	\$1,892,237	\$2,042,019
Proposed percentage increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Proposed unit per month dollar increase	\$23.98	\$24.70	\$25.44	\$26.21	\$26.99	\$27.80	\$28.64	\$29.50	\$30.38	\$31.29
Proposed average unit/month contribution	\$823.40	\$848.10	\$873.54	\$899.75	\$926.74	\$954.54	\$983.18	\$1,012.67	\$1,043.05	\$1,074.35
Proposed Total Annual Contribution *1	\$642,249	\$661,516	\$681,362	\$701,803	\$722,857	\$744,543	\$766,879	\$789,885	\$813,582	\$837,989
Does increase require membership vote?				1						
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
Proposed Total Special Assessment										1 AL 2017
Does special assessment require vote?		Î								
Income from other sources										
Total Reserve Fund Available	\$3,147,606	\$1,952,616	\$1,712,747	\$1,778,880	\$2,328,566	\$2,283,786	\$2,951,937	\$3,091,455	\$2,705,819	\$2,880,008
Proposed inflated yearly expenditures	\$1,868,251	\$930,613	\$645,467	\$187,777	\$803,325	\$118,604	\$671,304	\$1,216,430	\$682,375	\$153,282
Balance after expenditures	\$1,279,355	\$1,022,003	\$1,067,280	\$1,591,103	\$1,525,241	\$2,165,182	\$2,280,633	\$1,875,024	\$2,023,444	\$2,726,726
Interest on balance after tax	\$11,744	\$9,382	\$9,798	\$14,606	\$14,002	\$19,876	\$20,936	\$17,213	\$18,575	\$25,031
Minimum requested balance	N/A									
Percent Funded (if implemented) *2	42.34%	37.35%	39.06%	49.96%	49.60%	59.50%	61.83%	61.05%	64.32%	72.69%
Projected Year Ending Balance *3	\$1,291,099	\$1,031,385	\$1,077,078	\$1,605,710	\$1,539,243	\$2,185,058	\$2,301,569	\$1,892,237	\$2,042,019	\$2,751,758

*1. Total Annual Reserve Contribution

The association has provided current operating expenses and reserve contribution information. Reserve Analysis Consulting, L.L.C. assumes no responsibility for the accuracy of current or projected budget figures provided by others.

*2. Percent Funded

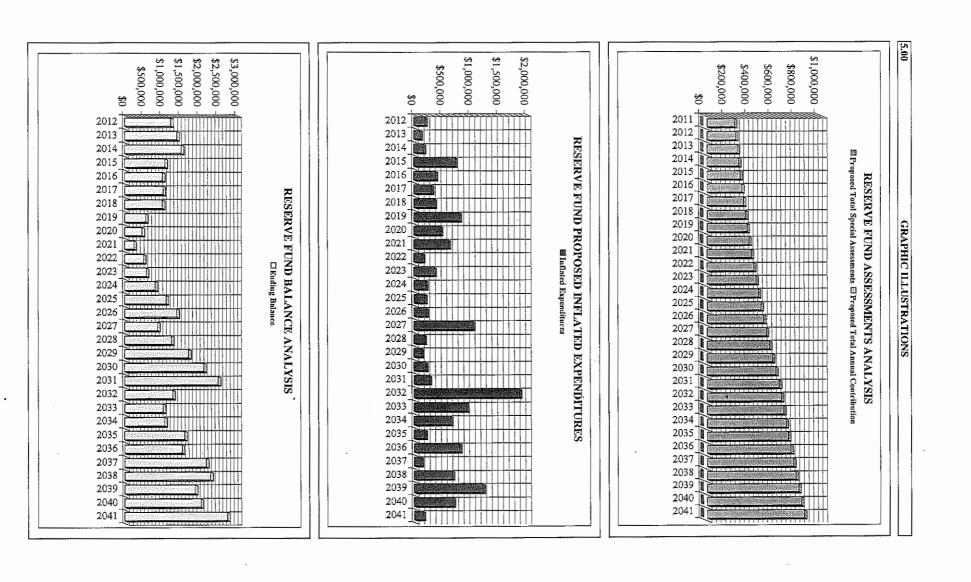
The percent funded figure is calculated as defined by the Davis-Sterling Act, which states in 1365 and 1365.2.5 that the amount "required" at a given time be divided by the amount projected to be in reserves at that time. The amount required is defined in 1365.2.5 as "the current cost of replacement 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 3.00 of the Financial Summary and Conclusion. The percent funding method of calculation for future years includes estimated inflation of costs in the amount "required." The final sentence in 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 objective throughout the funding study is to maintain a minimum year ending balance of not less than 10% of that year's total projected annual inflated expenditures.

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. We recommend the association review their Reserve Fund accounts quarterly and update their reserve study annually.
- 2.) Additionally, California Civil Code § 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."

November 22, 2011



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NEXT 3 YEARS PROJECTED EXPENDITURES

<u>Year 1 - 2012</u>

2.00 GROUNDS - PAVING & CONCRETE	
2.06 Concrete Repairs - Repair/Replace - Minor	\$1,500
4.00 GROUNDS - IRRIGATION & LANDSCAPING	
4.01 Well Components Repair and Replacement - Ongoing	\$2,500
4.03 Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$2,500
4.07 Large Tree Care	\$10,000
4.08 Large Landscape Enhancements	\$5,000
5.00 LIGHTING- ALL SITE	
5.01 Lighting Wiring and Controllers Repair Allowance	\$1,000
5.02 Light Fixtures - @ Landscaping & Wiring	\$9,900
5.03 Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$3,000
5.04 Lights- Clubhouse Building Exterior	\$375
5.05 Lights - Wall Mount @ Garages	\$5,625
5.06 Lights - Residential Building Exterior - Entry/Balc./Stairs	\$24,375
7.00 GROUNDS - MISCELLANEOUS	
7.03 Television System - MATV	\$7,500
9.00 SWIMMING POOL	
9.15 Pool Signs - Replace	\$250
13.00 GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS	
13.01 Doors - Garage Door & Trim Repair Allowance	\$25,000
14.00 RESIDENTIAL BUILDING EXTERIORS - STAIRS	
14.08 Stairs & Landing - Repair Allowance	\$2,500
15.00 RESIDENTIAL BUILDING EXTERIORS - BALCONIES	
15.13 Townhouse Balconies - Replace (3)	\$37,500
15.14 Repair Small, Large & Townhouse Balconies Allowance	\$2,500
16.00 BUILDING EXTERIOR - ROOFS	
16.01 Inspection & Repair Allowance - All Roofing Components	\$10,000
16.02 Flat Roof Replacement @ 550 Thain	\$14,000
17.00 RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCE	ES
17.01 Doors - Entry Door & Hardware Allowance	\$5,000
17.02 Doors - Sliding Glass Door & Hardware Allowance	\$5,000
17.03 Windows - Inspect/Repair/Replace Allowance	\$5,000
17.04 Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000
19.00 MISCELLANEOUS & CONTINGENCIES	
19.02 Reserve Study - Annual	\$800
19.05 Underground Utility Inspections & Repairs	\$5,000
Unscheduled Expenses	\$5,725
Year 1 - 2012 Total Proposed Expenditures:	\$196,550

Year 2 - 2013

2.00 GROUNDS - PAVING & CONCRETE	
2.06 Concrete Repairs - Repair/Replace - Minor	\$1,545
3.00 GROUNDS - FENCES, RETAINING WALLS, & GATES	
3.01 Fence - Wood @ Patio - Repair/Replace Allowance	\$10,300

NEXT 3 YEARS PROJECTED EXPENDITURES

	Year 2 - 2013 Total Proposed Expenditures:	\$108,600
	Unscheduled Expenses	\$3,163
19.05	Underground Utility Inspections & Repairs	\$5,150
	Reserve Study - Annual	\$824
	MISCELLANEOUS & CONTINGENCIES	
	Wood Siding/Shingle/Trim Ongoing Repairs	\$5,150
	Windows - Inspect/Repair/Replace Allowance	\$5,150
	Doors - Sliding Glass Door & Hardware Allowance	\$5,150
	Doors - Entry Door & Hardware Allowance	\$5,150
	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES	
	Repair Small, Large & Townhouse Balconies Allowance	\$2,575
	Small Balconies - Replace (3)	\$24,720
	RESIDENTIAL BUILDING EXTERIORS - BALCONIES	
	Stairs & Landing - Repair Allowance	\$2,575
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS	
12.03	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$1,489
12.00	CLUBHOUSE BUILDING EXTERIOR	
11.06	HVAC Unit - Replace	\$3,090
11.00	CLUBHOUSE INTERIOR	
10.05	Filter Pump - Replace	\$876
10.04	Filter - Replace	\$2,318
10.00	SPA	
9.12	Solar Pump - Replace	\$876
	Filter Pump - Replace	\$876
9.09	Filter - Replace	\$2,318
	Heater - Replace	\$2,936
9.05	Seal Coping/Deck Joint - Replace Mastic	\$742
	SWIMMING POOL	
	Lighting Wiring and Controllers Repair Allowance	\$1,030
	LIGHTING- ALL SITE	
	Large Landscape Enhancements	\$5,150
	Large Tree Care	\$10,300
	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$2,575
	Well Components Repair and Replacement - Ongoing	\$2,575
4.00	GROUNDS - IRRIGATION & LANDSCAPING	

<u>Year 3 - 2014</u>

2.00 GROUNDS - PAVING & CONCRETE	
2.06 Concrete Repairs - Repair/Replace - Minor	\$1,591
2.08 Concrete - Pool Deck Repair/Replace	\$56,270
4.00 GROUNDS - IRRIGATION & LANDSCAPING	
4.01 Well Components Repair and Replacement - Ongoing	\$2,652
4.03 Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$2,652
4.07 Large Tree Care	\$10,609
4.08 Large Landscape Enhancements	\$5,305
5.00 LIGHTING- ALL SITE	

6.00 **NEXT 3 YEARS PROJECTED EXPENDITURES** \$1,061 5.01 Lighting Wiring and Controllers Repair Allowance 9.00 SWIMMING POOL 9.16 Pool Furniture Replacement Allowance \$2,652 **11.00 CLUBHOUSE INTERIOR** \$743 11.07 Clubhouse & Sauna Fans - Replace 11.08 Sauna Room Rehabilitation & Door \$5,305 \$1,061 11.1 Water Heater - 50 Gal **12.00 CLUBHOUSE BUILDING EXTERIOR** \$3,024 12.06 Doors - Metal/Glass Sliding Doors \$5,305 12.07 Windows **13.00 GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS** \$7,957 13.03 Doors - Wood/Glass Pedestrian Door **14.00 RESIDENTIAL BUILDING EXTERIORS - STAIRS** 14.08 Stairs & Landing - Repair Allowance \$2,652 **15.00 RESIDENTIAL BUILDING EXTERIORS - BALCONIES** 15.14 Repair Small, Large & Townhouse Balconies Allowance \$2.652 **16.00 BUILDING EXTERIOR - ROOFS** \$10,609 16.01 Inspection & Repair Allowance - All Roofing Components 17.00 RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES \$5,305 17.01 Doors - Entry Door & Hardware Allowance \$5,305 17.02 Doors - Sliding Glass Door & Hardware Allowance \$5,305 17.03 Windows - Inspect/Repair/Replace Allowance 17.04 Wood Siding/Shingle/Trim Ongoing Repairs \$5,305 **19.00 MISCELLANEOUS & CONTINGENCIES** \$5,305 19.01 Arborist Tree Report 19.04 Reserve Study - Third Year Site Inspection \$1,697 19.05 Underground Utility Inspections & Repairs \$5,305 19.06 CC&R Revisions \$5,305 \$4,828 Unscheduled Expenses

Year 3 - 2014 Total Proposed Expenditures:

\$165,756

7.00 A PROJECTED EXPEN												010			
COMPONENT CODE DESCRIPTION	REPLACE/ REPAIR CST	YEAR NEW	USEFL LIFE	RMNG LIFE	YR. 1 2012	YR. 2 2013	YR. 3 2014	YR. 4 2015	YR_5 2016	YR.6 2017	YR. 7 2018	YR. 8 2019	YR.9 2020	YR. 10 2021	TOTAL 10 YRS.
1.00 GROUNDS - SIGNAGE	KEFAIR CST	IND IN		LIFE	2012	2013	+1/1	2013 [2010	2011	2010	2012)	1020 1	2021	10 110.
1.01 Entry Sign (Monument) Replace	\$2,500	1997	21	6	l						\$2,985				\$2,985
1.02 Map Board - Repair/Replace	\$2,500		12	5						\$2,898	1	(\$2,898
1.03 Building/Unit Number Signs Repair/Replace	\$3,250	2005	12	5				1		\$3,768					\$3,768
2.00 GROUNDS - PAVING & CONCRETE			L					60 70 4					\$10,890		\$20,283
2.01 Asphalt Paving - Scal Coat 2.02 Asphalt Paving - Parking Striping	\$8,596	2010	5	3			·····	\$9,394 \$634					\$735		\$1,370
2.03 Asphalt Paving - Curb Painting	\$1,082		5	3				S1.182					\$1,370		\$2,552
2.04 Asphalt Paving - Minor Repair - 5%	\$10,746		5	3	(\$11,742		Ì			\$13,612		\$25,354
2.05 Asphalt Paving - Major Repair - 25%	\$53,728		40	7					a 1 can			\$66,078	51.000	61.057	\$66,078
2.06 Concrete Repairs - Repair/Replace - Minor 2.07 Concrete Repairs - Repair/Replace - Major	\$1,500		1 10	0 6	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791 \$10,746	\$1,845	\$1,900	\$1,957	\$17,196
2.08 Concrete - Pool Deck Repair/Replace	\$53,040		35	2			\$56,270				510,740				\$56,270
3.00 GROUNDS - FENCES, RETAINING WALLS, & GATES	1											İ			
3.01 Fence - Wood @ Patio - Repair/Replace Allowance	\$10,000		5	1		\$10,300					\$11,941				\$22,241
3.02 Fence - Wood - G.N. @ Clubhouse Driveway	\$2,160		25	16							ļ				
3.03 Fence - Wood - G.N. @ Clubhouse to Bldg, 10 Driveway	\$4,920		25	16					· · · · · · · · · · · · · · · · · · ·						
3.04 Fence - Wood - @ Bldg. 9 Drive and Open Space 3.05 Fence - Wood - @ Bldg. 10 Drive and Open Space	\$5,250		25	21									·		*****
3.06 Fence - Wood - G.N. behind Bidgs. 4, 5, 6, 7, 8.9	\$14,460	2000	25	13								Ì			
3.07 Fence - Wood - G.N. behind Bldgs, 1, 2, 3, 4	\$11,140		25	13				ĺ]			
3.08 Fence - Wood - Pool Area Fences	\$940		25	18											
3.09 Fence - Cyclone @ Tennis Court - Replace 3.10 Retaining - Wood @ Units 4122 and 4124	\$10,800 \$1,855		45 30	12											
3.11 Retaining - Masonry Rotaining Wall @ Tennis	\$27,000		55	22											
3.12 Retaining - Wood @ Pool Area	\$6,500		25	16											
3.13 Gates - El Camino Car Gates - Replace	\$1,500		25	8									\$1,900		\$1,900
3.14 Gates -El Camino Pedestrian Gate - Replace	\$1,500		25	20											
3.15 Gates - Pool Gates - Replace 3.16 Gates - Cyclone @ Tennis Court - Replace	\$3,000		25	18									\$633		\$633
3.17 [Gates - Gyelone at Tennis Court - Replace	\$1,000		15	3				\$1,093							\$1,093
4.00 GROUNDS - IRRIGATION & LANDSCAPING	1								1						
4.01 Well Components Repair and Replacement - Ongoing	\$2,500		1	0	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814]	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$28,660
4.02 Well Components - Major System Replacement	\$55,609		2.5	24	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$28,660
4.03 Irrigation Replace Allowance (Valves, Pipes, Heads etc.) 4.04 Irrigation Controllers	\$2,500	2011 2009	15	12	\$2,500	\$2,375	\$2,652	\$6,132	32,814	\$4,070	42,703	10,00	45,107	2006	
4.05 Irrigation Controllers	\$4,000		15	3				\$4,371							\$4,371
4.06 Backflow Preventor	\$10,000	1995	25	8									\$12,668		\$12,668
4.07 Large Tree Care	\$10,000		1	0	\$10,000	\$10,300	\$10,609	\$10,927	S11,255	\$11,593	\$11,941 \$5,970	\$12,299 \$6,149	\$12,668 \$6,334	\$13,048 \$6,524	\$114,639 \$57,319
4.08 Large Landscape Enhancements 5.00 LIGHTING-ALL SITE	\$5,000	2011	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	35,970	30,149	30,334	40,524	357,519
5.00 Lighting Wiring and Controllers Repair Allowance	\$1,000	2011	1 1	0	\$1,000	\$1.030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$11,464
5.02 Light Fixtures - @ Landscaping & Wiring	\$9,900		30	-3	\$9,900										\$9,900
5.03 Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$3,000		30	-3	\$3,000										\$3,000
5.04 Lights- Clubhouse Building Exterior	\$375		30	-3	\$375										\$375 \$5,625
5.05 Lights - Wall Mount @ Garages 5.06 Lights - Residential Building Exterior - Entry/Balc/Stairs	\$5,625		30	-3	\$5,625										\$24,375
6.00 GROUNDS - MAILBOX KIOSKS	324,575	1979			324,373									······	
6.01 Kiosks Rebuild (Structure, Siding, Roof)	\$9,000	1995	25	8									\$11,401		\$11.401
6.02 Mailboxes	\$11,700	1995	25	8]							\$14,821		\$14,821
7.00 GROUNDS - MISCELLANEOUS		0000		16						i					
7.01 Storage Shed (Modular) - Replace 7.02 Iron Stair Railings @ site Concrete Stairs	\$1,200		20 30	15				\$5,791							\$5,791
7.03 Television System - MATV	\$7,500		15	-4	\$7,500			40,171							\$7,500
8.00 TENNIS COURT AREA															
8.01 Tennis Court - Resurface/Lines	\$5,500		5	3				\$6,010					\$6,967		\$12,977
8.02 Tennis Court - Replace	\$36,000		45	12				\$382					\$443		\$826
8.03 Tennis Court Net - Replace 9.00 SWIMMING POOL	\$350	2010	5					2026					C++0 		0.20
9.01 Drainage Upgrade Allowance	j \$2,500	2009	15	12					[Ì		
9.02 Plaster- Resurface	\$7,733	2003	12	3				\$8,450							\$8,450
9.03 Coping - Replace	\$2,400		30	21											··
9.04 Tile - Replace		2003	30 10	21		\$742									\$742
9.05 [Scal Coping/Duck Joint - Roplace Mastic 9.06 Rails - Replace	\$720		30	21		\$142									
9.07 Lights - Replace	\$300		15	6				1			\$358				\$358
9.08 Heater - Replace	\$2,850	2000	13	1		\$2,936									\$2,936
9.09 Filter - Replace	\$2,250		13	1		\$2,318									\$2,31\$ \$876
9.10 Filter Pump - Replace	\$850	2000	13	1 1		\$876									40/0

7.00 A	PROJECTED EXPENDITU	RE SCHEDU	ILE - F	IRST T	'EN YEA	ARS										
CODE	COMPONENT DESCRIPTION	REPLACE/ REPAIR CST	YEAR NEW		RMNG LIFE	YR_1 2012	YR. 2 2013	YR. 3 2014	YR. 4 2015	YR. 5 2016	YR. 6 2017	YR. 7 2018	YR. 8 2019	YR 9 2020	YR. 10 2021	TOTAL 10 YRS.
		STS0	2000	15	3	2012	2013	2014	\$820	2010	2017 1	2018	2019	2020 1	2021	\$820
	Solar Controller - Replace Solar Pump - Replace	\$850	2000	13	1		\$876		3020							\$876
	Solar Panels - Replace	\$9,000	2000	15	3				\$9,835							\$9,835
	Solar Panels - Structure Replace	\$5,400	2000	15	3				\$5,901							\$5,901
	Pool Signs - Replace	\$250	2004	5	-3	\$250					\$290					\$540
	Paol Furniture Replacement Allowance	\$2,500	2004	10	2			\$2,652								\$2,652
10.00	SFA Pre-Fab Tub Replace	\$10,000	2002	20	10	· · · · ·							1			
	Rails - Replace	\$1,000	2002	30	20					ł						
10.03	Heater - Replace	\$2,650	2006	15	9								<u> </u>		\$3,458	
	Filter - Replace	\$2,250	1997	16	1		\$2,318						L			\$2,318
	Filter Pump - Replace	\$850	2004	9			\$876									\$876
	CLUBHOUSE INTERIOR Paint - Interior (Clubhouse)	\$3,493	2004	15	7						· · · · · · · · · · · · · · · · · · ·		\$4,296			\$4,296
	Carpot Floor- Replace	\$4,420	2005	15	8									\$5,599		\$5,599
	Tile Floor - Replace	\$11,000	1979	40	7								\$13,529			\$13,529
11,04	Refrigerator - Replace	\$500	2004	15	7		í						\$615			\$615
11.05	Disposal - Replace	\$300		15	14		A									AD 000
	HVAC Unit - Replace	\$3,000		34 20	2		\$3,090	\$743								\$3,090
	Clubhouse & Sauna Fans - Replace Sauna Room Rehabilitation & Door	\$700		35	2		····· +	\$5,305								\$5,305
	Saina Robin Rendonation & 1900 Saina Mechanical - Replace	\$3,000		30	29									()		
11.10	Water Heater - 50 Gal	\$1,000	1996	18	2			\$1,061		ĺ			ļ			\$1.061
	Doors - Wood w/Glass	\$1,200		45	12		·						1			
	Doors - Solid Wood	\$2,400	1979	45	12								}	·		
11.13	Lights Rostroom Upgrade	\$2,850	2004	35	27								\$12,299		·	\$12,299
	Kitchen Area Upgrode	\$5,000	2004	15	7	·							\$6,149)		\$6,149
	Furniture Replace	\$7,000	2005	10	3				\$7,649							\$7,649
	CLUBHOUSE BUILDING EXTERIOR]					ļļ						1			<u>j</u>
	Guiters & Downspouts - Replace	\$2,176	2005	25	18									ļ		
	Clubhouse Deck & Stairs - Replace- Redwood Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$15,000 \$1,446	2008	25 3	21 I		\$1,489			\$1,627			\$1,778			\$4,895
	Ludnouse Deck & Stars- Searng/Leak Ministenance Doors - Wood/Glass Entry Doors	\$3,400	1979	45	12		\$1,403			91,027			\$2,775			
	Doors - Sold Wood Entry Door- Pool Equipment Room	\$600	1979	45	12				1							<u> </u>
	Doors - Motal/Glass Sliding Doors	\$2,850	1979	35	2			\$3,024								\$3,024
	Windows	\$5,000	1979	35	2		ļļ	\$5,305	ļ <u> </u>							\$5,305
	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS Doors - Garage Door & Trim Repair Allowance	\$25,000	2012	20	20	\$25,000			·							\$25,000
	Doors - Carage Door & Trin Repair Allowance Doors - Single Car Garage Doors	\$63,000		40	7	320,000							\$77,482			\$77,482
	Doors - Wood/Glass Pedestrian Door	\$7,500	1979	35	2			\$7,957								\$7,957
13.04	Doors - Solid Wood Doors @ Walk In Garbages	\$6,000	2004	30	22				11							
13.05	Trash Enclosure Rebuild Allowance	\$10,000	2008	10	6							\$11,941	•			\$11,941
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS	1	2002	30	20								+		ļ	
14.01	Straight Stairs & Landing - Replace (6) (Saarman) Straight Stairs & Landing - Replace (3)	\$51,000 \$25,500		30	7								\$31,362			\$31,362
14.03	U-Shaped Stairs & Landing - Replace (7) (Saarman)	\$105,000		30	20											
	U-Shaped Stairs & Landing - Replace (2)	\$30,000	1992	30	10											
	L-Shaped Stairs & Landing - Replace (8) (Saarman)	\$96,000		30	20		ļ						<u> </u>	[]	ļ	<u></u>
	L-Shaped Stairs & Landing - Replace (1) - 504	\$12,000		30 30	26 8				-					\$45,604		\$45,604
	L-Shaped Stairs & Landing - Replace (3) Stairs & Landing - Repair Allowance	\$36,000 \$2,500	1990 2011	 I	0	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075			
14.08	RESIDENTIAL BUILDING EXTERIORS - BALCONIES	\$2,500	AUIX	· · · · · · · ·		\$2,300							1			
	Small Balconics - Replace (4) (Saarman)	\$32,000	2002	30	20		ļ		[]							, L
15.02	Small Balconics - Replace (2)	\$16,000	1989	30	7							ļ	\$19,678			\$19,678
	Small Balconics - Replace (3)	\$24,000	1983	30 30	1 27		\$24,720									\$24,720
	Small Balconics - Replace (1) - 4141 Large Balconics Replace (23) (Saarman)	\$3,000 \$421,317		30	27		[-			
	Large Balconies Replace (25) (Saarman)	\$91,598		30	19		·}									
	Large Balconies Replace (10)	\$183,185	1997	30	15		(
15.08	Large Balconies Replace (10)	\$1\$3,185		30	11								6005 0C -			\$225,294
	Large Balconics Replace (10)	\$183,185		30	7				\$120,101				\$225,294			\$225,294
15,10	Large Balconics Replace (6) Large Balconics Replace (2)- 3108 & 4141	\$109,910 \$35,680	1985 2009	30 30	3				5120,101							
	Large Balconics Replace (2)-3108 & 4141 Townhouse Balconics - Replace (2)	\$25,000	1985	30	3				\$27,318							\$27,318
15.13	Townhouse Balconies - Replace (3)	\$37,500	1979	30	-3	\$37,500										\$37,500
15.14	Repair Small, Large & Townhouse Balconies Allowance	\$2,500	2011	1	0	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$28,660
	BUILDING EXTERIOR - ROOFS	\$10,000	2010	2	0	\$10,000		\$10,609		\$11,255		\$11,94	1	\$12,668		\$56,472
	Inspection & Repair Allowance - All Roofing Components	310.000	2010	1 2	1 0	910,000	1	\$10,009		#x1,4JJ		-261,74	NI	412,000		400,774

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7.00 A	PROJECTED EXPENDITI	JRE SCHEDU	JLE - F	IRST T	EN YE	ARS										
	COMPONENT	REPLACE/	YEAR	USEFL	RMNG	YR 1	YR. 2	YR 3	YR. 4	YR.5	YR.6	YR. 7	YR.S	YR.9	YR. 10	TOTAL
CODE	DESCRIPTION	REPAIR CST	NEW	LIFE	LIFE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10 YRS.
16.02 Flat Roof R	Leplacement @ 550 Thain	\$14,000	2012	20	20	\$14,000					1	l				\$14,000
16.03 Sloped & F	lat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	18	4					\$221,853	{	[\$221,853
16.04 Sloped & F	lat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	19	5	Í	[\$228,509			r		\$228,509
16.05 Sloped & F	lat Roof/Gutters/Downspouts/Skylights = 25%	\$197,114	1998	20	6	J				[\$235,364	1			\$235,364
	lat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	21	7								\$242,425			\$242.425
17.00 RESIDEN	TIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES											j				
	ry Door & Hardware Allowance	\$5,000	2011	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970]	\$6,149	\$6,334	\$6,524	
	ding Glass Door & Hardware Allowance	\$5,000	2011	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	
	Inspect/Repair/Replace Allowance	\$5,000	2011	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628]	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$57,319
	ng/Shingle/Trim Ongoing Repairs	\$5,000	2011	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$57,319
17.05 Termite Fut	migation & Repairs (2006)	\$65,000	2006	10	4					\$73,158					-	\$73,158
	xterior Wood Repair/Replacement - every paint	\$174,310	2009	6	3			1	\$190,473						\$227,435	\$417,908
	sterior Wood Repair/Replacement - every other	\$192,110	2008	12	8									\$243,359		\$243,359
18.00 PAINTING				{											ļ	,
	Wood/Metal Components	\$135,000	2009	6	3				\$147,518						\$176,144	\$323,663
18.02 Stain - Woo		\$85,000	2009	6	3				\$92,882	1				}	\$110,906	\$203,788
	ANEOUS & CONTINGENCIES	1			-				Í							
19.01 Arborist Tr		\$5,000	2009	5	2			\$5,305					\$6,149		1	\$11,454
19.02 Reserve Stu		5800	2009	3	0	\$800			\$874			\$955			\$1,044	\$3,673
19,03 Reserve Stu		\$\$00	2010	3	1		\$824		1	\$900			\$984			\$2,703
	ndy - Third Year Site Inspection	\$1,600	2011	3	2			\$1,697		{	\$1,855			\$2,027		\$5,579
	ad Utility Inspections & Repairs	\$5,000	2011	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	
19,06 CC&R Rev	isions	\$5,000	2009	5	j 2			\$5,305		i			\$6,149			\$11,454
UNSCHEDULED E	XPENSE		3.00%			\$5,725	\$3,163	\$4,828	\$21,294	\$11,036	\$8,945	\$10,468	\$23,365	\$13,536	\$17,625	\$0
										1			1.22	1 00	1.00	
INFLATION FACT			3.00%			1.00	1.03	1.06	1.09	1,13	1.16	1.19	1.23	1.27	1.30	
TOTAL INFLATED	D REPAIR/REPLACEMENT EXPENSE					\$196,550	\$108,600	\$165,756	\$731,082	\$378,920	\$307,126	\$359,386	\$802,201	\$464,739	\$605,112	\$3,999,487

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7.00 B PROJECTED EXPENDITU	RE SCHEDU	LE - SE	COND	TEN Y	EARS										
COMPONENT CODE DESCRIPTION	REPLACE/ REPAIR CST		USEFL LIFE	RMNG LIFE	YR_11 2022	YR. 12 2023	YR. 13 2024	YR. 14 2025	YR. 15 2026	YR. 16 2027	YR. 17 2028	YR. 18 2029	YR. 19 2030	YR. 20 2031	TOTAL 2nd 10 Yrs
1.00 GROUNDS - SIGNAGE	T REFAIR COT	nen	Larre	LIFE	4044	2023	2024	202.1	2920	2027	2020	2023	2030	2031	280 10 11
1.01 Entry Sign (Monument) Replace	\$2,500	1997	21	5											
1.02 Map Board - Repair/Replace	\$2,500	2005	12	5								\$4,132			\$4,132
1.03 Building/Unit Number Signs Repair/Replace	S3,250	2005	12	5								\$5,372			\$5,37
2.00 GROUNDS - PAVING & CONCRETE	1														
2.01 Asphalt Paving - Seal Coat 2.02 Asphalt Paving - Parking Striping	\$8,596	2010	5	3				\$12,624 \$852					\$14,635 \$988		\$27,259
2.03 Asphalt Paving - Curb Painting	\$1,082	2010	5	3				\$1,588					\$1,841		\$3,425
2.04 Asphalt Paving - Minor Repair - 5%	\$10,746		5	3				\$15,780					\$18,293		\$34,074
2.05 Asphalt Paving - Major Repair - 25%	\$53,728	1979	40	7											
2.06 Concrete Repairs - Repair/Replace - Minor	\$1,500		1	0	\$2,016	\$2,076	\$2,139	\$2,203	\$2,269	\$2,337	\$2,407	\$2,479	\$2,554	\$2,630	
2.07 Concrete Repairs - Repair/Replace - Major 2.08 Concrete - Pool Deck Repair/Replace	\$9,000 \$53,040		10 35	6 2							\$14,442				\$14,442
3.00 GROUNDS - FENCES, RETAINING WALLS, & GATES	\$33,040	1979													/
3.01 Fence - Wood @ Patio - Repair/Replace Allowance	\$10,000	2008	5	1		\$13,842					\$16,047				\$29,88
3.02 Fence - Wood - G.N. @ Clubhouse Driveway	\$2,160		25	16							\$3.466				\$3,460
3.03 [Fence - Wood - G.N. @ Clubhouse to Bidg, 10 Driveway	\$4,920		25	16							\$7,895				\$7,89
3.04 Fence - Wood - @ Bldg. 9 Drive and Open Space 3.05 Fence - Wood - @ Bldg. 10 Drive and Open Space	\$7,630 \$5,250		25	13				\$11,205							\$11,20
3.06 [Fence - Wood - G.N. behind Bidgs. 4, 5, 6, 7, 8, 9	\$5,250	2008	25	13				\$21,235							\$21,23
3.07 Fence - Wood - G.N. behind Bldgs. 1, 2, 3, 4	\$11,140		25	13				\$16,359							\$16,35
3.08 Fence - Wood - Pool Area Fences	\$940	2005	25	18			1						\$1,600		\$1,600
3.09 [Fence - Cyclone @ Tennis Court - Replace	\$10,800	1979	45	12			\$15,398								\$15,39
3.10 Retaining - Wood @ Units 4122 and 4124 3.11 Retaining - Masonry Retaining Wall @ Tennis	\$1,855 \$27,000	1995 1979	30	13 22				\$2,724							\$2,72
3.12 Retaining - Wood @ Pool Area	\$27,000	2003	25	16							\$10,431				\$10,43
3.13 Gates -El Camino Car Gates - Roplace	\$1,500	1995	25	8											
3.14 Gates -El Camino Pedestrion Gate - Replace	\$1,500	2007	25	20		Ĵ									
3.15 Gates - Pool Gates - Replace	\$3,000	2005	25	18									\$5,107		\$5,10
3.16 Gates - Cyclone @ Tennis Court - Replace 3.17 [Gates - Wood @ Maintenance Area	\$500	1995 2000	25 15	8)					\$1,702		\$1,70
4.00 GROUNDS - IRRIGATION & LANDSCAPING	\$1,000	2000	- 13	3									\$1,702		\$1,70.
4.01 Well Components Repair and Replacement - Ongoing	\$2,500	2011	1	0	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	\$3,895	\$4,012	\$4,132	\$4,256	\$4,384	\$38,51
4.02 Well Components - Major System Replacement	\$55,609	2011	25	24									-		
4.03 Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$2,500		1	0	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	\$3,895	\$4,012	\$4,132	\$4,256	\$4,384	
4.04 Irrigation Controllors 4.05 Irrigation Controllers	\$8,000	2009	15	12			\$11,406						\$6,810	······	\$11,400
4.06 Backflow Preventor	\$10,000	1995	25	8									00,010		40,01
4.07 Large Tree Care	\$10,000	2011	1	0	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$154,06
4.08 Large Landscape Enhancements	\$5,000	2011	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
5.00 LIGHTING-ALL SITE	<u></u>	2011				01.00/		A1 ((0)	41 510	A1 660	81 505	01 (50	61 800	61 464	C16 40
5.01 Lighting Wiring and Controllers Repair Allowance 5.02 Light Fixtures - @ Landscaping & Wiring	\$1,000	1979	1 30	-3	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513	\$1,558	\$1,605	\$1,653	\$1,702	\$1,754	\$15,40
5.03 Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$3,000	1979	30	-3											
5.04 Lights- Clubhouse Building Exterior	\$375	1979	30	-3				1							
5.05 Lights - Wall Mount @ Garages	\$5,625	1979	30	-3						1					
5.06 Lights - Residential Building Exterior - Entry/Balc./Stairs	\$24,375	1979	30	-3		[
6.00 GROUNDS - MAILBOX KIOSKS 6.01 [Kiosks Rebuild (Structure, Siding, Roof)	\$9,000	1995	25	8											
6.02 Mailboxes	\$11,700	1995	25	8											
7.00 GROUNDS - MISCELLANEOUS					1		Ì								
7.01 Storage Shed (Modular) - Replace	\$1,200	2.007	20	15						\$1,870					\$1,87
7.02 Iron Stair Railings @ site Concrete Stairs	\$5,300	1985	30	3						Ell coc					\$11,68
7.03 Television System - MATV 8.00 TENNIS COURT AREA	\$7,500	1993	15	-4						\$11,685					\$11,08
8.01 Tennis Court - Resurface/Lines	\$5,500	2010	5	3				\$8,077					\$9,363		\$17,440
8.02 Tennis Court - Replace	\$36,000	1979	45	12	İ		\$51,327								\$51,32
8.03 Tennis Court Net - Replace	\$350	2010	5	3				\$514					\$596		\$1,110
9.00 SWIMMING POOL 9.01 Drainage Upgrade Allowance	\$2,500	2.009	15	12			\$3,564								\$3,564
9.01 [Dramage Upgrade Allowance 9.02 [Plaster- Resurface	\$2,500	2009	15	12			43,3041			\$12,048					\$12,04
9.03 Coping - Replace	\$2,400	2003	30	21			1								
9.04 Tile - Replace	\$2,400	2003	30	21				ĺ							
9.05 Scal Coping/Deck Joint - Replace Mastic	\$720	2003	10	1		\$997							ļ		\$99
9.06 Rails - Replace 9.07 Lights - Replace	\$2,000 \$300	2003	30 15	21 6				· ·		1					
9.08 Heater - Replace	\$300	2003	13	- 6 I					\$4,311						\$4,311
				· · · ·											\$3,403
9.09 Filter - Replace	\$2,250	2000	13	I	l l			1	\$3,403						\$1,280

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7.00	B PROJECTED EXPENDITU	RE SCHEDU	LE - SI	ECOND	TEN Y	EARS										
0000	COMPONENT DESCRIPTION	REPLACE/ REPAIR CST	YEAR		RMNG	YR. 11	YR. 12	YR. 13	YR. 14	YR. 15	YR. 16	YR. 17	YR. 18	YR. 19	YR. 20	TOTAL
	Solar Controller - Replace		NEW 2000	LIFE	LIFE	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	20d 19 Yr
	Solar Controller - Replace	\$750		15	3					\$1.286				\$1,277		\$1,27 \$1,280
	Solar Panels - Replace	\$9,000		15	3					51,200				\$15,322		\$15,323
	Solar Panels - Structure Replace	\$5,400		15	3	·						·		\$9,193		\$9,193
	Pool Signs - Replace	\$250		5	-3	\$336					\$389	İ				\$72
9.16	Pool Furniture Replacement Allowance	\$2,500	2004	10	2			\$3,564								\$3,564
	Pre-Fab Tub Replace	\$10,000	2002	20	10	\$13,439										\$13,439
	Rails - Replace	\$1,000		30	20	010,000			<u></u> }∤			l			••••••••	
	Heater - Replace	\$2,650		15	9											
	Filter - Replace	\$2,250	1997	[16	1			1					\$3,719			\$3,719
	Filter Pump - Replace	\$850	2004	9	1	\$1,142									\$1,490	\$2,63
	CLUBHOUSE INTERIOR Paint - Interior (Clubhouse)	¢5.400	2001	<u> </u>]								
	Carpet Floor- Replace	\$3,493 \$4,420	2004 2005	15	7			<u>}</u>								
	Tile Floor - Replace	\$11,000		40	7											
	Refrigerator - Replace	\$500		15	7										τ i	
11.05	Disposal - Replace	\$300	2011	15	14					S 454					ĺ	\$454
	HVAC Unit - Replace	\$3,000		34	1											
	Clubitouse & Sauna Fans - Replace	\$700		20	2			ļ	ļ							
	Sauna Reom Rehabilitation & Door Sauna Mechanical - Replace	\$5,000 \$3,000		35 30	2 29			<u>؛</u>								
	Water Heater - 50 Gal	\$1,000		18	29			;				¦				
11.11	Doors - Wood w/Glass	\$1,200		45	12			\$1,711								\$1,71
11.12	Doors - Solid Wood	\$2,400		45	12			\$3,422					Í		ŀ	\$3,422
	Lights	\$2,850		35	27											
11.14	Restroom Upgrade	\$10,000		15	7								· · · · · · · · ·			
11.15	Kitchen Area Upgrude Furniture Replace	\$5,000		15	7				\$10,280			<u> </u>		·····		\$10,280
	CLUBHOUSE BUILDING EXTERIOR	1 27,000	2005	10	<u> </u>				310,280			i	· · · · ·			B10,200
12.01	Gutters & Downspouts - Replace	\$2,176	2005	25	18									\$3,704		\$3,704
12.02	Clubhouse Deck & Stairs - Replace- Redwood	\$15,000		25	21											
	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$1,446		3	1	\$1,943			\$2,123			\$2,320			\$2,536	\$8,92.
	Doors - Wood/Glass Entry Doors	\$3,400		45	12			\$4,848								\$4,843 \$85
12.05	Doors - Sold Wood Entry Door- Pool Equipment Room Doors - Metal/Glass Sliding Doors	\$600		45	12			\$855	ļ							505
	Windows	\$5,000		35	2										···· ····	
	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS			1	<u>-</u>											
	Doors - Garage Door & Trim Repair Allowance	\$25,000		20	20											
	Doors - Single Car Garage Doors	\$63,000		40	7											
	Doors - Wood/Glass Fedestrian Door Doors - Solid Wood Doors @ Walk In Garbages	\$7,500		35	2							L				····
	Trash Euclosure Rebuild Allowance	\$6,000 \$10,000		30	22 6			·····				\$16,047	L			\$16,047
	RESIDENTIAL BUILDING EXTERIORS - STAIRS	310,000	2.008									310,047				
	Straight Stairs & Landing - Replace (6) (Saarman)	\$51,000	2002	30	20											
14.02	Straight Stairs & Landing - Replace (3)	\$25,500	1989	30	7											
14.03	U-Shaped Stairs & Landing - Replace (7) (Saarman)	\$105,000		30	20											
14.04	U-Shaped Stairs & Landing - Replace (2)	\$30,000 \$96,000	1992 2002	30	10	\$40,317										\$40,311
14.05	L-Shaped Stairs & Landing - Replace (8) (Saarman) L-Shaped Stairs & Landing - Replace (1) - 504	\$96,000	2002	30	20	{			└ {							
14.07	L-Shaped States & Landing - Replace (3)	\$36,000	1990	30	8											
14.08	Stairs & Landing - Repair Allowance	\$2,500	2011	1	0	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	\$3,895	\$4,012	\$4,132	\$4,256	\$4,384	\$38,510
15.00	RESIDENTIAL BUILDING EXTERIORS - BALCONIES											L				
	Small Balconies - Replace (4) (Saarman)	\$32,000	2002	30	20											
	Small Balconies - Replace (2) Small Balconies - Replace (3)	\$16,000 \$24,000	1989 1983	30	7							·				
	Small Balconies - Replace (3) Small Balconies - Replace (1) - 4141	\$24,000		30	27											
	Large Balconies Replace (23) (Saarman)	\$421,317		30	20				<u> </u>		_		···· ·	·. ····		
15.06	Large Balconies Replace (5)	\$91,598	2001	30	19				İ						\$160,618	\$160,61
	Large Balconies Replace (10)	\$183,185	1997	30	15						\$285,396			_		\$285,390
	Large Balconies Replace (10)	\$183,185	1993	30	11		\$253,571	<u>.</u>								\$253,57
15.09	Large Balconies Replace (10) (Large Balconies Replace (6)	\$183,185		30	7			}							r	
	Large Balconies Replace (6) Large Balconies Replace (2)-3108 & 4141	\$35,680		30	27			}								
	Townhouse Balconies - Replace (2)	\$25,000		30	3											
	Townhouse Balconies - Replace (3)	\$37,500		30	-3								Í			
15.14	Repair Small, Large & Townhouse Balconies Allowance	\$2,500		1	0	\$3,360	\$3,461	\$3.564	\$3,671	\$3,781	\$3,895	\$4,012	\$4,132	\$4,256	\$4,384	\$38,510
	BUILDING EXTERIOR - ROOFS			+	<u> </u>					£16.10.5		61 C A -				\$75,894
16.01	Inspection & Repair Allowance - All Roofing Components	\$10,000	2010	2	0	\$13,439		\$14,258	LI	\$15,126		\$16,047	jj	\$17,024	l	575,89

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7.00 B PROJECTED EXPENDITU	RE SCHEDU	LE - SE	COND	TEN Y	EARS										
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	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2ad 10 Yrs
16.02 Flat Roof Replacement @ 550 Thain	\$14,000	2012	20	20			1				1				
16.03 Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	13	4								1			1
16.04 Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	19	5											
16.05 Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	20	6											
16.06 Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	21	7											
17.00 RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES				(1					
17.01 Doors - Entry Door & Hardware Allowance	\$5,000	2011	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
17.02 Doors - Sliding Glass Door & Hardware Allowance	\$5,000	2011	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
17.03 Windows - Inspect/Repair/Replace Allowance	\$5,000	2011	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
17.04 Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000	2011	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
17.05 Termite Fumigation & Repairs (2006)	\$65,000	2005	10	4					\$98,318						\$98,318
17.06 Building Exterior Wood Repair/Replacement - every paint	\$174,310	2009	6	3	ļ					\$271,569			1		\$271,569
17.07 Building Exterior Wood Repair/Replacement - overy other	\$192,110	2008	12	8				-							
18.00 PAINTING & STAINING			<u> </u>					1							
18.01 Paint - All Wood/Metal Components	\$135,000	2009	6	3		}				\$210,326					\$210,326
18.02 Stain - Wood Shingle	\$85,000	2009	6	3						\$132,427					\$132,427
19.00 MISCELLANEOUS & CONTINGENCIES															
19.01 Arborist Tree Report	\$5,000	2009	5	2			\$7,129					\$8,264			\$15,393
19.02 Reservo Study - Annual	\$800	2009	3	0			\$1,141		1	\$1,246		_	\$1,362		\$3,749
19.03 Reserve Study - Annual	\$800	2010	3	1	\$1,075			\$1,175]	1]	\$1,284			\$1,403	\$4,937
19.04 Reserve Study - Third Year Site Inspection	\$1,600	2011	3	2		\$2,215			\$2,420			\$2,645			\$7,279
19.05 Underground Utility Inspections & Repairs	\$5,000	2011	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	
19.06 CC&R Revisions	\$5,000	2009	5	2			\$7,129					\$8,264	}		\$15,393
UNSCHEDULED EXPENSE		3.00%			\$4,267	\$10,299	\$6,018	\$5,449	\$6,180	\$30,263	\$5,167	\$3,575	\$5,946	\$7,743	\$0

INFLATION FACTOR	3.00%	1.34	1,38	1.43	1.47	1.51	1.56	1.60	1.65	1,70	1.75	
TOTAL INFLATED REPAIR/REPLACEMENT EXPENSE		\$146,516	\$353,596	\$206,623	\$187,085	\$212,195	\$1,039,013	\$177,394	\$122,745	\$204,143	\$265,849	\$2,830,250

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7.00 C	PROJECTED EXPENDITU	RE SCHEDU	ЛЕ - I	HIRD	TEN YE	ARS										
CODE DESCRI	COMPONENT	REPLACE/ REPAIR CST	YEAR		RMNG		YR_ 22	YR. 23	YR 24	YR. 25	YR. 26	YR. 27	YR. 28	YR. 29	YR. 30	TOTAL
1.00 GROUNDS		REPAIR CST	NEW	LIFE	LIFE	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	3rd 10 Yrs
	(Monument) Replace	\$2,500	1997	21	6								\$5,553			\$5,553
1.02 Map Board -		\$2,500		12	1 5								0,00		\$5,891	\$5,891
1.03 Building/Un	nit Number Signs Repair/Replace	\$3,250		12	5										\$7,659	
2.00 GROUNDS	S - PAVING & CONCRETE			1	1						. 1					
2.01 Asphalt Pavi	ing - Seal Coat	\$8,596		5	3				\$16,966					\$19,668		\$36,634
2.02 Asphalt Pavi	ring - Parking Striping	\$581		5	3				\$1,146					\$1,328		\$2,474
	ring - Carb Painting ring - Minor Repair - 5%	\$1,082 \$10,746	2010	5	3				\$2,134 \$21,207					\$2,474 \$24,585		\$4,609 \$45,792
2.05 Asphalt Pay	ring - Major Repair - 25%	\$53,728	1979	40	7				321,207			·····		324,303		i 343,792
	epairs - Repair/Replace - Minor	\$1,500	2011	1	0	\$2,709	\$2,790	\$2,874	\$2,960	\$3,049	\$3,141	\$3,235	\$3,332	\$3,432	\$3,535	\$31,058
2.07 Concrete Re	epsirs - Repair/Replace - Major	\$9,000		10	6							\$19,409				\$19,409
2.08 Concrete - P	Pool Deck Repair/Replace	\$53,040	1979	35	2						Į					ĺ
3.00 GROUNDS	S - FENCES, RETAINING WALLS, & GATES				1											
3.01 Fence - Woo	od @ Patio - Repair/Replace Allowance od - G.N. @ Clubhouse Driveway	\$10,000		5	1		\$18,603					\$21,566				S40,169
	od - G.N. @ Clubhouse to Bldg, 10 Driveway	\$2,160	2003	25 25	16											ļ
	od - @ Bldg. 9 Drive and Open Space	\$4,920	2003	25	13											
	od - @ Bidg, 10 Drive and Open Space	\$5,250	2008	25	21		\$9,767			l						\$9,767
3.06 Fence - Woo	od - G.N. behind Bldgs. 4, 5, 6 .7 .8 .9	\$14,460	2000	25	13											
	od - G.N. behind Bldgs. 1, 2, 3, 4	\$11,140	2000	25	13					1				[[
	od - Pool Area Fences	\$940		25	18]							ļ
	clone @ Tennis Court - Replace	\$10,800	1979	45	12											1
3.10 Retaining -	Wood @ Units 4122 and 4124 Masonry Retaining Wall @ Tennis	\$1,855 \$27,000	1995 1979	30 55	13			\$51,735								\$51,735
	Wood @ Pool Area	\$6,500		25	16	[351,755	ł					{		001,100
	awino Car Gates - Replace	\$1,500		2.5	8				· · · · · · · · · · · · · · · · · · ·							
	amino Podestrian Gate - Replace	\$1,500		2.5	20	\$2,709								1		\$2,709
3,15 Gates - Pool		\$3,000		2.5	18											
	lone @ Tennis Court - Replace	\$500		25	8											
	od @ Maintenance Area 5 - IRRIGATION & LANDSCAPING	\$1,000	2000	15	3											
	onents Repair and Replacement - Ongoing	\$2,500	2011	1	0	\$4,515	\$4,651	\$4,790	\$4,934	\$5,082	\$5,234	\$5,391	\$5,553	\$5,720	\$5,891	\$51,763
	onents - Major System Replacement	\$55,609	2011	25	24	194,JLJ	97,001	44,750	54,254	\$113,042		40,077			40,071	\$113,042
4.03 Irrigation Re	eplace Allowance (Valves, Pipes, Heads etc.)	\$2,500		1	0	\$4,515	\$4,651	\$4,790	\$4,934	\$5,082	\$5,234	\$5,391	\$5,553	\$5,720	\$5,891	\$51,763
4.04 Irrigation Co	ontrollers	\$8,000		15	12								\$17,770			\$17,770
4.05 Irrigation Co		\$4,000		15	3											
4.06 Backflow Pr		\$10,000		25	8	#10.0C1	710 (00)	0101/1	010 724	000.000	\$20,938	601 666	600.010	\$22,879	800 844	\$207,050
4.07 Large Tree C	Care Scape Enhancements	\$10,000 \$5,000		1	0	\$18,061 \$9,031	518,603 \$9,301	\$19,161 \$9,581	\$19,736 \$9,868	\$20,328 \$10,164	\$10,469	\$21,566 \$10,783	\$22,213 \$11,106		\$23,566 \$11,783	
5.00 LIGHTING		\$3,000	2011			37,031	33,301	\$9,301	43,000	310,104	310,409	\$10,783		\$11,440	911/102	100,020
	iring and Controllers Repair Allowance	\$1,000	2011	1	0	\$1,806	\$1,860	\$1,916	\$1,974	\$2,033	\$2,094	\$2,157	\$2,221	\$2,288	\$2,357	\$20,705
5.02 Light Fixture	res - @ Landscaping & Wiring	\$9,900		30	-3		1									
5.03 Light Poles	@ Pool Area - Poles, Fixtures & Wiring	\$3,000		30	-3											
5.04 Lights- Club	bhouse Building Exterior	\$375		30	-3											
	ll Mount @ Garages sidential Building Exterior - Entry/Balc./Stairs	\$5,625		30	-3											<u> </u>
5.00 Lights - Kes	Saential Building Exterior - Entry/Bale/Stairs	\$24,375	1979	30	-3											
	uild (Structure, Siding, Roof)	\$9,000	1995	25	8									1		
6.02 Mailboxes		\$11,700	1995	25	8									1		
7.00 GROUNDS	- MISCELLANEOUS									ĺ				[
	d (Modular) - Replace	\$1,200	2007	20	15							[]		
	ailings @ site Concrete Stairs	\$5,300	1985	30	3											<u> </u>
7.03 Television S 8.00 TENNIS CO		\$7,500	1993	15	-4											
	rt - Resurface/Lines	\$5,500	2010	5	3				\$10,855					\$12,584		\$23,438
8.02 Tennis Cour		\$36,000		45	12						}	1	1	1		· · · · · · · · · · · · · · · · · · ·
8.03 Tennis Cour	rt Net - Replace	\$350	2010	5	3				\$691			(\$801		\$1,492
9.00 SWIMMIN																
9.01 Drainage Up		\$2,500		15	12						1		\$5,553 \$17,178			\$5,553 \$17,178
9.02 Plaster- Rest 9.03 Coping - Res		\$7,733 \$2,400	2003	12	3		\$4,465						\$17,178			\$4,465
9.03 Coping - Rep 9.04 Tile - Replac		\$2,400		30	21		\$4,465									\$4,465
	/Deck Joint - Replace Mastic		2003	10	1		\$1,339									\$1,339
9.06 Rails - Repla	ace	\$2,000		30	21		\$3,721						ļ			\$3,721
9.07 Lights - Rep		\$300		15	6		\$558									\$558
9.08 Heater - Rep		S2,850	2000	13	1								\$6,331			\$6,331
	ace	\$2,250	2000	13	1 1								\$4,998			\$4,998 \$1,888
9.09 Filter - Repla 9.10 Filter Pump		eero l	2000	13	1 .			,	F	1			\$1,888		1	

7.00 0	PROJECTED EXPENDITU	JRE SCHEDU	JLE - I	HIRD	TEN YE	ARS										
	COMPONENT	REPLACE/		USEFL		YR, 21	YR. 22	YR, 23	YR. 24	YR. 25	YR. 26	YR. 27	YR. 28	YR. 29	YR. 30	TOTAL
	DESCRIPTION	REPAIR CST	NEW	LIFE	LIFE	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	3rd 10 Yrs
	Solar Controller - Replace		2000	15	3											
	Solar Pump - Replace		2000	13	1								\$1,883			\$1,888
	Solar Panels - Replace	\$9,000		15	3											
	Solar Panels - Structure Replace Pool Signs - Replace	\$5,400	2000	15 5	3	\$452					\$523					\$975
	Pool Signs - Replacement Allowance	\$2,500		10	2	34,72		\$4,790					/}			\$4,790
10.00		32,000	2004		* f			φ η ,7,20;					·····			
	Pre-Fab Tub Replace	\$10,000	2002	2.0	10											
	Rails - Replace	\$1,000		30	20	\$1,806				1						\$1,806
	Heater - Replace	\$2,650	2006	15	9					\$5,387						\$5,387
	Filter - Replace	\$2,250	1997	16	1				İ					ĺ		1
	Filter Pump - Replace	\$850		9	1				· · · · · · · · · · · · · · · · · · ·					\$1,945		\$1,945
11.00	CLUBHOUSE INTERIOR			1	1											
	Paint - Interior (Clubhouse)	\$3,493		15	7			\$6,693	(\$6,693
	Carpet Floor- Replace	\$4,420		15	8			1	\$8,723							\$8,723
11.03	Tile Floor - Replace	\$11,000		40	7			1	ĺ]			
	Refrigerator - Replace	\$500		15	7			\$958								\$958
	Disposal - Replace	\$300		15	14										\$707	\$707
	HVAC Unit - Replace	\$3,000	1979	34	1					i			·			\$1,341
	Clubhouse & Sauna Fans - Replace	\$700	1994	20	2			\$1,341					ļ			31,54
	Sauna Room Rehabilitation & Door	\$5,000	1979	35	2								·,	}}	\$7,070) \$7.070
	Sauna Mechanical - Replace Water Henter - 50 Gal	\$3,000	2011	30	29	\$1,806									47,070	\$1,800
	Water Heater - 50 Gal Doors - Wood w/Glass	\$1,000 \$1,200	1996 1979	18 45	2	\$1,806	·									31,000
	Doors - Solid Wood	\$2,400		45	12						······					1
11,12		\$2,400		35	27								\$6,331			\$6,331
11.14	Restroom Upgrade	\$10,000	2004	15	7			\$19,161								\$19,161
	Kitchen Area Upgrade	\$5,000	2004	15	7		i	\$9,581								\$9,581
	Furniture Replace	\$7,000	2005	10	3				\$13,815							\$13,815
	CLUBHOUSE BUILDING EXTERIOR			i i					1							
12.01	Gutters & Downspouts - Replace	\$2,176	2005	25	18											
12.02	Clubhouse Deck & Stairs - Replace- Redwood	\$15,000	2008	25	21		\$27,904									\$27,904
12.03	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$1,446	2010	3	1			\$2,771			\$3,028			\$3,308		\$9,107
	Doors - Wood/Glass Entry Doors	S3,400		45	12											·
	Doors - Sold Wood Entry Door- Pool Equipment Room	\$600		45	12											
	Doors - Metal/Glass Sliding Doors	\$2,850		35	2		İ									
	Windows	\$5,000	1979	35	2											
	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS															\$45,153
	Doors - Garage Door & Trim Repair Allowance	\$25,000	2012	20	20	\$45,153										34,123
13.02	Doots - Single Car Garage Doors Doors - Wood/Glass Pedestrian Door	\$63,000	1979 1979	40	7											
	Doors - Wood/Utass Pedestrian Door Doors - Solid Wood Doors (@) Walk In Garbages	\$7,500		30	22			\$11,497								\$11,497
	Trash Enclosure Rebuild Allowance	\$10,000	2004	10	6		1	\$11,497				\$21,566				\$21,566
	RESIDENTIAL BUILDING EXTERIORS - STAIRS	310,000	2000	10)			1
	Straight Stairs & Landing - Roplace (6) (Saarman)	\$51,000	2002	30	20	\$92,112							[]			\$92,112
	Straight Stairs & Landing - Roplace (3)	\$25,500	1989	30	7	000,110										
14.03	U-Shaped Stairs & Landing - Replace (7) (Saarman)	\$105,000	2002	30	20	\$189,642										\$189,642
14.04	U-Shaped Stairs & Landing - Replace (2)	\$30,000	1992	30	10		1									1
	L-Shaped Stairs & Landing - Replace (8) (Ssarman)	\$96,000		30	20	\$173,387										\$173,387
14.06	L-Shaped Stairs & Landing - Replace (1) - 504	\$12,000	2008	30	2.6							\$25,879				\$25,875
14.07	L-Shaped Stairs & Landing - Replace (3)	\$36,000	1990	30	8											
14.08	Stairs & Landing - Repair Allowanco	\$2,500		1	0	\$4,515	\$4,651	\$4,790	\$4,934	\$5,082	\$5,234	\$5,391	\$5,553	\$5,720	\$5,891	\$51,763
	RESIDENTIAL BUILDING EXTERIORS - BALCONIES				1							L				\$57,796
	Small Balconies - Replace (4) (Saarman)	\$32,000	2002	30	20	\$57,796										\$37,796
15.02	Small Balconics - Roplace (2)	\$16,000		30	7		L						l			
15.03	Small Balconics - Replace (3)	\$24,000		30	1		·						\$17,770			\$17,770
	Small Balconies - Replace (1) - 4141	\$8,000		30	27	\$760,945							a17,770			\$760,945
	Large Balconies Replace (23) (Saarman)	\$421,317 \$91,598		30	19	\$700,945										1
15.07	Large Balconies Replace (5) Large Balconies Replace (10)	\$183,185		30	15											1
	Large Balconies Replace (10)	\$185,185	1993	30	1 11											1
	Large Balconies Replace (10)	ST83,185		30	7											
15.00	Large Balconies Replace (6)	\$109,910		30	3											
1511	Large Balconies Replace (2)- 3108 & 4141	\$35,680	2009	30	27								\$79,256			\$79,256
	Townhouse Balconies - Replace (2)	\$25,000		30	3		1									
	Townhouse Balconies - Replace (3)	\$37,500		30	-3		1									
	Repair Small, Large & Townhouse Balconies Allowance	\$2,500		1	0	\$4,515	\$4,651	\$4,790	\$4,934	\$5,082	\$5,234	\$5,391	\$5,553	\$5,720	\$5,891	\$51,763
15.14							1						1	-		
	BUILDING EXTERIOR - ROOFS	1						\$19,161		\$20,328		\$21,566	L	\$22,879		\$101,995

7.00 C PROJECTED EXPENDITO	TRE SCHEDU	JLE - T	HIRD	ren ye	ARS										
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	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	3rd 10 Yrs
16.02 Flat Roof Replacement @ 550 Thain	\$14,000	2012	20	20	\$25,286	{						ł			\$25,286
16.03 Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	18	4			\$377,690								\$377,690
16.04 Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	19	5					\$400,691						\$400,691
16.05 Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	20	6							\$425,093				\$425,093
16.06 Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	\$197,114	1998	2.1	7 1	(\$450,982		\$450,982
17.00 RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES				5	{										
17.01 Doors - Entry Door & Hardware Allowance	\$5,000	2011	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	
17.02 Doors - Sliding Glass Door & Hardware Allowance	\$5,000	2011	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	S10.469	\$10,783	\$11,106	\$11,440	\$11,783	
17.03 Windows - Inspect/Repair/Replace Allowance	\$5,000	2011	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	
17.04 Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000	2011	1	0	\$9,031	\$9,301	\$9,581	\$9,868[\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	\$103,525
17.05 Termite Fumigation & Repairs (2006)	\$65,000	2006	10	4					\$132,132	1	1				\$132,132
17.06 Building Exterior Wood Repair/Replacement - every paint	\$174,310	2009	6	3		\$324,268						\$387,193			\$711,461
17.07 Building Exterior Wood Repair/Replacement - every other	\$192,110	2008	12	8	\$346,972										\$346,972
18.00 PAINTING & STAINING															
18.01 Paint - All Wood/Metal Components	\$135,000	2009	6	3		\$251,140						\$299,874			\$551,014
18.02 Stain - Wood Shingle	\$85,000	2009	6	3		\$158,125						\$188.810			\$346,935
19.00 MISCELLANEOUS & CONTINGENCIES												İ			
19.01 Arborist Tree Report	\$5,000	2009	5	2		1	\$9,581					\$11,106			\$20,687
19.02 Reserve Study - Annual	\$800		3	0		\$1,488			\$1,626			\$1.777			54,892
19.03 Reserve Study - Annual	\$800	2010	3	1			\$1,533			\$1,675		{	\$1,830		\$5,038
19.04 Reserve Study - Third Year Site Inspection	\$1,600	2011	3	2	\$2,890			\$3,158			\$3,451			\$3,771	
19.05 Underground Utility Inspections & Repairs	\$5,000	2011	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	
19.06 CC&R Revisions	\$5,000	2009	5	2			\$9,581		<u>.</u>			\$11,106			\$20,687
UNSCHEDULED EXPENSE		3.00%			\$54,415	\$27,105	\$18,800	\$5,469	\$23,398	\$3,454	\$19,553	\$35,430	\$19,875	\$4,465	\$0
INFLATION FACTOR		3.90%			1.81	1.86	1.92	1.97	2.03	2.09	2,16	2.22	2,29	2.36	
TOTAL INFLATED REPAIR/REPLACEMENT EXPENSE					\$1,868,251	\$930,613	\$645,467	\$187,777	\$803,325	\$118,604	\$671,304	\$1,216,430	\$682,375	\$153,282	\$7,065,464

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RESERVE STUDY REQUIREMENTS

LEGAL REQUIREMENTS

8.00

Identify the major components to be included. Establish reasonable life of all components. Establish remaining life of all components. Project estimated cost of all repairs. Project year in which repairs are to occur. Prepare Statement of Methodology.

SCOPE OF STUDY

The time frame covered by this analysis is from 2012 through 2041. These are the beginning and ending points for all repairs and funding calculations 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 Homeowner Association's Board for approval. The following sources were used, when possible, to make our determinations:

Original plans and specifications. Original contractors, maintenance contractors and vendors. Current contractors, maintenance contractors and vendors. Association maintenance staff. Association management. Independent subcontractors. In-house quantity surveyor.

While gathering this information there were some assumptions made regarding existing conditions, future conditions and additional circumstances that may occur that would effect 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. Items that were not in such condition are identified in the Reserve Study.

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. Its also assumed all components will receive reasonable maintenance for their remaining life.

Only components which 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 Associations Annual Operating Budget.

The components estimated useful life is greater than one year.

The components remaining estimated useful life is less than 30 years. (Provided its performing to standards)

The replacement cost of all components included in this report is based on current repair or replacement costs.

In order to determine the annual Reserve contributions which will be required, a Fund Balance Methodology was performed. The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account which will enable the Association to fulfill its responsibility for maintaining the common area components. It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The initial inflation rate used is based upon a specific construction industry index. The Association's current rate of return on it's reserve account(s) is used for this study.

Based on the fact we have no knowledge or control over costs in the future, we would advise the Association to have the Reserve Study reviewed on an annual basis and make any necessary adjustments regarding component performance and their respective replacement costs.

CODE	COMPONENT	YEAR	EXPECT.	OBSERVED	INCLUDE	ITEM	ŰΜ	UNIT	TOTAL
#	NAME	NEW	LIFE	CONDITION	NOTES	QUAN.		COST	COST
1.00	GROUNDS - SIGNAGE								
1.01	Entry Sign (Monument) Replace	1997	21	FAIR		1	EA.	\$2,500.00	\$2,500
	Map Board - Repair/Replace	2005	12	GOOD/FAIR		1	EA.	\$2,500.00	\$2,500
	Building/Unit Number Signs Repair/Replace	2005	12	GOOD/FAIR		13	EA.	\$250.00	\$3,250
2.00	GROUNDS - PAVING & CONCRETE								
	Asphalt Paving - Seal Coat	2010	5	GOOD/FAIR		42982	S.F.	\$0.20	\$8,596
	Asphalt Paving - Parking Striping	2010	5	GOOD/FAIR		774	S.F.	\$0.75	\$581
	Asphalt Paving - Curb Painting	2010	5	GOOD/FAIR		721	S.F.		\$1,082
	Asphalt Paving - Minor Repair - 5%	2010	5	AS NEEDED		2149		\$5.00	\$10,746
	Asphalt Paving - Major Repair - 25%	1979	40	FAIR		10746	S.F.		\$53,728
	Concrete Repairs - Repair/Replace - Minor	2011	1	AS NEEDED		1	L.S.		\$1,500
	Concrete Repairs - Repair/Replace - Major	2008	10	AS NEEDED			L.S.		\$9,000
	Concrete - Pool Deck Repair/Replace	1979	35	FAIR		2652	S.F.	\$20.00	\$53,040
	GROUNDS - FENCES, RETAINING WALLS, & GATES								
	Fence - Wood @ Patio - Repair/Replace Allowance	2008	5	AS NEEDED				\$10,000.00	\$10,000
	Fence - Wood - G.N. @ Clubhouse Driveway	2003	25	FAIR		108		\$20.00	\$2,160
	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway	2003	25	FAIR			[L.F.		\$4,920
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space	2000	25	FAIR		218	L.F.	\$35.00	\$7,630
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space	2008	25	GOOD		150	L.F.	\$35.00	\$5,250
	Fence - Wood - G.N. behind Bldgs. 4, 5, 6, 7, 8, 9	2000	25	FAIR		723	L.F.	\$20.00	\$14,460
3.07	Fence - Wood - G.N. behind Bldgs. 1, 2, 3, 4	2000	25	FAIR			L.F.	\$20.00	\$11,140
3.08	Fence - Wood - Pool Area Fences	2005	25	FAIR			L.F.	\$20.00	\$940
	Fence - Cyclone @ Tennis Court - Replace	1979	45	FAIR			L.F.	\$30.00	\$10,800
3.10	Retaining - Wood @ Units 4122 and 4124	1995	30	FAIR			L.F.	\$35.00	\$1,855
	Retaining - Masonry Retaining Wall @ Tennis	1979	55	GOOD/FAIR			L.F.	\$75.00	\$27,000
3.12	Retaining - Wood @ Pool Area	2003	· 25	GOOD/FAIR			L.F.	\$78.31	\$6,500
3.13	Gates -El Camino Car Gates - Replace	1995	25	FAIR		2	EA.	\$750.00	\$1,500
3.14	Gates -El Camino Pedestrian Gate - Replace	2007	25	FAIR		1	EA.	\$1,500.00	\$1,500
	Gates - Pool Gates - Replace	2005	25	FAIR		2	EA.	\$1,500.00	\$3,000
3.16	Gates - Cyclone @ Tennis Court - Replace	1995	25	FAIR		1	EA.	\$500.00	\$500
	Gates - Wood @ Maintenance Area	2000	15	FAIR		2	EA.	\$500.00	\$1,000
4.00	GROUNDS - IRRIGATION & LANDSCAPING								
4.01	Well Components Repair and Replacement - Ongoing	2011	1	AS NEEDED		1	L.S.	\$2,500.00	\$2,500
4.02	Well Components - Major System Replacement	2011	25	AS NEEDED		1		\$55,609.00	\$55,609
4.03	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	2011	1	AS NEEDED		1	L.S.	\$2,500.00	\$2,500
4.04	Irrigation Controllers	2009	15	AS NEEDED		4	EA.	\$2,000.00	\$8,000

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CODE	COMPONENT	YEAR	EXPECT.	OBSERVED	INCLUDE	ITEM	UM	UNIT	TOTAL
#	NAME	NEW	LIFE	CONDITION	NOTES	QUAN.		COST	COST
4.05	Irrigation Controllers	2000	15	AS NEEDED		2	EA.	\$2,000.00	\$4,000
	Backflow Preventor	1995	25	AS NEEDED		4	EA.	\$2,500.00	\$10,000
4.07	Large Tree Care	2011	1	AS NEEDED		1	L.S.	\$10,000.00	\$10,000
	Large Landscape Enhancements	2011	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
5.00	LIGHTING- ALL SITE	1							
5.01	Lighting Wiring and Controllers Repair Allowance	2011	1	AS NEEDED		1	L.S.	\$1,000.00	\$1,000
5.02	Light Fixtures - @ Landscaping & Wiring	1979	30	PROPOSED		99	EA.	\$100.00	\$9,900
	Light Poles @ Pool Area - Poles, Fixtures & Wiring	1979	30	PROPOSED		3	EA.	\$1,000.00	\$3,000
5.04	Lights- Clubhouse Building Exterior	1979	30	PROPOSED		3	EA.	\$125.00	\$375
	Lights - Wall Mount @ Garages	1979	30	PROPOSED		45	EA.	\$125.00	\$5,625
	Lights - Residential Building Exterior - Entry/Balc./Stairs	1979	30	PROPOSED		195	EA.	\$125.00	\$24,375
6.00	GROUNDS - MAILBOX KIOSKS								
6.01	Kiosks Rebuild (Structure, Siding, Roof)	1995	25	FAIR		6	EA.	\$1,500.00	\$9,000
	Mailboxes	1995	25	FAIR		78	EA.	\$150.00	\$11,700
7.00	GROUNDS - MISCELLANEOUS		1					er van de Die	
7.01	Storage Shed (Modular) - Replace	2007	20	GOOD/FAIR		1	EA.	\$1,200.00	\$1,200
7.02	Iron Stair Railings @ site Concrete Stairs	1985	30	FAIR			L.F.	\$100.00	\$5,300
7.03	Television System - MATV	1993	15	To Determine		1	L.S.	\$7,500.00	\$7,500
8.00	TENNIS COURT AREA								P
8.01	Tennis Court - Resurface/Lines	2010	5	GOOD		7200	S.F.	\$0.76	\$5,500
8.02	Tennis Court - Replace	1979	45	GOOD/FAIR		7200	S.F.	\$5.00	\$36,000
8.03	Tennis Court Net - Replace	2010	5	AS NEEDED		1	EA.	\$350.00	\$350
	SWIMMING POOL								
9.01	Drainage Upgrade Allowance	2009	15	GOOD			L.S.	\$2,500.00	\$2,500
	Plaster- Resurface	2003	12	FAIR		129	S.Y.	\$60.00	\$7,733
9.03	Coping - Replace	2003 ·	30	FAIR		120	L.F.	\$20.00	\$2,400
	Tile - Replace	2003	30	FAIR		120		\$20.00	\$2,400
9.05	Seal Coping/Deck Joint - Replace Mastic	2003	10	FAIR/POOR		120	L.F.	\$6.00	\$720
	Rails - Replace	2003	30	FAIR.		2	EA.	\$1,000.00	\$2,000
	Lights - Replace	2003	15	FAIR		1	EA.	\$300.00	\$300
	Heater - Replace	2000	13	AS NEEDED		1	EA.	\$2,850.00	\$2,850
	Filter - Replace	2000	13	AS NEEDED	state and the second second second second second second second second second second second second second second	1	EA.	\$2,250.00	\$2,250
	Filter Pump - Replace	2000	13	AS NEEDED		1	EA.	\$850.00	\$850
9.11	Solar Controller - Replace	2000	15	AS NEEDED		1	EA.	\$750.00	\$750
9.12	Solar Pump - Replace	2000	13	AS NEEDED		1	EA.	\$850.00	\$850
9.13	Solar Panels - Replace	2000	15	AS NEEDED		15	EA.	\$600.00	\$9,000

CODE	COMPONENT	YEAR	EXPECT.	OBSERVED	INCLUDE	ITEM	UM	UNIT	TOTAL
#	NAME	NEW	LIFE	CONDITION	NOTES	QUAN.		COST	COST
9.14	Solar Panels - Structure Replace	2000	15	AS NEEDED		360	S.F.	\$15.00	\$5,400
	Pool Signs - Replace	2004	5	AS NEEDED		1	EA.	\$250.00	\$250
9.16	Pool Furniture Replacement Allowance	2004	10	AS WANTED		1	L.S.	\$2,500.00	\$2,500
10.00]		
	Pre-Fab Tub Replace	2002	20	GOOD/FAIR		1	EA.	\$10,000.00	\$10,000
	Rails - Replace	2002	30	GOOD/FAIR		1	EA.	\$1,000.00	\$1,000
	Heater - Replace	2006	15	AS NEEDED		1	EA.	\$2,650.00	\$2,650
	Filter - Replace	1997	16	AS NEEDED		1	EA.	\$2,250.00	\$2,250
	Filter Pump - Replace	2004	9	AS NEEDED		1	EA.	\$850.00	\$850
1	CLUBHOUSE INTERIOR		An and a second s						
	Paint - Interior (Clubhouse)	2004	15	GOOD/FAIR		3493	S.F.	\$1.00	\$3,493
	Carpet Floor- Replace	2005	15	GOOD/FAIR	u gyweiddad.	442	¢	\$10.00	\$4,420
	Tile Floor - Replace	1979	40	GOOD/FAIR	din die state di	550	S.F.	\$20.00	\$11,000
	Refrigerator - Replace	2004	15	GOOD/FAIR		1	EA.	\$500.00	\$500
11.05	Disposal - Replace	2011	15	GOOD	a di fanta di fanta di fanta di fanta di fanta di fanta di fanta di fanta di fanta di fanta di fanta di fanta di	1	EA.	\$300.00	\$300
	HVAC Unit - Replace	1979	34	AS NEEDED			EA.	\$3,000.00	\$3,000
	Clubhouse & Sauna Fans - Replace	1994	20	AS NEEDED			EA.	\$350.00	\$700
	Sauna Room Rehabilitation & Door	1979	35	FAIR			L.S.	\$5,000.00	\$5,000
	Sauna Mechanical - Replace	2011	30	GOOD		and the second s	EA.	\$3,000.00	\$3,000
2	Water Heater - 50 Gal	1996	18	AS NEEDED		1		\$1,000.00	\$1,000
	Doors - Wood w/Glass	1979	45	AS NEEDED		2		\$600.00	\$1,200
	Doors - Solid Wood	1979	45	AS NEEDED		4	EA.	\$600.00	\$2,400
	Lights	2004	35	AS NEEDED		19	2	\$150.00	\$2,850
	Restroom Upgrade	2004	15	AS NEEDED			L.S.	\$5,000.00	\$10,000
	Kitchen Area Upgrade	2004	15	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
	Furniture Replace	2005	10	AS NEEDED		• 1	L.S.	\$7,000.00	\$7,000
1	CLUBHOUSE BUILDING EXTERIOR								
	Gutters & Downspouts - Replace	2005	25	GOOD/FAIR			L.F.	\$8.00	\$2,176
1	Clubhouse Deck & Stairs - Replace- Redwood	2008	25	GOOD		482	S.F.	\$31.12	\$15,000
	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	2010	3	AS NEEDED		482	1	\$3.00	\$1,446
	Doors - Wood/Glass Entry Doors	1979	45	AS NEEDED		4	EA.	\$850.00	\$3,400
	Doors - Sold Wood Entry Door- Pool Equipment Room	1979	45	AS NEEDED		1	1 3	\$600.00	\$600
	Doors - Metal/Glass Sliding Doors	1979	35	AS NEEDED		3	3 1	\$950.00	\$2,850
	Windows	1979	35	AS NEEDED		5	EA.	\$1,000.00	\$5,000
1	GARAGE & TRASH ENCLOSURE BUILDING EXTERIO								
13.01	Doors - Garage Door & Trim Repair Allowance	2012	20	PROPOSED		70	EA.	\$357.14	\$25,000

CODE	COMPONENT	YEAR	EXPECT.	OBSERVED	INCLUDE	ITEM	UM	UNIT	TOTAL
#	NAME	NEW	LIFE	CONDITION	NOTES	QUAN.		COST	COST
13.02	Doors - Single Car Garage Doors	1979	40	FAIR		70	EA.	\$900.00	\$63,000
	Doors - Wood/Glass Pedestrian Door	1979	35	FAIR		10	EA.	\$750.00	\$7,500
13.04	Doors - Solid Wood Doors @ Walk In Garbages	2004	30	FAIR		10	EA.	\$600.00	\$6,000
	Trash Enclosure Rebuild Allowance	2008	10	AS NEEDED		1	L.S.	\$10,000.00	\$10,000
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS		·						
14.01	Straight Stairs & Landing - Replace (6) (Saarman)	2002	30	GOOD/FAIR		6	EA.	\$8,500.00	\$51,000
14.02	Straight Stairs & Landing - Replace (3)	1989	30	FAIR		3	EA.	\$8,500.00	\$25,500
14.03	U-Shaped Stairs & Landing - Replace (7) (Saarman)	2002	30	GOOD/FAIR		7	EA.	\$15,000.00	\$105,000
14.04	U-Shaped Stairs & Landing - Replace (2)	1992	30	FAIR		2	EA.	\$15,000.00	\$30,000
14.05	L-Shaped Stairs & Landing - Replace (8) (Saarman)	2002	30	GOOD/FAIR		8	EA.	\$12,000.00	\$96,000
14.06	L-Shaped Stairs & Landing - Replace (1) - 504	2008	30	GOOD		1	EA.	\$12,000.00	\$12,000
14.07	L-Shaped Stairs & Landing - Replace (3)	1990	30	FAIR				\$12,000.00	\$36,000
	Stairs & Landing - Repair Allowance	2011	1	AS NEEDED		1	L.S.	\$2,500.00	\$2,500
15.00	RESIDENTIAL BUILDING EXTERIORS - BALCONIES								
15.01	Small Balconies - Replace (4) (Saarman)	2002	30	GOOD/FAIR		4	EA.	\$8,000.00	\$32,000
15.02	Small Balconies - Replace (2)	1989	30	FAIR		2	EA.	\$8,000.00	\$16,000
	Small Balconies - Replace (3)	1983	30	FAIR		3	EA.	\$8,000.00	\$24,000
	Small Balconies - Replace (1) - 4141	2009	30	GOOD		1	EA.	\$8,000.00	\$8,000
	Large Balconies Replace (23) (Saarman)	2002	30	GOOD/FAIR		23	1	\$18,318.13	\$421,317
	Large Balconies Replace (5)	2001	30	GOOD/FAIR		5		\$18,319.60	\$91,598
	Large Balconies Replace (10)	1997	30	FAIR		10	EA.	\$18,318.50	\$183,185
	Large Balconies Replace (10)	1993	30	FAIR		10		\$18,318.50	\$183,185
	Large Balconies Replace (10)	1989	30	FAIR		10	1	\$18,318.50	\$183,185
	Large Balconies Replace (6)	1985	30	FAIR		6		\$18,318.25	\$109,910
	Large Balconies Replace (2)- 3108 & 4141	2009	30	GOOD		2		\$17,840.00	\$35,680
1	Townhouse Balconies - Replace (2)	1985	30	FAIR		· 2		\$12,500.00	\$25,000
	Townhouse Balconies - Replace (3)	1979	30	FAIR/POOR		3		\$12,500.00	\$37,500
	Repair Small, Large & Townhouse Balconies Allowance	2011	1	AS NEEDED		1	L.S.	\$2,500.00	\$2,500
1	BUILDING EXTERIOR - ROOFS								
16.01	Inspection & Repair Allowance - All Roofing Components	2010	2	AS NEEDED		1		\$10,000.00	\$10,000
	Flat Roof Replacement @ 550 Thain	2012	20	PROPOSED		1		\$14,000.00	\$14,000
	Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	1998	18	To Determine	Yes	1		\$197,113.55	\$197,114
	Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	1998	19	To Determine	Yes			\$197,113.55	\$197,114
	Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	1998	20	To Determine	Yes			\$197,113.55	\$197,114
	Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	1998	21	To Determine	Yes	1	L.S.	\$197,113.55	\$197,114
17.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPI	LACE A	LLOWANC	CES					

COMPONENT DATA

CODE	COMPONENT	YEAR	EXPECT.	OBSERVED	INCLUDE	ITEM	UM	UNIT	TOTAL
#	NAME	NEW	LIFE	CONDITION	NOTES	QUAN.		COST	COST
17.01	Doors - Entry Door & Hardware Allowance	2011	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
	Doors - Sliding Glass Door & Hardware Allowance	2011	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
17.03	Windows - Inspect/Repair/Replace Allowance	2011	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
17.04	Wood Siding/Shingle/Trim Ongoing Repairs	2011	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
17.05	Termite Fumigation & Repairs (2006)	2006	10	AS NEEDED		1	L.S.	\$65,000.00	\$65,000
	Building Exterior Wood Repair/Replacement - every paint	2009	6	AS NEEDED	Yes	1	1	\$174,310.00	\$174,310
	Building Exterior Wood Repair/Replacement - every other	2008	12	AS NEEDED	Yes	1	L.S.	\$192,110.00	\$192,110
ĩ	PAINTING & STAINING								
1	Paint - All Wood/Metal Components	2009	6	GOOD/FAIR		1	â	\$135,000.00	\$135,000
	Stain - Wood Shingle	2009	6	GOOD/FAIR		1	L.S.	\$85,000.00	\$85,000
3	MISCELLANEOUS & CONTINGENCIES								
19.01	Arborist Tree Report	2009	5	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
	Reserve Study - Annual	2009	3	ONGOING		1	L.S.	\$800.00	\$800
5	Reserve Study - Annual	2010	3	ONGOING	, and a second se	1	L.S.	\$800.00	\$800
	Reserve Study - Third Year Site Inspection	2011	3	ONGOING		1	L.S.	\$1,600.00	\$1,600
	Underground Utility Inspections & Repairs	2011	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
19.06	CC&R Revisions	2009	5	AS NEEDED		1	L.S.	\$5,000.00	\$5,000

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COMPONENT NOTES

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 100 year life expectancy in this report indicates a one time expenditure in the year shown as year new.
- 3. Per California Civil Code 1365.5, inspections and subsequent condition reports contained within this report were based on visual identification and inspection. No destructive testing was performed during this inspection.
- 4. We recommend that the Board seek appropriate expert inspection, testing, and opinions for the following areas of concern. 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.
- 5. Units of Measurement abbreviations.
 - L.F. = Lineal Feet
 - S.F. = Square Feet
 - S.Y. = Square Yard
 - EA. = Each
 - L.S. = Lump Sum

SPECIFIC NOTES:

MAIN HEADING: 16.00 BUILDING EXTERIOR - ROOFS

SUB HEADING: 16.02 SLOPED & FLAT ROOF/GUTTERS/DOWNS/SKYLIGHTS - 25%

The association is responsible for maintaining various roofing components throughout the property. Rather than a one time total replacement of all roofing systems, these components have been organized to be replaced in four phases, with 25% of the total being completed each phase. The following inventory quantifies the amount and potential total replacement cost estimates for which these phases are based on.

The benefit of this approach is that all of the various roof components on each individual building will be replaced at once leading to higher overall integration of components and quality, as well as lower cost and lower nuisance to owners of each building. After completion of the project it is likely that life expectancies of the next cycle will be able to be lengthened. The overall life expectancies are currently shorter than hoped due to low confidence in the current roofing system.

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COMPONENT NOTES

24740	S.F. of Flat Roofs - Residences	\$6.00	\$148,440.00
8041	S.F. of Flat Roofs - Clubhouse & Garages	\$6.00	\$48,246.00
44028	S.F. of Sloped Shake Roofs - Residences	\$7.50	\$330,213.00
17997	S.F. of Sloped Shake Roofs-Clubhouse/Garages	\$7.50	\$134,980.20
1	L.S. of Gutters & Downspouts - Replace	\$94,175.00	\$94,175.00
14	Chimney Caps & Spark Arrestors	\$600.00	\$8,400.00
16	Skylights - Assoc. Responsible @ Peaks	\$1,500.00	\$24,000.00
		-	\$788,454.20
		-	

MAIN HEADING: 17.00 BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES

SUB HEADING:17.05 EXTERIOR WOOD REPAIR/REPLACEMENT - EVERY PAINTSUB HEADING:17.05 EXTERIOR WOOD REPAIR/REPLACEMENT - EVERY OTHER

In 2008 and 2009 the association performed a major repair and replacement project to the exterior wood components of the buildings including: wood shingles, siding, trim, fascia, decks, balconies, stairs, landings, and railings. Due to the size, age and exposure of these buildings the association should be prepared to continue to perform large amounts of repair and replacement in the future in order to protect the building structure. The allowances included herein are organized based on the actual expenditures in 2008 and 2009, but are staggered at 6 year and 12 year life expectancies to balance the building needs and the funding realities. These components should be reviewed with the association's contractor's often and any great changes in outlook incorporated into the next study.

11.00 COMPONENT CATEGORY COST SUMMARY

CODE #	CATEGORY NAME	TOTALS
1.00	GROUNDS - SIGNAGE	\$8,250.00
2.00	GROUNDS - PAVING & CONCRETE	\$138,271.40
3.00	GROUNDS - FENCES, RETAINING WALLS, & GATES	\$110,155.00
4.00	GROUNDS - IRRIGATION & LANDSCAPING	\$97,609.00
5.00	LIGHTING- ALL SITE	\$44,275.00
6.00	GROUNDS - MAILBOX KIOSKS	\$20,700.00
7.00	GROUNDS - MISCELLANEOUS	\$14,000.00
8.00	TENNIS COURT AREA	\$41,850.00
9.00	SWIMMING POOL	\$42,753.33
10.00	SPA	\$16,750.00
11.00	CLUBHOUSE INTERIOR	\$60,863.04
12.00	CLUBHOUSE BUILDING EXTERIOR	\$30,472.00
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERI	\$111,500.00
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS	\$358,000.00
15.00	RESIDENTIAL BUILDING EXTERIORS - BALCONIES	\$1,353,059.50
16.00	BUILDING EXTERIOR - ROOFS	\$812,454.20
17.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REP	\$451,420.00
18.00	PAINTING & STAINING	\$220,000.00
19.00	MISCELLANEOUS & CONTINGENCIES	\$18,200.00
	Grand Total:	\$3,950,582.47

RESOURCE REFERENCES

TRADE:	General Construction Pricing
NAME:	Means Cost Work
CONTACT:	R.S. Means Company, Inc.
ADDRESS:	63 Smiths Lane
CITY, STATE:	Kingston, MA 02364-0800
PHONE:	N/A
TRADE:	Electrical Pricing
NAME:	Means Cost Work
CONTACT:	R.S. Means Company, Inc.
ADDRESS:	63 Smiths Lane
CITY, STATE:	Kingston, MA 02364-0800
PHONE:	N/A
TRADE: NAME: CONTACT: ADDRESS: CITY, STATE: PHONE:	 Plumbing & HVAC Pricing Means Cost Work R.S. Means Company, Inc. 63 Smiths Lane Kingston, MA 02364-0800 N/A
TRADE: NAME: COMPANY: ADDRESS: CITY, STATE: PHONE:	Financial Information PML Management Corporation 655 Mariners Island Blvd., Suite 301 San Mateo, CA 94404 (650) 349-9113
TRADE:	Component Replacement Dates
NAME:	Ms.Deborah McGraw
COMPANY:	PML Management Corporation
ADDRESS:	655 Mariners Island Blvd., Suite 301
CITY, STATE:	San Mateo, CA 94404
PHONE:	(650) 349-9113

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RESERVE STUDY FINANCIAL SUMMARY

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ASSOCIATION INFORMATION							
BOARD OF DIRECTORS CONTACT:	Board of Directors						
ASSOCIATION NAME:	Barron Square HOA - 3yr, Update 2012						
ADDRESS:	Thain Way						
CITY, STATE, ZIP:	Palo Alto, CA						
PHONE NUMBER:							
EMAIL:							
PROPERTY INFORMATION							
BEGINNING YEAR OF STUDY:	2012 NUMBER OF UNITS IN PROJECT:	65					
YEAR CONSTRUCTED:	1979 NUMBER OF BUILDINGS ANALYZED:	13					
NUMBER OF CONSTRUCTION PHASES:	1 YEAR ENDING DATE:	12/31					
YEAR OF LAST PHYSICAL INSPECTION:	2011						
PERFORMED BY:	Reserve Analysis Consulting, L.L.C.						
YEAR OF NEXT PHYSICAL INSPECTION:	2014 (as required by the Davis-Stirling Act - 1997)						
RESERVE STUDY PREPARER:	Reserve Analysis Consulting, L.L.C. 3030 Bridgeway, Suite 330 Sausalito, California 94965 Casey O'Neill (415) 289-7443 FAX (415) 332-7801 caseyo@reserveanalysis.com						
CURRENT PROPERTY MANAGER:	Ms.Deborah McGraw PML Management Corporation 655 Mariners Island Blvd., Suite 301 San Mateo, CA 94404 (650) 349-9113						
CURRENT ACCOUNTANT:							
	PML Management Corporation 655 Mariners Island Blvd., Suite 301 San Mateo, CA 94404 (650) 349-9113						
RESERVE ACCOUNT INFORMATION							
2011 ANNUAL RESERVE CONTRIBUTION:	\$236,677 2012 ANNUAL RESERVE CONTRIBUTION:	\$246,757					
2011 MONTHLY RESERVE CONTRIBUTION:	\$19,723 2012 MONTHLY RESERVE CONTRIBUTION:	\$20,563					
2011 UNIT PER MONTH CONTRIBUTION:	\$303.43 2012 UNIT PER MONTH CONTRIBUTION:	\$316.36					
2011 ACTUAL SPECIAL ASSESSMENT:	N/A 2012 PROPOSED SPECIAL ASSESSMENT:	\$0					
2011 TOTAL DOLLARS TO BE 100% FUNDED:	\$2,021,017 REQUESTED MINIMUM BALANCE:	N/A					
2011 ACTUAL DOLLARS IN RESERVE FUND:	\$1,176,035 2012 PROJECTED BEGINNING YEAR BALANCE:	\$1,176,035					
2011 PER UNIT UNDERFUNDED	\$13,000 2012 PROJECTED REPLACEMENT EXPENSES:	\$196,550					
2011 CALCULATED PERCENT FUNDED:	58.19% ASSUMED LONG-TERM INFLATION RATE:	3.00%					

CURRENT AVG. ACCOUNT INTEREST RATE:

1.00

0.50% ASSUMED LONG-TERM INTEREST RATE:

1.50%

RESERVE STUDY REQUIREMENTS

LEGAL REQUIREMENTS

2.00

Identify the major components to be included. Establish reasonable life of all components. Establish remaining life of all components. Project estimated cost of all repairs. Project year in which repairs are to occur. Prepare Statement of Methodology.

SCOPE OF STUDY

The time frame covered by this analysis is from 2012 through 2041. These are the beginning and ending points for all repairs and funding calculations 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 Homeowner Association's Board for approval. The following sources were used, when possible, to make our determinations:

Original plans and specifications. Original contractors, maintenance contractors and vendors. Current contractors, maintenance contractors and vendors. Association maintenance staff. Association management. Independent subcontractors. In-house quantity surveyor.

While gathering this information there were some assumptions made regarding existing conditions, future conditions and additional circumstances that may occur that would effect 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. Items that were not in such condition are identified in the Reserve Study.

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. Its also assumed all components will receive reasonable maintenance for their remaining life.

Only components which 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 Associations Annual Operating Budget.

The components estimated useful life is greater than one year.

The components remaining estimated useful life is less than 30 years. (Provided its performing to standards)

The replacement cost of all components included in this report is based on current repair or replacement costs.

In order to determine the annual Reserve contributions which will be required, a Fund Balance Methodology was performed. The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account which will enable the Association to fulfill its responsibility for maintaining the common area components. It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The initial inflation rate used is based upon a specific construction industry index. The Association's current rate of return on it's reserve account(s) is used for this study.

Based on the fact we have no knowledge or control over costs in the future, we would advise the Association to have the Reserve Study reviewed on an annual basis and make any necessary adjustments regarding component performance and their respective replacement costs.

EPS FOR DETERMINING PERCENT FUNDED:

Step I: 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 components 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 paragraph (4) of sub-division (b) of section 1365.2.5 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 requirements shown on page 9:00 A & B of this Reserve study are derived by cash flow funding calculations.

Code	Component	Year	Useful	Remaining	Total	Annual	2011 Total
#	Description	New	Life	Life	Cost	Contrib.	Req'd in Bauk
1.00	GROUNDS - SIGNAGE						
1.01	Entry Sign (Monument) Replace	1997	21		\$2,500	\$119	\$1,667
1.02	Map Board - Repair/Replace	2005	12		\$2,500	\$208	,
1.03	Building/Unit Number Signs Repair/Replace	2005	12	5	\$3,250	\$271	\$1,625
2.00	GROUNDS - PAVING & CONCRETE						
2.01	Asphalt Paving - Seal Coat	2010	5		\$8,596	\$1,719	
2.02	Asphalt Paving - Parking Striping	2010	5		\$581	\$116	
2.03	Asphalt Paving - Curb Painting	2010	5	3	\$1,082	\$216	
2.04	Asphalt Paving - Minor Repair - 5%	2010	5	3	\$10,746	\$2,149	
2.05	Asphalt Paving - Major Repair - 25%	1979	40	7	\$53,728	\$1,343	
2.06	Concrete Repairs - Repair/Replace - Minor	2 011	1	0	\$1,500	\$1,500	\$0
2.07	Concrete Repairs - Repair/Replace - Major	2008	10	6	\$9,000	\$900	\$2,700
2.08	Concrete - Pool Deck Repair/Replace	1979	35	2	\$53,040	\$1,515	\$48,494
3.00	GROUNDS - FENCES, RETAINING WALLS, & GATES						
3.01	Fence - Wood @ Patio - Repair/Replace Allowance	2008	5	1	\$10,000	\$2,000	\$6,000
3.02	Fence - Wood - G.N. @ Clubhouse Driveway	2003	25	16	\$2,160	\$86	\$691
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway	2003	25	16	\$4,920	\$197	\$1,574
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space	2000	25	13	\$7,630	\$305	\$3,357
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space	2008	25		\$5,250	\$ 2 10	\$630
3.06	Fence - Wood - G.N. behind Bldgs. 4, 5, 6, 7, 8, 9	2000	25		\$14,460	\$578	\$6,362
3.07	Fence - Wood - G.N. behind Bldgs. 1, 2, 3, 4	2000	25		\$11,140	\$446	
3.08	Fence - Wood - Pool Arca Fences	2005	25		\$940	\$38	
3.09	Fence - Cyclone @ Tennis Court - Replace	1979	45		\$10,800	\$240	
3.10	Retaining - Wood @ Units 4122 and 4124	1995	30		\$1,855	\$62	
3.11	Retaining - Masonry Retaining Wall @ Tennis	1979	55		\$27,000	\$491	
3.12	Retaining - Wood @ Pool Area	2003	25		\$6,500	\$260	
3.13	Gates -El Camino Car Gates - Replace	1995	25		\$1,500	\$60	
3.14	Gates -El Camino Pedestrian Gate - Replace	2007	25		\$1,500	\$60	
3.15	Gates - Pool Gates - Replace	2005	25		\$3,000	\$120	
3.16	Gates - Cyclone @ Tennis Court - Replace	1995	25		. \$500	\$20	-
3.17	Gates - Wood @ Maintenance Area	2000	15		\$1,000	\$67	
4.00	GROUNDS - IRRIGATION & LANDSCAPING	2000	13	5	\$1,000	607	6699
		2011	1	0	\$2,500	\$2,500	\$0
4.01	Well Components Repair and Replacement - Ongoing		25		\$2,300	\$2,300	
4.02	Well Components - Major System Replacement	2011 2011			\$2,500	\$2,224	
4.03	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)		1 15		-	\$533	
4.04	Irrigation Controllers	2009			\$8,000	\$333 \$267	,
4.05	1rrigation Controllers	2000	15		\$4,000		,
4.06	Backflow Preventor	1995	25		\$10,000	\$400 ©10.000	,
4.07	Large Tree Care	2011	1	0	\$10,000	\$10,000	\$0

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)

	(total component cost divided by the file expectancy of the component	ient)					
4.08	Large Landscape Enhancements	2011	1	0	\$5,000	\$5,000	\$0
5.00	LIGHTING- ALL SITE						
5.01	Lighting Wiring and Controllers Repair Allowance	2011	1	0	\$1,000	\$1,000	\$0
5.02	Light Fixtures - @ Landscaping & Wiring	1979	30	-3	\$9,900	\$330	\$9,900
5.03	Light Poles @ Pool Area - Poles, Fixtures & Wiring	1979	30	-3	\$3,000	\$100	\$3,000
5.04	Lights- Clubhouse Building Exterior	1979	30	-3	\$375	\$13	\$375
5.05	Lights - Wall Mount @ Garages	1979	30	-3	\$5,625	\$188	\$5,625
5.06	Lights - Residential Building Exterior - Entry/Balc./Stairs	1979	30	-3	\$24,375	\$813	\$24,375
6.00	GROUNDS - MAILBOX KIOSKS						
6.01	Kiosks Rebuild (Structure, Siding, Roof)	1995	25	8	\$9,000	\$360	\$5,760
6.02	Mailboxes	1995	25	8	\$11,700	\$468	\$7,488
7.00	GROUNDS - MISCELLANEOUS						
7.01	Storage Shed (Modular) - Replace	2007	20	15	\$1,200	\$60	\$240
7.02	Iron Stair Railings @ site Concrete Stairs	1985	30	3	\$5,300	\$177	\$4,593
7:03		1993	15	-4	\$7,500	\$500	\$7,500
8.00	TENNIS COURT AREA						
8.01	Tennis Court - Resurface/Lines	2010	5	3	\$5,500	\$1,100	\$1,100
8.02	Tennis Court - Replace	1979	45	12	\$36,000	\$800	\$25,600
8.03	Tennis Conrt Net - Replace	2010	5	3	\$350	\$70	\$70
9.00	SWIMMING POOL						
9.01	Drainage Upgrade Allowance	2009	15	12	\$2,500	\$167	\$333
9.02	Plaster- Resurface	2003	12	3	\$7,733	\$644	\$5,156
9.03	Coping - Replace	2003	30	21	\$2,400	\$80	\$640
9.04	Tile - Replace	2003	30	21	\$2,400	\$80	\$640
9.05	Seal Coping/Deck Joint - Replace Mastic	2003	10	1	\$720	\$72	\$576
9.06	Rails - Replace	2003	30	21	\$2,000	\$67	\$533
9.07	Lights - Replace	2003	15	6	\$300	\$20	\$160
9.08	Heater - Replace	2000	13	1	\$2,850	\$219	\$2,412
9.09	Filter - Replace	2000	13	1	\$2,250	\$173	\$1,904
9.10	Filter Pump - Replace	2000	13	1	\$850	\$65	\$719
9.11	Solar Controller - Replace	2000	15	3	\$750	\$50	\$550
9.12	Solar Pump - Replace	2000	13	1	\$850	\$65	\$719
9.13	Solar Panels - Replace	2000	15	3	\$9,000	\$600	\$6,600
9.14	Solar Panels - Structure Replace	2000	15	3	\$5,400	\$360	\$3,960
9.15	Pool Signs - Replace	2004	5	-3	\$250	\$50	\$250
9.16	Pool Furniture Replacement Allowance	2004	10	2	\$2,500	\$250	\$1,750
10.00	SPA		· ·			•	
10.01	Pre-Fab Tub Replace	2002	20	10	\$10,000	\$500	\$4,500
10.02	Rails - Replace	2002	30	20	\$1,000	\$33	\$300
10.02	Heater - Replace	2006	15	-*	\$2,650	\$177	\$883
10.03	Filter - Replace	1997	16	1	\$2,250	\$141	\$1,969
10.04	Filter Pump - Replace	2004	9	1	\$850	\$94	\$661
11.00	CLUBHOUSE INTERIOR	2001	,	-	0000	0/1	000×
11.00	Paint - Interior (Clubhouse)	2004	15	7	\$3,493	\$233	\$1,630
11.01	Carpet Floor- Replace	2005	15	8	\$4,420	\$295	\$1,768
11.02	Tile Floor - Replace	1979	40	7	\$11,000	\$275	\$8,800
11.03	Refrigerator - Replace	2004	15	, 7	\$500	\$33	\$233
11.04	Disposal - Replace	2011	15	, 14	\$300	\$20	\$0
11.03	HVAC Unit - Replace	1979	34	1	\$3,000	\$88	\$2,824
11.00	Clubhouse & Sauna Fans - Replace	1979	20	2	\$700	\$35	\$595
11.07	Sauna Room Rehabilitation & Door	1994	35	2	\$5,000	\$33 \$143	\$355 \$4,571
	Sauna Mechanical - Replace	2011	33 30	29	\$3,000 \$3,000	\$143 \$100	34,371 \$0
11.09 11.10	-	1996					\$833
11.10	Water Heater - 50 Gal		18 45	2	\$1,000 \$1,200	\$56 \$27	
11.11	Doors - Wood w/Glass	1979 1979	45	12	\$1,200 \$2,400	\$27 \$53	\$853
11.12	Doors - Solid Wood	1979	45	12	\$2,400	\$53	\$1,707

TEPS 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)

	(total component cost divided by the life expectancy of the compon	ient)					
11.13	Lights	2004	35	27	\$2,850	\$81	\$570
11.14	Restroom Upgrade	2004	15	7	\$10,000	\$667	\$4,667
11.15	Kitchen Area Upgrade	2004	15	7	\$5,000	\$333	\$2,333
11.16	Furniture Replace	2005	10	3	\$7,000	\$700	\$4,200
12.00	CLUBHOUSE BUILDING EXTERIOR						
12.01	Gutters & Downspouts - Replace	2005	25	18	\$2,176	\$87	\$522
12,02	Clubhouse Deck & Stairs - Replace- Redwood	2008	25	21	\$15,000	\$600	\$1,800
12.03	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	2010	3	1	\$1,446	\$482	\$482
12.04	Doors - Wood/Glass Entry Doors	1979	45	12	\$3,400	\$76	\$2,418
12.05	Doors - Sold Wood Entry Door- Pool Equipment Room	1979	45	12	\$600	\$13	\$427
12.06	Doors - Metal/Glass Sliding Doors	1979	35	2	\$2,850	\$81	\$2,606
12.07	Windows	1979	35	2	\$5,000	\$143	\$4,571
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIO	RS					
13.01	Doors - Garage Door & Trim Repair Allowance	2012	20	20	\$25,000	\$1,250	\$23,750
13.02	Doors - Single Car Garage Doors	1979	40	7	\$63,000	\$1,575	\$50,400
13.03	Doors - Wood/Glass Pedestrian Door	1979	35	2	\$7,500	\$214	\$6,857
13.04	Doors - Solid Wood Doors @ Walk In Garbages	2004	30	22	\$6,000	\$200	\$1,400
13.05	Trash Enclosure Rebuild Allowance	2008	10	6	\$10,000	\$1,000	\$3,000
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS						
14.01	Straight Stairs & Landing - Replace (6) (Saarman)	2002	30	20	\$51,000	\$1,700	\$15,300
14.02	Straight Stairs & Landing - Replace (3)	1989	30	7	\$25,500	\$850	\$18,700
14.03	U-Shaped Stairs & Landing - Replace (7) (Saarman)	2002	30	20	\$105,000	\$3,500	\$31,500
14.04	U-Shaped Stairs & Landing - Replace (2)	1992	30	10	\$30,000	\$1,000	\$19,000
14.05	L-Shaped Stairs & Landing - Replace (8) (Saarman)	2002	30	20	\$96,000	\$3,200	\$28,800
14.06	L-Shaped Stairs & Landing - Replace (1) - 504	2008	30	26	\$12,000	\$400	\$1,200
4.07	L-Shaped Stairs & Landing - Replace (3)	1990	30	8	\$36,000	\$1,200	\$25,200
14.08	Stairs & Landing - Repair Allowance	2011	1	0	\$2,500	\$2,500	\$0
15.00	RESIDENTIAL BUILDING EXTERIORS - BALCONIES						
15.01	Small Balconies - Replace (4) (Saarman)	2002	30	20	\$32,000	\$1,067	\$9,600
15.02	Small Balconies - Replace (2)	1989	30	7	\$16,000	\$533	\$11,733
15.03	Small Balconies - Replace (3)	1983	30	1	\$24,000	\$800	\$22,400
15.04	Small Balconies - Replace (1) - 4141	2009	30	27	\$8,000	\$267	\$533
15.05	Large Balconies Replace (23) (Saarman)	-2002	30	20	\$421,317	\$14,044	\$126,395
15.06	Large Balconies Replace (5)	2 001	- 30	19	\$91,598	\$3,053	\$30,533
15.07	Large Balconies Replace (10)	1997	30	15	\$183,185	\$6,106	\$85,486
15.08	Large Balconies Replace (10)	1993	30	11	\$183,185	\$6,106	\$109,911
15.09	Large Balconies Replace (10)	1989	30	7	\$183,185	\$6,106	\$134,336
15.10	Large Balconies Replace (6)	1985	30	3	\$109,910	\$3,664	\$95,255
15.11	Large Balconies Replace (2)- 3108 & 4141	2009	30	27	\$35,680	\$1,189	\$2,379
15.12	Townhouse Balconies - Replace (2)	1985	30	3	\$25,000	\$833	\$21,667
15.13	Townhouse Balconies - Replace (3)	1979	30	-3	\$37,500	\$1,250	\$37,500
15.14	Repair Small, Large & Townhouse Balconies Allowance	2011	1	0	\$2,500	\$2,500	\$0
16.00	BUILDING EXTERIOR - ROOFS						
16.01	Inspection & Repair Allowance - All Roofing Components	2010	2	0	\$10,000	\$5,000	\$5,000
16.02	Flat Roof Replacement @, 550 Thain	2012	20	20	\$14,000	\$700	\$13,300
16.03	Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	1998	18	4	\$197,114	\$10,951	\$142,360
16.04	Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	1998	19	5	\$197,114	\$10,374	\$134,867
16.05	Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	1998	20	6	\$197,114	\$9,856	\$128,124
16.06	Sloped & Flat Roof/Gutters/Downspouts/Skylights - 25%	1998	21	7	\$197,114	\$9,386	\$122,023
17.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPL					,	,
17.01	Doors - Entry Door & Hardware Allowance	2011	1	0	\$5,000	\$5,000	\$0
17.02	Doors - Sliding Glass Door & Hardware Allowance	2011	1	0	\$5,000	\$5,000	\$0
17.02	Windows - Inspect/Repair/Replace Allowance	2011	î	0 0	\$5,000	\$5,000	\$0
17.04	Wood Siding/Shingle/Trim Ongoing Repairs	2011	1	ů	\$5,000	\$5,000	\$0
17.05	Termite Funigation & Repairs (2006)	2006	10	4	\$65,000	\$6,500	\$32,500
1,100	A HIRPATION & MALVING (2000)	2000		-	,	- ,	

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)

		/					
17.06	Building Exterior Wood Repair/Replacement - every paint	2009	6	3	\$174,310	\$29,052	\$58,103
17.07	Building Exterior Wood Repair/Replacement - every other	2008	12	8	\$192,110	\$16,009	\$48,028
18.00	PAINTING & STAINING						
18.01	Paint - All Wood/Metal Components	2009	6	3	\$135,000	\$22,500	\$45,000
18.02	Stain - Wood Shingle	2009	6	3	\$85,000	\$14,167	\$28,333
19.00	MISCELLANEOUS & CONTINGENCIES						
19.01	Arborist Tree Report	2009	5	2	\$5,000	\$1,000	\$2,000
19.02	Reserve Study - Annual	2009	3	0	\$800	\$267	\$533
19.03	Reserve Study - Annual	2010	3	1	\$800	\$267	\$267
19.04	Reserve Study - Third Year Site Inspection	2011	3	2	\$1,600	\$533	\$0
19.05	Underground Utility Inspections & Repairs	2011	1	0	\$5,000	\$5,000	\$0
19.06	CC&R Revisions	2009	5	2	\$5,000	\$1,000	\$2,000

Total Value of Components: = Annual Component Contribution:	\$3,950,582	\$281,897	
Total Dollars Required: Actual Dollars In Reserve Fund:		-	\$2,021,017 \$1,176,035
Current Fund Deficiency: Current Per Unit Deficiency:			\$844,982 \$13,000
Percent Funded: (Actual dollars/Total dollars Required)		-	58.19%

GENERAL RESERVE STUDY NOTES

While gathering information for this Reserve Analysis, there were some assumptions made regarding existing conditions, future conditions and additional circumstances, that may occur that 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 are based on industry standard experiences, and on the component being in reasonable and properly maintained condition.

All component conditions were based on a visual inspection only as required by the Davis-Stirling Act. This component analysis is a statistical analysis of the components for which the Contractee has responsibility and does not employ methods used for forensic or defect investigation or actual construction. This report does not address any factory or product defects or any damage due to improper maintenance, system design, or installation. It also assumed that all components would receive reasonable maintenance for their remaining lives.

Component useful life and remaining life projections are based on industry standards, manufacturer information, date of installation and maintenance information provided by the Contractee and/or it's management or staff. Each component's condition, life expectancy and replacement cost evaluations were based on visual inspections only. Inspections were limited to areas accessible to inspectors. When components are not accessible, assumptions will be made based on available component statistical information.

Many associations are experiencing some siding failures that cannot be investigated without destructive testing. This report includes a siding replacement allowance coinciding with the paint cycle for incidental repairs but does not account for major siding replacement. We would recommend that this association's Board of Directors engage an appropriate, professional expert to do an in-depth inspection of the siding to determine it's condition and likely useful life. This information, specifications and projected costs for major siding replacement will then be incorporated into the next Reserve Study update.

Because of these restrictions, we would recommend that the Board seek appropriate, expert inspection (as it deems necessary), testing and opinions for the following areas of concern. These may include but are not limited to:

- A. Defective construction and component installation.
- B. Dry Rot damage.
- C. Pest infestation.
- D. Mold infestation.
- E. Moisture penetration.
- F. Roof inspections and repairs.
- G. Balcony, deck and stair condition.
- H. Siding and Trim condition.
- I. Window and sliding glass door installation.

NARRATIVE CONCLUSION

PROPERTY DESCRIPTION:

Barron Square is a 65-member Common Interest Development located in Palo Alto, California.

The components listed here are those the Board of Directors has determined to be the major components which the Association is obligated to reserve for after reviewing its governing documents and/or consulting with legal counsel and other knowledgeable persons. The Board of Directors has determined that the maintenance and repair of major components not included in the reserve fund, if any, shall be funded throug the operations fund budget.

PROPERTY CONDITION:

The Association is generally in good/fair condition.

In 2009 the Association completed a major investigation and repair of it's wood components.

For specific details on component costs, quantities and condition please refer to the accompanying Component Data and Component Notes pages.

FUNDING ANALYSIS:

For specific details please refer to section Reserve Fund Cash Projections.

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 actioned 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, fluctuations in annual revenue, interest and inflation.

RESERVE FUNDING PLAN

2011 Average unit per month reserve contribution = \$303.432011 Total annual reserve contribution *1 = \$236,677

DESCRIPTION - 1ST 10 YEARS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Projected Beginning Fund Balance	\$1,176,035	\$1,237,499	\$1,400,736	\$1,520,864	\$1,085,307	\$1,015,560	\$1,032,759	\$1,013,268	\$563,404	\$467,490		
Proposed percentage increase	4.26%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		
Proposed unit per month dollar increase	\$12.92	\$15.82	\$16.61	\$17.44	\$18,31	\$19.23	\$20,19	\$21.20	\$22.26	\$23.37		
Proposed average unit/month contribution	\$316.36	\$332.17	\$348.78	\$366,22	\$384,53	\$403.76	\$423.95	\$445.14	\$467.40	\$490.77		
Proposed Total Annual Contribution *1	\$246,757	\$259,095	\$272,050	\$285,652	\$299,935	\$314,931	\$330,678	\$347,212	\$364,572	\$382,801		
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		
Proposed Total Special Assessment	\$0	SO	SO	\$0	\$0	\$0	50	\$0	50	\$0		
Does special assessment require vote?												
Income from other sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Reserve Fund Available	\$1,422,792	\$1,496,594	\$1,672,785	\$1,806,516	\$1,385,241	\$1,330,491	\$1,363,437	\$1,360,480	\$927,977	\$850,291		
Proposed inflated yearly expenditures	\$196,550	\$108,600	\$165,756	\$731,082	\$378,920	\$307,126	\$359,386	\$802,201	\$464,739	\$605,112		
Balance after expenditures	\$1,226,242	\$1,387,994	\$1,507,029	\$1,075,434	\$1,006,322	\$1,023,365	\$1,004,051	\$558,279	\$463,237	\$245,179		
Interest on balance after tax	\$11,257	\$12,742	\$13,835	\$9,872	\$9,238	\$9,394	\$9,217	\$5,125	\$4,253	\$2,251		
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	58.68%	59.43%	59.03%	48.19%	44,76%	43.65%	41.79%	27.29%	23.00%	13.20%		
Projected Year Ending Balance *3	\$1,237,499	\$1,400,736	\$1,520,864	\$1,085,307	\$1,015,560	\$1,032,759	\$1,013,268	\$563,404	\$467,490	\$247,430		
DESCRIPTION - 2ND 10 YEARS	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Projected Beginning Fund Balance	\$247,430	\$507,472	\$581,201	\$825,225	\$1,113,567	\$1,402,694	\$884,719	\$1,257,403	\$1,715,837	\$2,124,873		
Proposed percentage increase	5.00%	5.00%	5.00%	5.00%	5.00%	5,00%	5.00%	5.00%	5.00%	5.00%		
Proposed unit per month dollar increase	\$24.54	\$25,77	\$27.05	\$28,41	\$29.83	\$31.32	\$32.88	\$34.53	\$36.25	\$38.07		
Proposed average unit/month contribution	\$515.31	\$541.07	\$568.13	\$596.53	\$626,36	\$657.68	\$690.56	\$725.09	\$761.35	\$799.41		
Proposed Total Annual Contribution *1	\$401,941	\$422,038	\$443,140	\$465,297	\$488,562	\$512,990	\$538,640	\$565,572	\$593,850	\$623,543		
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		
Proposed Total Special Assessment	\$0	S 0	\$0	\$0	\$0	\$0	SO	S0	S0	SO		
Does special assessment require vote?												
Income from other sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Reserve Fund Available	\$649,371	\$929,510	\$1,024,341	\$1,290,522	\$1,602,129	\$1,915,684	\$1,423,358	\$1,822,974	\$2,309,687	\$2,748,416		
Proposed inflated yearly expenditures	\$146,516	\$353,596	\$206,623	\$187,085	\$212,195	\$1,039,013	\$177,394	\$122,745	\$204,143	\$265,849		
	\$502,855	\$575,914	\$817,718	\$1,103,438	\$1,389,934	\$876,671	\$1,245,965	\$1,700,229	\$2,105,544	\$2,482,567		
Balance after expenditures	4502,055											
Balance after expenditures Interest on balance after tax	\$4,616	\$5,287	\$7,507	\$10,130	\$12,760	\$8,048	\$11,438	\$15,608	\$19,329	\$22,790		
			\$7,507 N/A	\$10,130 N/A		\$8,048 N/A		\$15,608 N/A		\$22,790 N/A		
Interest on balance after tax	\$4,616		N/A 32.52%	N/A	N/A	N/A 32.90%	N/A	N/A 49.20%	N/A 54.85%	N/A 59.28%		

DESCRIPTION - 3RD 10 YEARS	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Projected Beginning Fund Balance	\$2,505,357	\$1,291,099	\$1,031,385	\$1,077,078	\$1,605,710	\$1,539,243	\$2,185,058	\$2,301,569	\$1,892,237	\$2,042,019
Proposed percentage increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Proposed unit per month dollar increase	\$23,98	\$24.70	\$25.44	\$26,21	\$26.99	\$27.80	\$28.64	\$29.50	\$30.38	\$31,29
Proposed average unit/month contribution	\$823.40	\$848.10	\$873,54	\$899.75	\$926.74	\$954.54	\$983.18	\$1,012.67	\$1,043.05	\$1,074.35
Proposed Total Annual Contribution *1	\$642,249	\$661,516	\$681,362	\$701,803	\$722,857	\$744,543	\$766,879	\$789,885	\$813,582	\$837,989
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
Does increase require membership vote?	\$0	50	\$0	S 0	\$0	\$0	50	50	\$0	\$0
Does special assessment require vote?										
Income from other sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve Fund Available	\$3,147,606	\$1,952,616	\$1,712,747	\$1,778,880	\$2,328,566	\$2,283,786	\$2,951,937	\$3,091,455	\$2,705,819	\$2,880,008
Proposed inflated yearly expenditures	\$1,868,251	\$930,613	\$645,467	\$187,777	\$803,325	\$118,604	\$671,304	\$1,216,430	\$682,375	\$153,282
Balance after expenditures	\$1,279,355	\$1,022,003	\$1,067,280	\$1,591,103	\$1,525,241	\$2,165,182	\$2,280,633	\$1,875,024	\$2,023,444	\$2,726,726
Interest on balance after tax	\$11,744	\$9,382	\$9,798	\$14,606	\$14,002	\$19,876	\$20,936	\$17,213	\$18,575	\$25,031
Minimum requested balance	N/A									
Percent Funded (if implemented) *2	42,34%		39,06%							
Projected Year Ending Balance *3	\$1,291,099	\$1,031,385	\$1,077,078	\$1,605,710	\$1,539,243	\$2,185,058	\$2,301,569	\$1,892,237	\$2,042,019	\$2,751,758

Barron Square HOA - 3yr. Update 2012 For Budget Year: 2012 ASSESSMENT and RESERVE FUNDING DISCLOSURE SUMMARY

Sec. 2. Section 1365.2.5 (a)

(1) The current regular assessment per ownership interest is \$ 600.46 per month. Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page _____ of the Pro Forma Budget.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due Amount per ownership interest per year: Purpose of assessment

	· · · ·
TOTAL	

NOTE: If assessments vary by the size or type of ownership interest, the assessment applicable to the ownership interest may be found on page ______ of the attached Pro Forma Budget. These assessments might be for purposes outside the scope of the current Reserve Study and have been included by the party preparing the association's Pro Forma Operating Budget.

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years:



(4) If the answer to (3) is no, what additional assessments or other contributions to reserve would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members.
Approximate date assessment will be due:
Amount per ownership interest per year:

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the estimated amount required in the reserve fund at the end of the current fiscal year is \$ 2,021,017 based in whole or in part on the last reserve study or update prepared by **Reserve Analysis Consulting, LLC** as of **November, 2011**. The projected reserve fund cash balance at the end of the current fiscal year is \$1,176,035, resulting in reserves being 58.19% funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A _.

Barron Square HOA - 3yr. Update 2012 For Budget Year: 2012

(7.a.) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is <u>* See Below</u>, and the projected reserve fund cash balance in each of those years,

taking into account only assessments already approved and other known revenues, is \$<u>** See Below</u>, leaving the reserve at <u>*** See Below</u> percent funding.

Year	2012	2013	2014	2015	2016
* Estimated Amount Required in Fund	\$2,108,846	\$2,357,029	\$2,576,461	\$2,252,003	\$2,268,957
** Proj. Reserve Balance (ALREADY APPROVED)	\$1,219,884	\$1,352,085	\$1,427,361	\$935,811	\$795,996
*** Percent Funded	57.85%	57.36%	55.40%	41.55%	35.08%

(7.b.) If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be <u>\$****</u> See Below leaving the reserve at <u>*****</u> See Below percent funding.

Year	2012	2013	2014	2015	2016
* Estimated Amount Required in Fund	\$2,108,846	\$2,357,029	\$2,576,461	\$2,252,003	\$2,268,957
**** Proj. Reserve Balance (IF IMPLEMENTED)	\$1,237,499	\$1,400,736	\$1,520,864	\$1,085,307	\$1,015,560
***** Percent Funded	58.68%	59.43%	59.03%	48.19%	44.76%

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.5 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3 percent per year.

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a

major component will require replacement.

(2) "Major component" has the meaning used in Section 1365.5.

Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(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.

Further Notes: Please read the General Reserve Study Notes on page 4.00 and the Narative Reserve Study Notes on Page 5 of this Financial Summary for further recommended Board actions and disclosures.