

RESERVE STUDY

Component Analysis and Reserve Fund Plan

Annual Review Study 2017

For

Barron Square HOA

Palo Alto, CA

Prepared By

**RESERVE ANALYSIS
CONSULTING, LLC**

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TABLE OF CONTENTS

<u>SECTION #:</u>	<u>DESCRIPTION</u>	<u>NEW DAVIS-STIRLING #</u>
1.00	Terms, Conditions & Definitions Legal Requirements, conditions, limitations & General Definitions	5300(b)(7)
2.00	Information Sheet Property information, current financial #'s & next year funding information summary	5300(b)(2), 5565
3.00	Narrative Statements Property description, property condition & financial statements	5300(b)(4,5,6,8)
4.00	30 yr Reserve Funding Plan Regular & Special Assessment Amounts, projected expenditure amounts & fund balances	5300(b)(5,6), 5560, 5565
5.00	Graphic Illustrations Bar graphs depicting assessment levels, inflated expenditures & bank balance	
6.00	Next 3 Years Projected Expenditures Summary of next 3 years projected expenditures	
7.00-A	Projected Expenditure Schedule - First Ten Years Spreadsheet depicting component expenditures by year for the first 10 years of the study	5550, 5565
7.00-B	Projected Expenditure Schedule - Second Ten Years Spreadsheet depicting component expenditures by year for the second 10 years of the study	5550, 5565
7.00-C	Projected Expenditure Schedule - Third Ten Years Spreadsheet depicting component expenditures by year for the third 10 years of the study	5550, 5565
8.00	Procedures & Methodologies Procedures and methodology for component identification, inspection & funding	5300(b)(7)
9.00	Component Data Reference data for component age, life cycle, condition, count/measurement & unit cost	5550, 5565
10.00	Component Notes Narrative descriptions, photos and/or detail inventories for certain components	5550
11.00	Percent Funded Calculations Explanation of percent funded calculation as defined by Davis-Stirling Act, including annual straight-line allocation per component and total required to be 100% Funded	5565

**Barron Square HOA
Thain Way
Palo Alto, CA**

ATTN: Board of Directors

RE: Barron Square HOA - Annual Review Study 2017

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

TERMS & CONDITIONS OF STUDY

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

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

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

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

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

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

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

GENERAL DEFINITIONS OF STUDY**RESERVE STUDY:**

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

COMPONENT INVENTORY and ANALYSIS:

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

FUNDING ANALYSIS :

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

FUNDING PRINCIPLES:

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

FUNDING GOALS:

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

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

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

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

PERCENT FUNDED:

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

CASH FLOW FUNDING METHOD:

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

ASSUMED LONG-TERM INTEREST AND INFLATION

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

INFORMATION REFERENCE

TRADE:	Financial Information	TRADE:	Component Replacement Dates
NAME:	Ms. Deborah McGraw	NAME:	Ms. Deborah McGraw
COMPANY:	PML Management Corporation	COMPANY:	PML Management Corporation
ADDRESS:	655 Mariners Island Blvd., Suite 301	ADDRESS:	655 Mariners Island Blvd., Suite 301
CITY, STATE:	San Mateo, CA 94404	CITY, STATE:	San Mateo, CA 94404
PHONE:	(650) 349-9113	PHONE:	(650) 349-9113

PROPERTY INFORMATION

PROPERTY NAME:	Barron Square HOA		
STREET ADDRESS:	Thain Way		
CITY, STATE, ZIP:	Palo Alto, CA		
GOVERNING ENTITY:	Board of Directors		
YEAR CONSTRUCTED:	1979	NUMBER OF CONSTRUCTION PHASES:	1
NUMBER OF UNITS:	65	NUMBER OF RESIDENTIAL BUILDINGS:	13

CONTACT INFORMATION

CURRENT PROPERTY CONTACT:	Ms. Deborah McGraw PML Management Corporation 655 Mariners Island Blvd., Suite 301 San Mateo, CA 94404 Phone: (650) 349-9113 Email: debbie@pmlmanagement.com
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RESERVE STUDY INFORMATION

TYPE OF STUDY:	Annual Review Study 2017 (no site inspection performed with this review)
BEGINNING YEAR OF STUDY:	2017
YEAR OF LAST PHYSICAL INSPECTION:	2014
YEAR OF NEXT PHYSICAL INSPECTION:	2017 (as required by the Davis-Stirling Act)
RESERVE STUDY PREPARER:	Reserve Analysis Consulting, L.L.C. 1750 Bridgeway, Suite B106 • Sausalito, CA 94965 Sausalito, California 94965 Office Phone: (415) 332-7800 FAX: (415) 332-7801
PERFORMED BY:	Casey O'Neill Direct Phone: (415) 289-7443 Email: caseyo@reserveanalysis.com

RESERVE FUND FINANCIAL INFORMATION

BUDGET YEAR ENDING DATE:	12/31	2016	2017
ANNUAL RESERVE CONTRIBUTION:		\$349,748	\$325,287
MONTHLY RESERVE CONTRIBUTION:		\$29,146	\$27,107
PER UNIT MONTHLY (AVG.) CONTRIBUTION:		\$448.39	\$417.03
TOTAL SPECIAL ASSESSMENT:		N/A	N/A
PER UNIT (AVG.) SPECIAL ASSESSMENT:		N/A	N/A
PROPOSED RESERVE FUND EXPENDITURES:			(\$477,139)
ESTIMATED YEAR ENDING BALANCE:		\$1,103,958	\$963,759
REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE:			N/A

RESERVE PERCENT FUNDED CALCULATION

AMOUNT NEEDED TO BE 100% FUNDED:	\$1,257,154	\$1,153,051
THEORETICAL PER UNIT UNDERFUNDED:	\$2,357	\$2,912
CALCULATED PERCENT FUNDED:	87.81%	83.58%

RESERVE PROJECTED INTEREST & INFLATION

"ASSUMED LONG-TERM INTEREST RATE":	2.00%
"ASSUMED LONG-TERM INFLATION RATE":	3.00%

PROPERTY DESCRIPTION & COMPONENT INCLUSION:

Barron Square HOA is a 65-member association located in Palo Alto, CA. The Association is responsible for 13 residential buildings that were originally built in 1 phase in 1979. The Association is responsible for all components as the Board of Directors has interpreted the CC&Rs. For specific component inclusion based on that interpretation please refer to the Component Data or Schedule Sections.

5300(b)(4) - COMPONENT CONDITION:

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

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

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

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

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

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

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

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

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

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

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

30 YEAR RESERVE FUNDING PLAN

4.00

2016 Average unit per month reserve contribution *1 = \$448.39

2016 Total annual reserve contribution *1 = \$349,748

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 1ST 10 YEARS	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Projected Beginning Fund Balance *1	\$1,103,958	\$963,759	\$1,179,319	\$1,365,722	\$1,484,095	\$1,783,004	\$2,002,563	\$548,241	\$693,232	\$984,698
Contribution % increase over previous yr.	-6.99%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Contribution avg. unit/month \$ increase	(\$31.36)	\$8.34	\$8.51	\$8.68	\$8.85	\$9.03	\$9.21	\$9.39	\$9.58	\$9.77
Contribution avg. per unit/month	\$417.03	\$425.38	\$433.88	\$442.56	\$451.41	\$460.44	\$469.65	\$479.04	\$488.62	\$498.39
Reserve Contribution - Annual	\$325,287	\$331,793	\$338,429	\$345,197	\$352,101	\$359,143	\$366,326	\$373,653	\$381,126	\$388,748
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$1,429,245	\$1,295,552	\$1,517,747	\$1,710,919	\$1,836,196	\$2,142,147	\$2,368,889	\$921,893	\$1,074,358	\$1,373,446
Projected Expenditures - inflated	-\$477,139	-\$130,494	-\$168,540	-\$244,769	-\$74,753	-\$163,799	-\$1,827,278	-\$237,043	-\$101,567	-\$275,723
Balance after expenditures	\$952,106	\$1,165,058	\$1,349,207	\$1,466,149	\$1,761,444	\$1,978,348	\$541,611	\$684,850	\$972,791	\$1,097,723
Interest on balance after tax	\$11,654	\$14,260	\$16,514	\$17,946	\$21,560	\$24,215	\$6,629	\$8,383	\$11,907	\$13,436
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	83.58%	86.17%	87.34%	87.23%	88.50%	88.50%	58.06%	62.37%	69.17%	69.87%
Projected Year Ending Balance *3	\$963,759	\$1,179,319	\$1,365,722	\$1,484,095	\$1,783,004	\$2,002,563	\$548,241	\$693,232	\$984,698	\$1,111,159

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 2ND 10 YEARS	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Projected Beginning Fund Balance *1	\$1,111,159	\$1,400,145	\$1,630,037	\$1,940,955	\$720,382	\$1,083,616	\$1,313,618	\$1,616,991	\$1,861,995	\$1,511,306
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$14.95	\$15.40	\$15.86	\$16.34	\$16.83	\$17.33	\$17.85	\$18.39	\$18.94	\$19.51
Contribution avg. per unit/month	\$513.35	\$528.75	\$544.61	\$560.95	\$577.78	\$595.11	\$612.96	\$631.35	\$650.29	\$669.80
Reserve Contribution - Annual	\$400,411	\$412,423	\$424,796	\$437,539	\$450,666	\$464,186	\$478,111	\$492,454	\$507,228	\$522,445
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$1,511,569	\$1,812,568	\$2,054,833	\$2,378,495	\$1,171,047	\$1,547,802	\$1,791,729	\$2,109,445	\$2,369,223	\$2,033,751
Projected Expenditures - inflated	-\$128,355	-\$202,241	-\$137,348	-\$1,666,824	-\$100,534	-\$250,068	-\$194,291	-\$269,966	-\$876,191	-\$339,549
Balance after expenditures	\$1,383,215	\$1,610,327	\$1,917,485	\$711,671	\$1,070,513	\$1,297,733	\$1,597,438	\$1,839,479	\$1,493,031	\$1,694,202
Interest on balance after tax	\$16,931	\$19,710	\$23,470	\$8,711	\$13,103	\$15,884	\$19,553	\$22,515	\$18,275	\$20,737
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	73.15%	74.46%	76.21%	48.97%	58.02%	61.18%	64.62%	66.26%	58.93%	60.43%
Projected Year Ending Balance *3	\$1,400,145	\$1,630,037	\$1,940,955	\$720,382	\$1,083,616	\$1,313,618	\$1,616,991	\$1,861,995	\$1,511,306	\$1,714,939

30 YEAR RESERVE FUNDING PLAN

4.00

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 3RD 10 YEARS	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Projected Beginning Fund Balance * 1	\$1,714,939	\$400,751	\$724,653	\$1,114,101	\$1,420,513	\$1,860,299	\$2,144,820	\$2,737,942	\$924,880	\$1,374,151
Contribution % increase over previous yr.	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Contribution avg. unit/month \$ increase	\$26.79	\$27.86	\$28.98	\$30.14	\$31.34	\$32.60	\$33.90	\$35.26	\$36.67	\$38.13
Contribution avg. per unit/month	\$696.59	\$724.46	\$753.44	\$783.57	\$814.92	\$847.51	\$881.41	\$916.67	\$953.34	\$991.47
Reserve Contribution - Annual	\$543,343	\$565,076	\$587,679	\$611,187	\$635,634	\$661,059	\$687,502	\$715,002	\$743,602	\$773,346
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed										
Does special assessment require vote?										
<i>Income from other sources</i>										
Total Reserve Fund Available	\$2,258,282	\$965,828	\$1,312,332	\$1,725,287	\$2,056,147	\$2,521,358	\$2,832,322	\$3,452,944	\$1,668,482	\$2,147,498
Projected Expenditures - inflated	-\$1,862,376	-\$249,938	-\$211,703	-\$321,951	-\$218,343	-\$402,473	-\$127,487	-\$2,539,247	-\$310,947	-\$490,316
Balance after expenditures	\$395,906	\$715,890	\$1,100,629	\$1,403,336	\$1,837,804	\$2,118,885	\$2,704,835	\$913,697	\$1,357,535	\$1,657,182
Interest on balance after tax	\$4,846	\$8,762	\$13,472	\$17,177	\$22,495	\$25,935	\$33,107	\$11,184	\$16,616	\$20,284
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	23.79%	35.37%	44.99%	50.21%	56.23%	58.84%	64.09%	35.03%	44.31%	48.96%
Projected Year Ending Balance * 3	\$400,751	\$724,653	\$1,114,101	\$1,420,513	\$1,860,299	\$2,144,820	\$2,737,942	\$924,880	\$1,374,151	\$1,677,465

*1. Current Year Financial Information

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

*2. Percent Funded

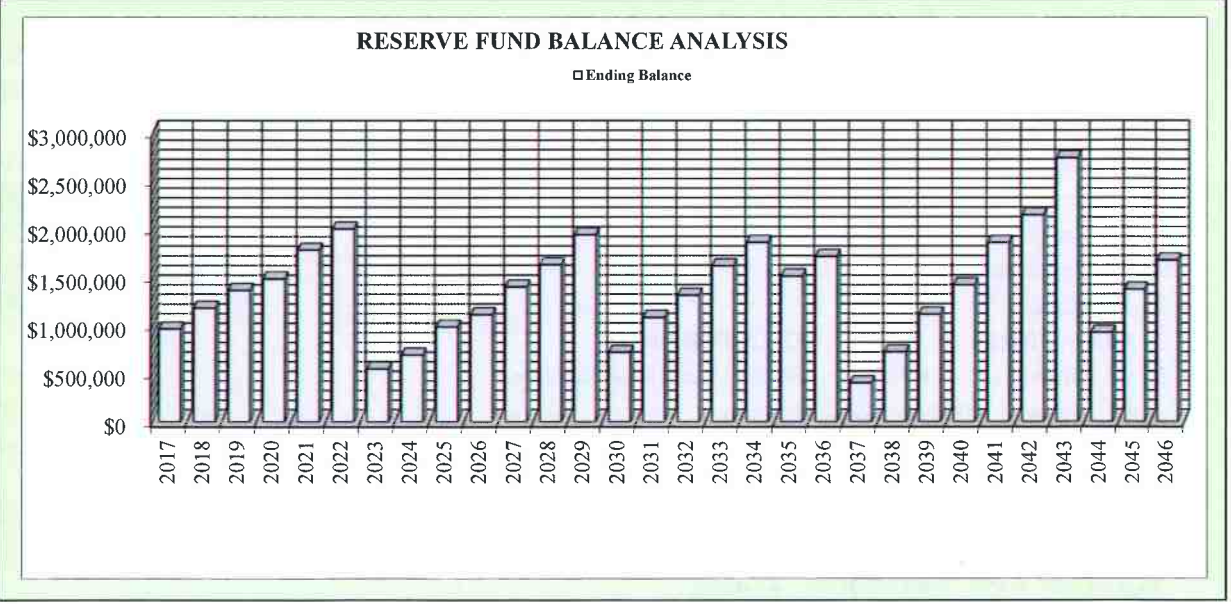
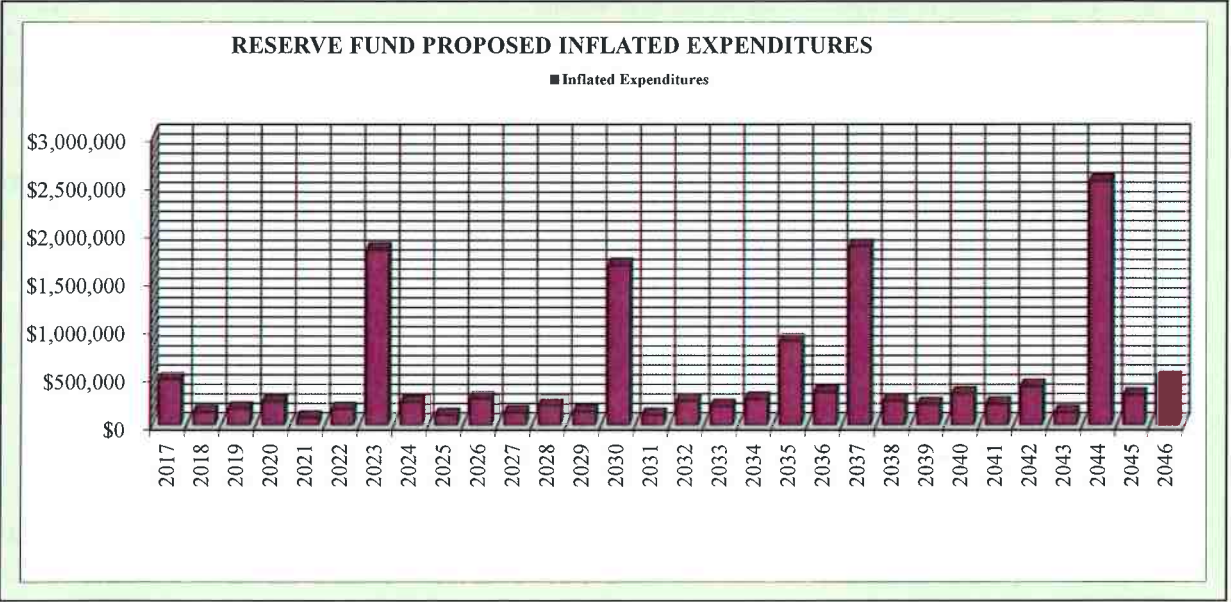
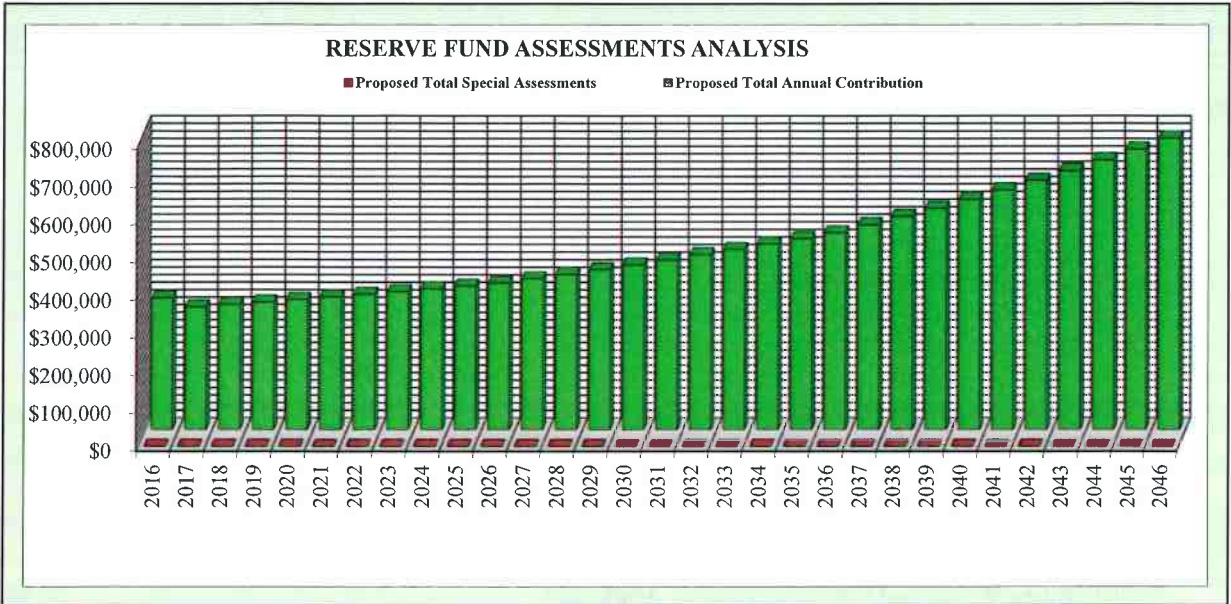
The percent funded figure is calculated as defined by the Davis-Stirling Act, which states in 5570(b)(4) ((old 1365.2.5)) that the amount projected to be in reserves at a given time be divided by the amount "required to be fully funded" at that time. The amount required is defined in 5570(b)(4) ((old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

* 3. Projected Year Ending Balance.

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

General Notes:

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



Year 1 - 2017

2.00 GROUNDS - PAVING & CONCRETE	
2.01 Asphalt Paving - Seal Coat	\$6,550
2.02 Asphalt Paving - Parking Striping & Curb Painting	\$2,200
2.03 Asphalt Paving - Minor Repair - 5%	\$10,746
2.05 Concrete Repairs - Repair/Replace - Minor	\$3,500
4.00 GROUNDS - IRRIGATION & LANDSCAPING	
4.01 Well Components Repair and Replacement - Ongoing	\$2,500
4.03 Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$4,000
4.05 Irrigation Controllers	\$4,000
4.08 Tree Remove/Replace Allowance	\$10,000
4.09 Landscaping Remove/Replace Allowance	\$5,000
5.00 LIGHTING- ALL SITE	
5.01 Lighting Wiring and Controllers Repair Allowance	\$1,000
5.03 Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$4,500
5.04 Lights- Clubhouse Building Exterior	\$450
5.05 Lights - Wall Mount @ Garages	\$8,500
5.06 Lights - Residential Building Exterior - Entry/Balc./Stairs	\$35,000
7.00 GROUNDS - MISCELLANEOUS	
7.02 Iron Stair Railings @ site Concrete Stairs	\$5,300
8.00 TENNIS COURT AREA	
8.03 Tennis Court Net - Replace	\$350
9.00 SWIMMING POOL	
9.09 Heater - Replace	\$3,027
9.10 Filter - Replace	\$2,389
9.11 Filter Pump - Replace	\$975
9.12 Solar Controller - Replace	\$750
9.13 Solar Pump - Replace	\$975
9.14 Solar Panels - Replace	\$9,000
9.15 Solar Panels - Structure Replace	\$5,400
9.16 Pool Signs - Replace	\$250
10.00 SPA	
10.02 Spa - Preventative Maintenance Allowance	\$5,000
10.05 Filter - Replace	\$2,389
10.06 Filter Pump - Replace	\$975
11.00 CLUBHOUSE INTERIOR	
11.08 HVAC Unit - Replace	\$3,182
11.11 Sauna Room Rehabilitation & Door	\$5,304
11.13 Water Heater - Tankless	\$1,250
11.17 Restroom Upgrade	\$17,500
11.18 Kitchen Area Upgrade	\$7,500
12.00 CLUBHOUSE BUILDING EXTERIOR	
12.02 Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$2,410
12.05 Doors - Metal/Glass Sliding Doors	\$9,000
12.06 Windows	\$7,500
14.00 RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES	
14.01 Stairs, Landings & Balconies - Repair/Replace Allowance	\$10,000
14.02 Balconies - Repair Allowance - 1 Time Add	\$60,000
15.00 BUILDING EXTERIOR - ROOFS	

6.00**NEXT 3 YEARS PROJECTED EXPENDITURES**

15.01 Inspection & Repair Allowance - All Roofing Components	\$7,500
15.04 Flat Roof Replacement - Garages	\$120,615
15.06 Gutters/Downspouts - Garages	\$17,532
16.00 RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES	
16.01 Doors - Entry Door & Hardware Allowance	\$5,000
16.02 Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000
18.00 MISCELLANEOUS & CONTINGENCIES	
18.03 Reserve Study - Third Year Site Inspection	\$1,900
18.04 Underground Utility Inspections & Repairs	\$15,000
18.05 CC&R Revisions	\$8,500
18.08 Construction Management - Roofing	\$15,000
Unscheduled Expenses Related to Each Year's Projects	\$22,721

Year 1 - 2017 Total Proposed Expenditures: \$477,139

Year 2 - 2018

1.00 GROUNDS - SIGNAGE	
1.01 Entry Sign (Monument) Replace	\$2,575
2.00 GROUNDS - PAVING & CONCRETE	
2.05 Concrete Repairs - Repair/Replace - Minor	\$3,605
2.06 Concrete Repairs - Repair/Replace - Major	\$10,300
3.00 GROUNDS - FENCES, RETAINING WALLS, & GATES	
3.01 Fence - Wood @ Patio - Repair/Replace Allowance	\$2,060
4.00 GROUNDS - IRRIGATION & LANDSCAPING	
4.01 Well Components Repair and Replacement - Ongoing	\$2,575
4.03 Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$4,120
4.07 Arborist Tree Report	\$5,463
4.08 Tree Remove/Replace Allowance	\$10,300
4.09 Landscaping Remove/Replace Allowance	\$5,150
5.00 LIGHTING- ALL SITE	
5.01 Lighting Wiring and Controllers Repair Allowance	\$1,030
9.00 SWIMMING POOL	
9.17 Pool Furniture Replacement Allowance	\$1,030
13.00 GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS	
13.05 Trash Enclosure Rebuild Allowance	\$10,300
14.00 RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES	
14.01 Stairs, Landings & Balconies - Repair/Replace Allowance	\$10,300
15.00 BUILDING EXTERIOR - ROOFS	
15.01 Inspection & Repair Allowance - All Roofing Components	\$7,725
16.00 RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES	
16.01 Doors - Entry Door & Hardware Allowance	\$5,150
16.02 Wood Siding/Shingle/Trim Ongoing Repairs	\$5,150
16.04 Termite - Drywood Warranty Renewal	\$14,662
16.05 Termite - Subterranean Warranty Renewal	\$21,961
18.00 MISCELLANEOUS & CONTINGENCIES	
18.01 Reserve Study - Annual	\$824

6.00**NEXT 3 YEARS PROJECTED EXPENDITURES**

Unscheduled Expenses Related to Each Year's Projects	\$6,214
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Year 2 - 2018 Total Proposed Expenditures:	\$130,494
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Year 3 - 2019**2.00 GROUNDS - PAVING & CONCRETE**

2.05 Concrete Repairs - Repair/Replace - Minor	\$3,713
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4.00 GROUNDS - IRRIGATION & LANDSCAPING

4.01 Well Components Repair and Replacement - Ongoing	\$2,652
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4.03 Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$4,244
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4.08 Tree Remove/Replace Allowance	\$10,609
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4.09 Landscaping Remove/Replace Allowance	\$5,305
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5.00 LIGHTING- ALL SITE

5.01 Lighting Wiring and Controllers Repair Allowance	\$1,061
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11.00 CLUBHOUSE INTERIOR

11.06 Refrigerator - Replace	\$530
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13.00 GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS

13.02 Doors - Single Car Garage Doors w/ Paint Cycle	\$92,829
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13.03 Doors - Wood/Glass Pedestrian Door w/ Paint Cycle	\$9,548
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14.00 RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES

14.01 Stairs, Landings & Balconies - Repair/Replace Allowance	\$10,609
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15.00 BUILDING EXTERIOR - ROOFS

15.01 Inspection & Repair Allowance - All Roofing Components	\$7,957
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16.00 RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES

16.01 Doors - Entry Door & Hardware Allowance	\$5,305
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16.02 Wood Siding/Shingle/Trim Ongoing Repairs	\$5,305
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18.00 MISCELLANEOUS & CONTINGENCIES

18.02 Reserve Study - Annual	\$849
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Unscheduled Expenses Related to Each Year's Projects	\$8,026
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Year 3 - 2019 Total Proposed Expenditures:	\$168,540
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7.00 A PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CODE	COMPONENT DESCRIPTION	CURRENT COST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 1 2017	YR. 2 2018	YR. 3 2019	YR. 4 2020	YR. 5 2021	YR. 6 2022	YR. 7 2023	YR. 8 2024	YR. 9 2025	YR. 10 2026	TOTAL 10 YRS.	
1.00	GROUPS - SIGNAGE																
1.01	Entry Sign (Monument) Replace	\$2,500	1997	21	1		\$2,575										\$2,575
1.02	Map Board - Repair/Replace	\$1,000	2015	15	13												
1.03	Building/Unit Number Signs Repair/Replace	\$3,250	2005	15	3				\$3,551								\$3,551
2.00	GROUPS - PAVING & CONCRETE																
2.01	Asphalt Paving - Seal Coat	\$6,550	2010	6	-1	\$6,550						\$7,821					\$14,371
2.02	Asphalt Paving - Parking Striping & Curb Painting	\$2,200	2010	6	-1	\$2,200						\$2,627					\$4,827
2.03	Asphalt Paving - Minor Repair - 5%	\$10,746	2010	6	-1	\$10,746						\$12,831					\$23,576
2.04	Asphalt Paving - Major Repair - 25%	\$53,728	2023	12	6							\$64,153					\$64,153
2.05	Concrete Repairs - Repair/Replace - Minor	\$3,500	2016	1	0	\$3,500		\$3,713	\$3,825	\$3,939	\$4,057	\$4,179	\$4,305	\$4,434			\$40,124
2.06	Concrete Repairs - Repair/Replace - Major	\$10,000	2008	10	1		\$10,300										\$10,300
2.07	Concrete - Pool Deck Repair/Replace	\$25,500	2015	20	18												
3.00	GROUPS - FENCES, RETAINING WALLS, & GATES																
3.01	Fence - Wood @ Paito - Repair/Replace Allowance	\$2,000	2013	5	1		\$2,060										\$4,448
3.02	Fence - Wood - G.N. @ Clubhouse Driveway	\$2,700	2003	25	11												
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway	\$6,150	2003	25	11												
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space	\$4,517	2015	15	13												
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space	\$6,000	2008	20	11												
3.06	Fence - Wood - G.N. behind Bldgs 4, 5, 6, 7, 8, 9	\$28,920	2000	20	3				\$31,602								\$31,602
3.07	Fence - Wood - G.N. behind Bldgs. 1, 3, 4	\$17,880	2000	20	3				\$19,538								\$19,538
3.08	Fence - Wood - G.N. behind Bldgs. 2	\$5,406	2000	20	3				\$5,907								\$5,907
3.09	Fence - Wood - Pool Area Fences	\$1,410	2005	20	8								\$15,496	\$1,786			\$15,496
3.10	Fence - Cyclone @ Tennis Court - Replace	\$12,600	1979	45	7									\$3,357			\$3,357
3.11	Retaining - Wood @ Units 4122 and 4124	\$2,650	1995	30	8												
3.12	Retaining - Masonry Retaining Wall @ Tennis	\$32,400	1979	55	17				\$1,967								\$1,967
3.13	Retaining - Wood @ Pool Area	\$6,640	2003	25	11												
3.14	Gates - El Camino Car Gates - Replace	\$1,800	1995	25	3												
3.15	Gates - El Camino Pedestrian Gate - Replace	\$1,500	2007	25	15												
3.16	Gates - Pool Gates - Replace	\$3,000	2005	20	8									\$3,800			\$3,800
3.17	Gates - Cyclone @ Tennis Court - Replace	\$500	1995	25	3				\$546								\$546
3.18	Gates - Wood @ Maintenance Area	\$1,000	2000	20	3				\$1,093								\$1,093
4.00	GROUPS - IRRIGATION & LANDSCAPING																
4.01	Well Components Repair and Replacement - Ongoing	\$2,500	2016	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	2011	25	19												
4.03	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$4,000	2016	1	0	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219		\$45,856
4.04	Irrigation Controllers	\$8,000	2009	15	7								\$9,839				\$9,839
4.05	Irrigation Controllers	\$4,000	2000	15	-2	\$4,000											\$4,000
4.06	Backflow Preventor	\$10,000	1995	25	3												\$10,927
4.07	Arborist Tree Report	\$5,304	2015	3	1		\$5,463			\$5,970			\$6,523				\$17,956
4.08	Tree Remove/Replace Allowance	\$10,000	2016	1	0	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048		\$114,639
4.09	Landscaping Remove/Replace Allowance	\$5,000	2016	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524		\$57,319
5.00	LIGHTING- ALL SITE																
5.01	Lighting Wiring and Controllers Repair Allowance	\$1,000	2016	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	\$16,000	2014	25	22												
5.03	Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$4,500	2017	25	25	\$4,500											\$4,500
5.04	Lights- Clubhouse Building Exterior	\$450	1985	30	-2	\$450											\$450
5.05	Lights - Wall Mount @ Garages	\$8,500	2017	25	25	\$8,500											\$8,500
5.06	Lights - Residential Building Exterior - Entry/Balc./Stairs	\$35,000	2017	25	25	\$35,000											\$35,000
6.00	GROUPS - MAILBOX KIOSKS																
6.01	Kiosks Rebuild (Structure, Siding, Roof)	\$9,000	1995	25	3				\$9,835								\$9,835
6.02	Mailboxes	\$11,700	1995	25	3				\$12,785								\$12,785
7.00	GROUPS - MISCELLANEOUS																
7.01	Storage Shed (Modular) - Replace	\$1,500	2007	20	10												
7.02	Iron Stair Railings @ site Concrete Stairs	\$5,300	1985	30	-2	\$5,300											\$5,300

7.00 A PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CODE	COMPONENT DESCRIPTION	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 1 2017	YR. 2 2018	YR. 3 2019	YR. 4 2020	YR. 5 2021	YR. 6 2022	YR. 7 2023	YR. 8 2024	YR. 9 2025	YR. 10 2026	TOTAL 10 YRS.
8.00	TENNIS COURT AREA														
8.01	Tennis Court - Resurface/Lines	2016	6	5	\$5,800					\$6,724					\$6,724
8.02	Tennis Court - Replace	1979	45	7	\$36,000							\$44,275			\$44,275
8.03	Tennis Court Net - Replace	2010	6	-1	\$350	\$350					\$418				\$768
9.00	SWIMMING POOL														
9.01	Drainage Upgrade Allowance	2009	15	7	\$2,500							\$3,075			\$3,075
9.02	Fiberglass	2015	12	10	\$10,311										
9.03	Coping - Replace	2003	24	10	\$3,600										
9.04	Tile - Replace	2003	24	10	\$3,600										
9.05	Seal Coping/Deck Joint - Replace Mastic	2015	12	10	\$960										
9.06	Rails - Replace	2015	30	28	\$2,000										
9.07	Skimmers - Replace	2003	24	10	\$2,000										
9.08	Lights - Replace	2015	15	13	\$300										
9.09	Heater - Replace	2000	16	-1	\$3,027	\$3,027									\$3,027
9.10	Filter - Replace	2000	16	-1	\$2,389	\$2,389									\$2,389
9.11	Filter Pump - Replace	2000	16	-1	\$975	\$975									\$975
9.12	Solar Controller - Replace	2000	16	-1	\$750	\$750									\$750
9.13	Solar Pump - Replace	2000	16	-1	\$975	\$975									\$975
9.14	Solar Panels - Replace	2000	16	-1	\$9,000	\$9,000									\$9,000
9.15	Solar Panels - Structure Replace	2000	16	-1	\$5,400	\$5,400									\$5,400
9.16	Pool Signs - Replace	2009	6	-2	\$250	\$250					\$299				\$549
9.17	Pool Furniture Replacement Allowance	2015	3	1	\$1,000	\$1,030			\$1,126			\$1,230			\$3,385
10.00	SPA														
10.01	Spa - Total Replace	2002	20	5	\$30,000					\$34,778					\$34,778
10.02	Spa - Preventative Maintenance Allowance	2017	10	10	\$5,000										\$5,000
10.03	Rails - Replace	2002	20	5	\$1,000					\$1,159					\$1,159
10.04	Heater - Replace	2006	15	4	\$2,650				\$2,983						\$2,983
10.05	Filter - Replace	1997	18	-2	\$2,389	\$2,389									\$2,389
10.06	Filter Pump - Replace	2004	10	-3	\$975	\$975									\$975
11.00	CLUBHOUSE INTERIOR														
11.01	Paint - Interior (Clubhouse) - Ongoing Allowance	2015	8	6	\$1,500						\$1,791				\$1,791
11.02	Carpet Floor - Replace	2005	15	3	\$4,420			\$4,830							\$4,830
11.03	Tile Floor - Non-Slip Surface	2015	5	3	\$5,500			\$6,010							\$6,010
11.04	Tile Floor - Replace - Approx. 50% with spa	2002	20	5	\$5,500					\$6,376					\$6,376
11.05	Tile Floor - Replace	1979	45	7	\$5,500							\$6,764			\$6,764
11.06	Refrigerator - Replace	2004	15	2	\$500		\$530								\$530
11.07	Disposal - Replace	2011	15	9	\$300									\$391	\$391
11.08	HVAC Unit - Replace	1979	35	-3	\$3,182	\$3,182									\$3,182
11.09	Spa Exhaust System - Replace	2014	15	12	\$1,250										
11.10	Restroom (2) Rehab Allowance	2014	20	17	\$12,000										
11.11	Sauna Room Rehabilitation & Door	1979	38	0	\$5,304	\$5,304									\$5,304
11.12	Sauna Mechanical - Replace	2011	30	24	\$3,000										
11.13	Water Heater - Tankless	1996	20	-1	\$1,250	\$1,250									\$1,250
11.14	Doors - Wood w/Glass	1979	45	7	\$1,600							\$1,968			\$1,968
11.15	Doors - Solid Wood	1979	45	7	\$3,200							\$3,936			\$3,936
11.16	Lights	2004	35	22	\$2,850										
11.17	Restroom Upgrade	2017	15	15	\$17,500	\$17,500									\$17,500
11.18	Kitchen Area Upgrade	2017	15	15	\$7,500	\$7,500									\$7,500
11.19	Furniture Replace	2005	15	3	\$7,000			\$7,649							\$7,649
11.20	Security System	2015	5	3	\$1,000			\$1,093						\$1,267	\$2,359
12.00	CLUBHOUSE BUILDING EXTERIOR														
12.01	Clubhouse Deck & Stairs - Replace- Redwood	2008	25	16	\$21,690										\$21,690
12.02	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	2010	5	-2	\$2,410	\$2,410				\$2,794					\$2,794
12.03	Doors - Wood/Glass Entry Doors	1979	45	7	\$8,000									\$9,839	\$9,839

7.00 A

PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CODE	COMPONENT DESCRIPTION	CURRENT COST	YEAR NEW	USEFUL LIFE	RMING LIFE	YR. 1 2017	YR. 2 2018	YR. 3 2019	YR. 4 2020	YR. 5 2021	YR. 6 2022	YR. 7 2023	YR. 8 2024	YR. 9 2025	YR. 10 2026	TOTAL 10 YRS.							
12.04	Doors - Solid Wood Entry Door- Pool Equipment Room	\$1,000	1979	45	7								\$1,230			\$1,230							
12.05	Doors - Metal/Glass Sliding Doors	\$9,000	1979	38	0	\$9,000										\$9,000							
12.06	Windows	\$7,500	1979	38	0	\$7,500										\$7,500							
12.07	Gates and Locks Replacement/Upgrade	\$30,000	2016	10	9										\$39,143	\$39,143							
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS																						
13.01	Doors - Garage Door & Trim Repair Allowance	\$29,000	2014	0	0																		
13.02	Doors - Single Car Garage Doors w/ Paint Cycle	\$87,500	1979	40	2	\$92,829										\$92,829							
13.03	Doors - Wood/Glass Pedestrian Door w/ Paint Cycle	\$9,000	1979	40	2	\$9,548										\$9,548							
13.04	Doors - Solid Wood Doors @ Walk In Garbage	\$9,000	2004	20	7								\$11,069			\$11,069							
13.05	Trash Enclosure Rebuild Allowance	\$10,000	2008	10	1	\$10,300										\$10,300							
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES																						
14.01	Stairs, Landings & Balconies - Repair/Replace Allowance	\$10,000	2017	1	1	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$114,639							
14.02	Balconies - Repair Allowance - 1 Time Add	\$60,000	2017	0	0	\$60,000										\$60,000							
14.03	Landings & Stairs - Repair Allowance - 20% w/ Paint Cycle	\$75,000	2023	7	6							\$89,554				\$89,554							
14.04	Balconies - Repair Allowance - 20% w/ Paint Cycle	\$262,500	2023	7	6							\$313,439				\$313,439							
15.00	BUILDING EXTERIOR - ROOFS																						
15.01	Inspection & Repair Allowance - All Roofing Components	\$7,500	2016	1	0	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786	\$85,979							
15.02	Flat Roof Replacement @ 550 Thain	\$14,000	2012	20	15																		
15.03	Flat Roof Replacement - Residences&Clubhouse&Contingency	\$296,880	2015	20	18																		
15.04	Flat Roof Replacement - Garages	\$120,615	2017	20	20	\$120,615										\$120,615							
15.05	Gutters/Downspouts - Residences&Clubhouse&Contingency	\$17,105	2015	30	28																		
15.06	Gutters/Downspouts - Garages	\$17,532	2017	30	30	\$17,532										\$17,532							
15.07	Sloped Roof Replace - All - Full Replacement	\$527,221	2023	30	6							\$629,529				\$629,529							
15.08	Chimney Caps / Spark Arrestors - Allowance	\$7,500	2016	15	14																		
16.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES																						
16.01	Doors - Entry Door & Hardware Allowance	\$5,000	2016	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$57,319							
16.02	Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000	2016	1	0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$57,319							
16.03	Termite Fumigation & Repairs (2006)	\$65,000	2006	20	9																		
16.04	Termite - Drywood Warranty Renewal	\$14,235	2016	2	1		\$14,662		\$15,555		\$16,502		\$17,507		\$18,573	\$84,810							
16.05	Termite - Subterranean Warranty Renewal	\$21,321	2016	2	1		\$21,961		\$23,298		\$24,717		\$26,222		\$27,819	\$124,017							
16.06	Building Exterior Siding/Trim Repair/Replace - Minor	\$95,000	2009	14	6																		
16.07	Building Exterior Siding/Trim Repair/Replace - Major	\$285,000	2016	14	13							\$113,435				\$113,435							
17.00	PAINTING & STAINING																						
17.01	Paint - All Wood/Metal Components (Previous \$ + Inflation)	\$175,000	2016	7	6																		
17.02	Stain - Wood Shingle (Previous \$ + Inflation)	\$125,000	2016	7	6																		
18.00	MISCELLANEOUS & CONTINGENCIES																						
18.01	Reserve Study - Annual	\$800	2015	3	1		\$824			\$900			\$984			\$2,708							
18.02	Reserve Study - Annual	\$800	2016	3	2						\$927			\$1,013		\$2,790							
18.03	Reserve Study - Third Year Site Inspection	\$1,900	2014	3	0	\$1,900			\$2,076		\$2,269				\$2,479	\$8,724							
18.04	Underground Utility Inspections & Repairs	\$15,000	2014	3	0	\$15,000			\$16,391		\$17,911				\$19,572	\$68,873							
18.05	CC&R Revisions	\$8,500	2009	8	0	\$8,500								\$10,768		\$19,268							
18.06	Construction Management - Paint/Siding/Decks/Stairs	\$50,000	2016	7	6							\$59,703				\$59,703							
18.07	Construction Management - Roofing	\$15,000	2014	20	17																		
18.08	Construction Management - Roofing	\$15,000	2017	20	20	\$15,000										\$15,000							
UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS												5.00%	\$22,721	\$6,214	\$8,026	\$11,656	\$3,560	\$7,800	\$87,013	\$11,288	\$4,837	\$13,130	\$0
INFLATION FACTOR												3.00%	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE													\$477,139	\$130,494	\$168,540	\$244,769	\$74,753	\$163,799	\$1,827,278	\$237,043	\$101,567	\$275,723	\$3,524,862

7.00 B PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS

CODE	DESCRIPTION	COMPONENT	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 11 2027	YR. 12 2028	YR. 13 2029	YR. 14 2030	YR. 15 2031	YR. 16 2032	YR. 17 2033	YR. 18 2034	YR. 19 2035	YR. 20 2036	TOTAL 2nd 10 Yrs	
1.00	GROUND - SIGNAGE																	
1.01	Entry Sign (Monument) Replace		\$2,500	1997	21	1												\$1,469
1.02	Map Board - Repair/Replace		\$1,000	2015	15	13			\$1,469									\$5,533
1.03	Building/Unit Number Signs Repair/Replace		\$3,250	2005	15	3												
2.00	GROUND - PAVING & CONCRETE																	
2.01	Asphalt Paving - Seal Coat		\$6,550	2010	6	-1			\$9,339									\$20,490
2.02	Asphalt Paving - Parking Striping & Curb Painting		\$2,200	2010	6	-1			\$3,137									\$6,882
2.03	Asphalt Paving - Minor Repair - 5%		\$10,746	2010	6	-1			\$15,321									\$33,614
2.04	Asphalt Paving - Major Repair - 25%		\$53,728	2023	12	6												\$91,467
2.05	Concrete Repairs - Repair/Replace - Minor		\$3,500	2016	1	0	\$4,704	\$4,845	\$4,990	\$5,140	\$5,294	\$5,453	\$5,616	\$5,785	\$5,959	\$6,137	\$53,923	
2.06	Concrete Repairs - Repair/Replace - Major		\$10,000	2008	10	1		\$13,842										\$13,842
2.07	Concrete - Pool Deck Repair/Replace		\$25,500	2015	20	18									\$43,412			\$43,412
3.00	GROUND - FENCES, RETAINING WALLS, & GATES																	
3.01	Fence - Wood @ Patio - Repair/Replace Allowance		\$2,000	2013	5	1		\$2,768										\$5,978
3.02	Fence - Wood - G.N. @ Clubhouse Driveway		\$2,700	2003	25	11		\$3,737										\$3,737
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway		\$6,150	2003	25	11		\$8,513										\$8,513
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space		\$4,517	2015	15	13			\$6,633									\$6,633
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space		\$6,000	2008	20	11		\$8,305										\$8,305
3.06	Fence - Wood - G.N. behind Bldgs. 4, 5, 6, 7, 8, 9		\$28,920	2000	20	3												
3.07	Fence - Wood - G.N. behind Bldgs. 1, 3, 4		\$17,880	2000	20	3												
3.08	Fence - Wood - G.N. behind Bldgs. 2		\$5,406	2000	20	3												
3.09	Fence - Wood - Pool Area Fences		\$1,410	2005	20	8												
3.10	Fence - Cyclone @ Tennis Court - Replace		\$12,600	1979	45	7												
3.11	Retaining - Wood @ Units 4122 and 4124		\$2,650	1995	30	8												
3.12	Retaining - Masonry Retaining Wall @ Tennis		\$32,400	1979	55	17												
3.13	Retaining - Wood @ Pool Area		\$6,640	2003	25	11	\$9,191											\$9,191
3.14	Gates - El Camino Car Gates - Replace		\$1,800	1995	25	3												
3.15	Gates - El Camino Pedestrian Gate - Replace		\$1,500	2007	25	15												
3.16	Gates - Pool Gates - Replace		\$3,000	2005	20	8						\$2,337						\$2,337
3.17	Gates - Cyclone @ Tennis Court - Replace		\$500	1995	25	3												
3.18	Gates - Wood @ Maintenance Area		\$1,000	2000	20	3												
4.00	GROUND - IRRIGATION & LANDSCAPING																	
4.01	Well Components Repair and Replacement - Ongoing		\$2,500	2016	1	0	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	\$3,895	\$4,012	\$4,132	\$4,256	\$4,384	\$38,516	
4.02	Well Components - Major System Replacement		\$55,609	2011	25	19												\$97,511
4.03	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)		\$4,000	2016	1	0	\$5,376	\$5,537	\$5,703	\$5,874	\$6,050	\$6,232	\$6,419	\$6,611	\$6,810	\$7,014	\$61,626	
4.04	Irrigation Controllers		\$8,000	2009	15	7												
4.05	Irrigation Controllers		\$4,000	2000	15	-2												\$6,232
4.06	Backflow Preventor		\$10,000	1995	25	3												
4.07	Arborist Tree Report		\$5,304	2015	3	1	\$7,128											\$8,511
4.08	Tree Remove/Replace Allowance		\$10,000	2016	1	0	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$154,065	
4.09	Landscaping Remove/Replace Allowance		\$5,000	2016	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032	
5.00	LIGHTING - ALL SITE																	
5.01	Lighting Wiring and Controllers Repair Allowance		\$1,000	2016	1	0	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513	\$1,558	\$1,605	\$1,653	\$1,702	\$1,754	\$15,406	
5.02	Light Fixtures - @ Landscaping & Wiring		\$16,000	2014	25	22												
5.03	Light Poles @ Pool Area - Poles, Fixtures & Wiring		\$4,500	2017	25	25												
5.04	Lights - Clubhouse Building Exterior		\$450	1985	30	-2												
5.05	Lights - Wall Mount @ Garages		\$8,500	2017	25	25												
5.06	Lights - Residential Building Exterior - Entry/Balc./Stairs		\$35,000	2017	25	25												
6.00	GROUND - MAILBOX KIOSKS																	
6.01	Kiosks Rebuild (Structure, Siding, Roof)		\$9,000	1995	25	3												
6.02	Mailboxes		\$11,700	1995	25	3												
7.00	GROUND - MISCELLANEOUS																	
7.01	Storage Shed (Modular) - Replace		\$1,500	2007	20	10	\$2,016											\$2,016
7.02	Iron Stair Railings @ site Concrete Stairs		\$5,300	1985	30	-2												

7.00 B PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS

CODE	DESCRIPTION	COMPONENT	REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 11 2027	YR. 12 2028	YR. 13 2029	YR. 14 2030	YR. 15 2031	YR. 16 2032	YR. 17 2033	YR. 18 2034	YR. 19 2035	YR. 20 2036	TOTAL 2nd 10 Yrs
8.00	TENNIS COURT AREA																
8.01	Tennis Court - Resurface/Lines		\$5,800	2016	6	5		\$8,029						\$9,587			\$17,615
8.02	Tennis Court - Replace		\$36,000	1979	45	7											
8.03	Tennis Court Net - Replace		\$350	2010	6	-1		\$499							\$596		\$1,095
9.00	SWIMMING POOL																
9.01	Drainage Upgrade Allowance		\$2,500	2009	15	7											
9.02	Fiberglass		\$10,311	2015	12	10	\$13,857										\$13,857
9.03	Coping - Replace		\$3,600	2003	24	10	\$4,838										\$4,838
9.04	Tile - Replace		\$3,600	2003	24	10	\$4,838										\$4,838
9.05	Seal Coping/Deck Joint - Replace Mastic		\$960	2015	12	10	\$1,290										\$1,290
9.06	Rails - Replace		\$2,000	2015	30	28											
9.07	Skimmers - Replace		\$2,000	2003	24	10	\$2,688										\$2,688
9.08	Lights - Replace		\$300	2015	15	13			\$441								\$441
9.09	Heater - Replace		\$3,027	2000	16	-1							\$4,857				\$4,857
9.10	Filter - Replace		\$2,389	2000	16	-1							\$3,834				\$3,834
9.11	Filter Pump - Replace		\$975	2000	16	-1							\$1,565				\$1,565
9.12	Solar Controller - Replace		\$750	2000	16	-1							\$1,204				\$1,204
9.13	Solar Pump - Replace		\$975	2000	16	-1							\$1,565				\$1,565
9.14	Solar Panels - Replace		\$9,000	2000	16	-1							\$14,442				\$14,442
9.15	Solar Panels - Structure Replace		\$5,400	2000	16	-1							\$8,665				\$8,665
9.16	Pool Signs - Replace		\$250	2009	6	-2		\$356							\$426		\$782
9.17	Pool Furniture Replacement Allowance		\$1,000	2015	3	1	\$1,344			\$1,469						\$1,754	\$6,171
10.00	SPA																
10.01	Spa - Total Replace		\$30,000	2002	20	5											
10.02	Spa - Preventative Maintenance Allowance		\$5,000	2017	10	10	\$6,720										\$6,720
10.03	Rails - Replace		\$1,000	2002	20	5											
10.04	Heater - Replace		\$2,650	2006	15	4										\$4,647	\$4,647
10.05	Filter - Replace		\$2,389	1997	18	-2									\$4,067		\$4,067
10.06	Filter Pump - Replace		\$975	2004	10	-3	\$1,310										\$1,310
11.00	CLUBHOUSE INTERIOR																
11.01	Paint - Interior (Clubhouse) - Ongoing Allowance		\$1,500	2015	8	6				\$2,269							\$2,269
11.02	Carpet Floor - Replace		\$4,420	2005	15	3									\$7,525		\$7,525
11.03	Tile Floor - Non-Slip Surface		\$5,500	2015	5	3			\$8,077								\$17,440
11.04	Tile Floor - Replace - Approx. 50% with spa		\$5,500	2002	20	5											
11.05	Tile Floor - Replace		\$5,500	1979	45	7											
11.06	Refrigerator - Replace		\$500	2004	15	2								\$826			\$826
11.07	Disposal - Replace		\$300	2011	15	9											
11.08	HVAC Unit - Replace		\$3,182	1979	35	-3											
11.09	Spa Exhaust System - Replace		\$1,250	2014	15	12											
11.10	Restroom (2) Rehab Allowance		\$12,000	2014	20	17		\$1,782									\$1,782
11.11	Sauna Room Rehabilitation & Door		\$5,304	1979	38	0								\$19,834			\$19,834
11.12	Sauna Mechanical - Replace		\$3,000	2011	30	24											
11.13	Water Heater - Tankless		\$1,250	1996	20	-1											
11.14	Doors - Wood w/Glass		\$1,600	1979	45	7											
11.15	Doors - Solid Wood		\$3,200	1979	45	7											
11.16	Lights		\$2,850	2004	35	22											
11.17	Restroom Upgrade		\$17,500	2017	15	15						\$27,264					\$27,264
11.18	Kitchen Area Upgrade		\$7,500	2017	15	15						\$11,685					\$11,685
11.19	Furniture Replace		\$7,000	2005	15	3									\$11,917		\$11,917
11.20	Security System		\$1,000	2015	5	3				\$1,469							\$3,171
12.00	CLUBHOUSE BUILDING EXTERIOR																
12.01	Clubhouse Deck & Stairs - Replace- Redwood		\$21,690	2008	25	16											\$34,806
12.02	Clubhouse Deck & Stairs- Sealing/Leak Maintenance		\$2,410	2010	5	-2	\$3,239										\$3,755
12.03	Doors - Wood/Glass Entry Doors		\$8,000	1979	45	7											\$6,994

7.00 B PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS

CODE	DESCRIPTION	COMPONENT	REPLACE/ REPAIR CST	YEAR NEW	USEFL LIFE	RMNG LIFE	YR. 11 2027	YR. 12 2028	YR. 13 2029	YR. 14 2030	YR. 15 2031	YR. 16 2032	YR. 17 2033	YR. 18 2034	YR. 19 2035	YR. 20 2036	TOTAL 2nd 10 Yrs
12.04	Doors - Solid Wood Entry Door- Pool Equipment Room		\$1,000	1979	45	7											
12.05	Doors - Metal/Glass Sliding Doors		\$9,000	1979	38	0										\$52,605	\$52,605
12.06	Windows		\$7,500	1979	38	0											
12.07	Gates and Locks Replacement/Upgrade		\$30,000	2016	10	9		\$13,842									\$13,842
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS																
13.01	Doors - Garage Door & Trim Repair Allowance		\$29,000	2014	0	0											
13.02	Doors - Single Car Garage Doors w/ Paint Cycle		\$87,500	1979	40	2											
13.03	Doors - Wood/Glass Pedestrian Door w/ Paint Cycle		\$9,000	1979	40	2											
13.04	Doors - Solid Wood Doors @ Walk In Garbage		\$9,000	2004	20	7											
13.05	Trash Enclosure Rebuild Allowance		\$10,000	2008	10	1		\$13,842									\$13,842
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES																
14.01	Stairs, Landings & Balconies - Repair/Replace Allowance		\$10,000	2017	1	1	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$154,065
14.02	Balconies - Repair Allowance - 1 Time Add		\$60,000	2017	0	0											
14.03	Landings & Stairs - Repair Allowance ~ 20% w/ Paint Cycle		\$75,000	2023	7	6			\$110,140								\$110,140
14.04	Balconies - Repair Allowance ~ 20% w/ Paint Cycle		\$262,500	2023	7	6			\$385,490								\$385,490
15.00	BUILDING EXTERIOR - ROOFS																
15.01	Inspection & Repair Allowance - All Roofing Components		\$7,500	2016	1	0	\$10,079	\$10,382	\$10,693	\$11,014	\$11,344	\$11,685	\$12,035	\$12,396	\$12,768	\$13,151	\$115,549
15.02	Flat Roof Replacement @ 550 Thain		\$14,000	2012	20	15						\$21,812					\$21,812
15.03	Flat Roof Replacement - Residences&Clubhouse&Contingency		\$296,880	2015	20	18											\$505,418
15.04	Flat Roof Replacement - Garages		\$120,615	2017	20	20											
15.05	Gutters/Downspouts - Residences&Clubhouse&Contingency		\$17,105	2015	30	28											
15.06	Gutters/Downspouts - Garages		\$17,532	2017	30	30											
15.07	Sloped Roof Replace - All - Full Replacement		\$527,221	2023	30	6											
15.08	Chimney Caps / Spark Arrestors - Allowance		\$7,500	2016	15	14					\$11,344						\$11,344
16.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES																
16.01	Doors - Entry Door & Hardware Allowance		\$5,000	2016	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
16.02	Wood Siding/Shingle/Trim Ongoing Repairs		\$5,000	2016	1	0	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768	\$77,032
16.03	Termite Fumigation & Repairs (2006)		\$65,000	2006	20	9											
16.04	Termite - Drywood Warranty Renewal		\$14,235	2016	2	1		\$19,705		\$20,905	\$22,178					\$24,961	\$111,276
16.05	Termite - Subterranean Warranty Renewal		\$21,321	2016	2	1		\$29,513		\$31,311	\$33,217					\$37,387	\$166,668
16.06	Building Exterior Siding/Trim Repair/Replace - Minor		\$95,000	2009	14	6											
16.07	Building Exterior Siding/Trim Repair/Replace - Major		\$285,000	2016	14	13				\$418,532							\$418,532
17.00	PAINTING & STAINING																
17.01	Paint - All Wood/Metal Components (Previous \$ + Inflation)		\$175,000	2016	7	6				\$256,993							\$256,993
17.02	Stain - Wood Shingle (Previous \$ + Inflation)		\$125,000	2016	7	6				\$183,567							\$183,567
18.00	MISCELLANEOUS & CONTINGENCIES																
18.01	Reserve Study - Annual		\$800	2015	3	1	\$1,075			\$1,175			\$1,284			\$1,403	\$4,937
18.02	Reserve Study - Annual		\$800	2016	3	2		\$1,107		\$1,210			\$1,322				\$3,640
18.03	Reserve Study - Third Year Site Inspection		\$1,900	2014	3	0		\$2,709					\$3,235				\$8,904
18.04	Underground Utility Inspections & Repairs		\$15,000	2014	3	0		\$21,386					\$25,536				\$70,292
18.05	CC&R Revisions		\$8,500	2009	8	0							\$13,640				\$13,640
18.06	Construction Management - Paint/Siding/Decks/Stairs		\$50,000	2016	7	6				\$73,427							\$73,427
18.07	Construction Management - Roofing		\$15,000	2014	20	17											\$24,793
18.08	Construction Management - Roofing		\$15,000	2017	20	20											

UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS 5.00% \$6,112 \$9,631 \$6,540 \$79,373 \$4,787 \$11,908 \$9,252 \$12,856 \$41,723 \$16,169 \$0

INFLATION FACTOR 3.00% \$128,555 \$202,241 \$137,348 \$1,666,824 \$100,534 \$250,068 \$194,291 \$269,966 \$876,191 \$339,549 \$3,967,016

TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE

7.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

CODE	DESCRIPTION	COMPONENT	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	RMING LIFE	YR. 21 2037	YR. 22 2038	YR. 23 2039	YR. 24 2040	YR. 25 2041	YR. 26 2042	YR. 27 2043	YR. 28 2044	YR. 29 2045	YR. 30 2046	TOTAL 3rd 10 Yrs
1.00	FOUNDATIONS - SIGNAGE																
1.01	Entry Sign (Monument) Replace		\$2,500	1997	21	1			\$4,790								\$4,790
1.02	Map Board - Repair/Replace		\$1,000	2015	15	13									\$2,288		\$2,288
1.03	Building/Unit Number Signs Repair/Replace		\$3,250	2005	15	3											
2.00	FOUNDATIONS - PAVING & CONCRETE																
2.01	Asphalt Paving - Seal Coat		\$6,550	2010	6	-1					\$13,315						\$13,315
2.02	Asphalt Paving - Parking Striping & Curb Painting		\$2,200	2010	6	-1					\$4,472						\$4,472
2.03	Asphalt Paving - Minor Repair - 5%		\$10,746	2010	6	-1					\$21,843						\$21,843
2.04	Asphalt Paving - Major Repair - 25%		\$53,728	2023	12	6											
2.05	Concrete Repairs - Repair/Replace - Minor		\$3,500	2016	1	0	\$6,321	\$6,511	\$6,706	\$6,908	\$7,115	\$7,328	\$7,548	\$7,775	\$8,008	\$8,248	\$72,468
2.06	Concrete Repairs - Repair/Replace - Major		\$10,000	2008	10	1		\$18,603									\$18,603
2.07	Concrete - Pool Deck Repair/Replace		\$25,500	2015	20	18											
3.00	FOUNDATIONS - FENCES, RETAINING WALLS, & GATES																
3.01	Fence - Wood @ Patio - Repair/Replace Allowance		\$2,000	2013	5	1		\$3,721					\$4,313				\$8,034
3.02	Fence - Wood - G.N. @ Clubhouse Driveway		\$2,700	2003	25	11											
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway		\$6,150	2003	25	11											
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space		\$4,517	2015	15	13								\$10,335			\$10,335
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space		\$6,000	2008	20	11											
3.06	Fence - Wood - G.N. behind Bldgs. 4, 5, 6, 7, 8, 9		\$28,920	2000	20	3				\$57,076							\$57,076
3.07	Fence - Wood - G.N. behind Bldgs. 1, 3, 4		\$17,880	2000	20	3				\$35,288							\$35,288
3.08	Fence - Wood - G.N. behind Bldgs. 2		\$5,406	2000	20	3				\$10,669							\$10,669
3.09	Fence - Wood - Pool Area Fences		\$1,410	2005	20	8								\$3,226			\$3,226
3.10	Fence - Cyclone @ Tennis Court - Replace		\$12,600	1979	45	7									\$4,118		\$4,118
3.11	Retaining - Wood @ Units 4122 and 4124		\$2,650	1995	30	8											
3.12	Retaining - Masonry Retaining Wall @ Tennis		\$32,400	1979	55	17											
3.13	Retaining - Wood @ Pool Area		\$6,640	2003	25	11											
3.14	Gates - El Camino Car Gates - Replace		\$1,800	1995	25	3											
3.15	Gates - El Camino Pedestrian Gate - Replace		\$1,500	2007	25	15											
3.16	Gates - Pool Gates - Replace		\$3,000	2005	20	8											\$6,864
3.17	Gates - Cyclone @ Tennis Court - Replace		\$500	1995	25	3									\$1,144		\$1,144
3.18	Gates - Wood @ Maintenance Area		\$1,000	2000	20	3				\$1,974							\$1,974
4.00	FOUNDATIONS - IRRIGATION & LANDSCAPING																
4.01	Well Components Repair and Replacement - Ongoing		\$2,500	2016	1	0	\$4,515	\$4,651	\$4,790	\$4,934	\$5,082	\$5,234	\$5,391	\$5,553	\$5,720	\$5,891	\$51,763
4.02	Well Components - Major System Replacement		\$55,609	2011	25	19											
4.03	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)		\$4,000	2016	1	0	\$7,224	\$7,441	\$7,664	\$7,894	\$8,131	\$8,375	\$8,626	\$8,885	\$9,152	\$9,426	\$82,820
4.04	Irrigation Controllers		\$8,000	2009	15	7			\$15,329								
4.05	Irrigation Controllers		\$4,000	2000	15	-2											
4.06	Backflow Preventor		\$10,000	1995	25	3											
4.07	Arborist Tree Report		\$5,304	2015	3	1									\$22,879		\$22,879
4.08	Tree Remove/Replace Allowance		\$10,000	2016	1	0	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,938	\$21,566	\$22,213	\$22,879	\$23,566	\$207,050
4.09	Landscaping Remove/Replace Allowance		\$5,000	2016	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	\$103,325
5.00	LIGHTING- ALL SITE																
5.01	Lighting Wiring and Controllers Repair Allowance		\$1,000	2016	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 Fixtures - @ Landscaping & Wiring		\$16,000	2014	25	22			\$30,658								\$30,658
5.03	Light Poles @ Pool Area - Poles, Fixtures & Wiring		\$4,500	2017	25	25						\$9,422					\$9,422
5.04	Lights - Clubhouse Building Exterior		\$450	1985	30	-2											
5.05	Lights - Wall Mount @ Garages		\$8,500	2017	25	25											\$17,797
5.06	Lights - Residential Building Exterior - Entry/Balc./Stairs		\$35,000	2017	25	25											\$73,282
6.00	FOUNDATIONS - MAILBOX KIOSKS																
6.01	Kiosks Rebuild (Structure, Siding, Roof)		\$9,000	1995	25	3											\$20,591
6.02	Mailboxes		\$11,700	1995	25	3											\$26,769
7.00	FOUNDATIONS - MISCELLANEOUS																
7.01	Storage Shed (Modular) - Replace		\$1,500	2007	20	10											
7.02	Iron Stair Railings @ site Concrete Stairs		\$5,300	1985	30	-2											

7.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

CODE	DESCRIPTION	COMPONENT	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	R/MNG LIFE	YR. 21 2037	YR. 22 2038	YR. 23 2039	YR. 24 2040	YR. 25 2041	YR. 26 2042	YR. 27 2043	YR. 28 2044	YR. 29 2045	YR. 30 2046	TOTAL 3rd 10 Yrs
8.00	TENNIS COURT AREA																
8.01	Tennis Court - Resurface/Lines		\$5,800	2016	6	5				\$11,447						\$13,668	\$25,115
8.02	Tennis Court - Replace		\$36,000	1979	45	7											\$711
8.03	Tennis Court Net - Replace		\$350	2010	6	-1					\$711						
9.00	SWIMMING POOL																
9.01	Drainage Upgrade Allowance		\$2,500	2009	15	7			\$4,790								\$4,790
9.02	Fiberglass		\$10,311	2015	12	10			\$19,757								\$19,757
9.03	Coping - Replace		\$3,600	2003	24	10											
9.04	Tile - Replace		\$3,600	2003	24	10											
9.05	Seal Coping/Deck Joint - Replace Mastic		\$960	2015	12	10			\$1,839						\$4,576		\$1,839
9.06	Rails - Replace		\$2,000	2015	30	28											\$4,576
9.07	Skimmers - Replace		\$2,000	2003	24	10									\$686		\$686
9.08	Lights - Replace		\$300	2015	15	13											
9.09	Heater - Replace		\$3,027	2000	16	-1											
9.10	Filter - Replace		\$2,389	2000	16	-1											
9.11	Filter Pump - Replace		\$975	2000	16	-1											
9.12	Solar Controller - Replace		\$750	2000	16	-1											
9.13	Solar Pump - Replace		\$975	2000	16	-1											
9.14	Solar Panels - Replace		\$9,000	2000	16	-1											
9.15	Solar Panels - Structure Replace		\$5,400	2000	16	-1											
9.16	Pool Signs - Replace		\$250	2009	6	-2					\$508						\$508
9.17	Pool Furniture Replacement Allowance		\$1,000	2015	3	1			\$1,916			\$2,094			\$2,288		\$6,298
10.00	SPA																
10.01	Spa - Total Replace		\$30,000	2002	20	5						\$62,813					\$62,813
10.02	Spa - Preventative Maintenance Allowance		\$5,000	2017	10	10	\$9,031										\$9,031
10.03	Rails - Replace		\$1,000	2002	20	5						\$2,094					\$2,094
10.04	Heater - Replace		\$2,650	2006	15	4											
10.05	Filter - Replace		\$2,389	1997	18	-2											
10.06	Filter Pump - Replace		\$975	2004	10	-3	\$1,761										\$1,761
11.00	CLUBHOUSE INTERIOR																
11.01	Paint - Interior (Clubhouse) - Ongoing Allowance		\$1,500	2015	8	6			\$2,874								\$2,874
11.02	Carpet Floor- Replace		\$4,420	2005	15	3											
11.03	Tile Floor - Non-Slip Surface		\$5,500	2015	5	3				\$10,855							\$23,438
11.04	Tile Floor - Replace - Aprox. 50% with spa		\$5,500	2002	20	5						\$11,516					\$11,516
11.05	Tile Floor - Replace		\$5,500	1979	45	7											
11.06	Refrigerator - Replace		\$500	2004	15	2											
11.07	Disposal - Replace		\$300	2011	15	9					\$610						\$610
11.08	HVAC Unit - Replace		\$3,182	1979	35	-3											
11.09	Spa Exhaust System - Replace		\$1,250	2014	15	12								\$2,777			\$2,777
11.10	Restroom (2) Rehab Allowance		\$12,000	2014	20	17											
11.11	Sauna Room Rehabilitation & Door		\$5,304	1979	38	0											
11.12	Sauna Mechanical - Replace		\$3,000	2011	30	24					\$6,098						\$6,098
11.13	Water Heater - Tankless		\$1,250	1996	20	-1	\$2,258										\$2,258
11.14	Doors - Wood w/Glass		\$1,600	1979	45	7											
11.15	Doors - Solid Wood		\$3,200	1979	45	7											
11.16	Lights		\$2,850	2004	35	22			\$5,461								\$5,461
11.17	Restroom Upgrade		\$17,500	2017	15	15											
11.18	Kitchen Area Upgrade		\$7,500	2017	15	15											
11.19	Furniture Replace		\$7,000	2005	15	3											
11.20	Security System		\$1,000	2015	5	3			\$1,974						\$2,288		\$4,262
12.00	CLUBHOUSE BUILDING EXTERIOR																
12.01	Clubhouse Deck & Stairs - Replace- Redwood		\$21,690	2008	25	16											
12.02	Clubhouse Deck & Stairs- Sealing/Leak Maintenance		\$2,410	2010	5	-2	\$4,353					\$5,046					\$9,399
12.03	Doors - Wood/Glass Entry Doors		\$8,000	1979	45	7											

7.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

CODE	DESCRIPTION	COMPONENT	REPLACE/REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 21 2037	YR. 22 2038	YR. 23 2039	YR. 24 2040	YR. 25 2041	YR. 26 2042	YR. 27 2043	YR. 28 2044	YR. 29 2045	YR. 30 2046	TOTAL 3rd 10 Yrs	
12.04	Doors - Solid Wood Entry Door- Pool Equipment Room		\$1,000	1979	45	7												
12.05	Doors - Metal/Glass Sliding Doors		\$9,000	1979	38	0												
12.06	Windows		\$7,500	1979	38	0												
12.07	Gates and Locks Replacement/Upgrade		\$30,000	2016	10	9											\$70,697	
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS																	
13.01	Doors - Garage Door & Trim Repair Allowance		\$29,000	2014	0	0												
13.02	Doors - Single Car Garage Doors w/ Paint Cycle		\$87,500	1979	40	2												
13.03	Doors - Wood/Glass Pedestrian Door w/ Paint Cycle		\$9,000	1979	40	2												
13.04	Doors - Solid Wood Doors @ Walk in Garbage		\$9,000	2004	20	7								\$19,992			\$19,992	
13.05	Trash Enclosure Rebuild Allowance		\$10,000	2008	10	1	\$18,603										\$18,603	
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES																	
14.01	Stairs, Landings & Balconies - Repair/Replace Allowance		\$10,000	2017	1	1	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,938	\$21,566	\$22,213	\$22,879	\$23,566	\$207,050	
14.02	Balconies - Repair Allowance - 1 Time Add		\$60,000	2017	0	0												
14.03	Landings & Stairs - Repair Allowance ~ 20% w/ Paint Cycle		\$75,000	2023	7	6	\$135,458							\$166,597			\$302,055	
14.04	Balconies - Repair Allowance ~ 20% w/ Paint Cycle		\$262,500	2023	7	6	\$474,104							\$583,088			\$1,057,193	
15.00	BUILDING EXTERIOR - ROOFS																	
15.01	Inspection & Repair Allowance - All Roofing Components		\$7,500	2016	1	0	\$13,546	\$13,952	\$14,371	\$14,802	\$15,246	\$15,703	\$16,174	\$16,660	\$17,159	\$17,674	\$155,288	
15.02	Flat Roof Replacement @ 550 Thain		\$14,000	2012	20	15												
15.03	Flat Roof Replacement - Residences&Clubhouse&Contingency		\$296,880	2015	20	18												
15.04	Flat Roof Replacement - Garages		\$120,615	2017	20	20	\$217,844										\$217,844	
15.05	Gutters/Downspouts - Residences&Clubhouse&Contingency		\$17,105	2015	30	28												
15.06	Gutters/Downspouts - Garages		\$17,532	2017	30	30												
15.07	Sloped Roof Replace - All - Full Replacement		\$527,221	2023	30	6												
15.08	Chimney Caps / Spark Arrestors - Allowance		\$7,500	2016	15	14												
16.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES																	
16.01	Doors - Entry Door & Hardware Allowance		\$5,000	2016	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	\$103,525	
16.02	Wood Siding/Shingle/Trim Ongoing Repairs		\$5,000	2016	1	0	\$9,031	\$9,301	\$9,581	\$9,868	\$10,164	\$10,469	\$10,783	\$11,106	\$11,440	\$11,783	\$103,525	
16.03	Termite Fumigation & Repairs (2006)		\$65,000	2006	20	9												
16.04	Termite - Drywood Warranty Renewal		\$14,235	2016	2	1	\$26,481							\$31,620			\$153,177	
16.05	Termite - Subterranean Warranty Renewal		\$21,321	2016	2	1	\$42,079							\$47,360			\$223,988	
16.06	Building Exterior Siding/Trim Repair/Replace - Minor		\$95,000	2009	14	6	\$171,581											
16.07	Building Exterior Siding/Trim Repair/Replace - Major		\$285,000	2016	14	13												
17.00	PAINTING & STAINING																	
17.01	Paint - All Wood/Metal Components (Previous \$ + Inflation)		\$175,000	2016	7	6	\$316,069							\$388,726			\$704,795	
17.02	Stain - Wood Shingle (Previous \$ + Inflation)		\$125,000	2016	7	6	\$225,764							\$277,661			\$503,425	
18.00	MISCELLANEOUS & CONTINGENCIES																	
18.01	Reserve Study - Annual		\$800	2015	3	1	\$1,533					\$1,675			\$1,830		\$5,038	
18.02	Reserve Study - Annual		\$800	2016	3	2	\$1,445					\$1,725				\$1,885	\$6,634	
18.03	Reserve Study - Third Year Site Inspection		\$1,900	2014	3	0	\$3,535				\$3,862			\$4,220			\$11,617	
18.04	Underground Utility Inspections & Repairs		\$15,000	2014	3	0	\$27,904				\$30,492			\$33,319			\$91,716	
18.05	CC&R Revisions		\$8,500	2009	8	0					\$17,279						\$17,279	
18.06	Construction Management - Paint/Siding/Decks/Stairs		\$50,000	2016	7	6	\$90,306							\$111,064			\$201,370	
18.07	Construction Management - Roofing		\$15,000	2014	20	17												
18.08	Construction Management - Roofing		\$15,000	2017	20	20	\$27,092										\$27,092	
UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS							5.00%	\$88,685	\$11,902	\$10,081	\$15,331	\$10,397	\$19,165	\$6,071	\$120,917	\$14,807	\$23,348	\$0
INFLATION FACTOR							3.00%	1.81	1.86	1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE								\$1,862,376	\$249,938	\$211,703	\$321,951	\$218,343	\$402,473	\$127,487	\$2,539,247	\$310,947	\$490,316	\$6,414,078

8.00 PROCEDURES & METHODOLOGIES

DAVIS-STIRLING ACT PROCEDURES & REQUIREMENTS

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

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

SCOPE OF STUDY

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

STATEMENT OF RESERVE STUDY METHODOLOGY

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

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

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

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

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

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

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

COMPONENT DATA

9.00

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
This update did NOT include a site inspection. All condition ratings are as of the previous site inspection update and may have changed.									
1.00	GROUND - SIGNAGE								
1.01	Entry Sign (Monument) Replace	1997	21	FAIR		1	EA.	\$2,500.00	\$2,500
1.02	Map Board - Repair/Replace	2015	15	GOOD		1	EA.	\$1,000.00	\$1,000
1.03	Building/Unit Number Signs Repair/Replace	2005	15	FAIR		13	EA.	\$250.00	\$3,250
2.00	GROUND - PAVING & CONCRETE								
2.01	Asphalt Paving - Seal Coat	2010	6	FAIR/POOR		42982	S.F.	\$0.15	\$6,550
2.02	Asphalt Paving - Parking Striping & Curb Painting	2010	6	FAIR/POOR		1495	S.F.	\$1.47	\$2,200
2.03	Asphalt Paving - Minor Repair - 5%	2010	6	AS NEEDED		2149	S.F.	\$5.00	\$10,746
2.04	Asphalt Paving - Major Repair - 25%	2023	12	To Determine		10746	S.F.	\$5.00	\$53,728
2.05	Concrete Repairs - Repair/Replace - Minor	2016	1	AS NEEDED		1	L.S.	\$3,500.00	\$3,500
2.06	Concrete Repairs - Repair/Replace - Major	2008	10	AS NEEDED		1	L.S.	\$10,000.00	\$10,000
2.07	Concrete - Pool Deck Repair/Replace	2015	20	GOOD		2652	S.F.	\$9.62	\$25,500
3.00	GROUND - FENCES, RETAINING WALLS, & GATES								
3.01	Fence - Wood @ Patio - Repair/Replace Allowance	2013	5	AS NEEDED		1	L.S.	\$2,000.00	\$2,000
3.02	Fence - Wood - G.N. @ Clubhouse Driveway	2003	25	FAIR		108	L.F.	\$25.00	\$2,700
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway	2003	25	FAIR		246	L.F.	\$25.00	\$6,150
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space	2015	15	To Determine		225	L.F.	\$20.08	\$4,517
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space	2008	20	GOOD/FAIR		150	L.F.	\$40.00	\$6,000
3.06	Fence - Wood - G.N. behind Bldgs. 4, 5, 6, 7, 8, 9	2000	20	FAIR		723	L.F.	\$40.00	\$28,920
3.07	Fence - Wood - G.N. behind Bldgs. 1, 3, 4	2000	20	FAIR		447	L.F.	\$40.00	\$17,880
3.08	Fence - Wood - G.N. behind Bldgs. 2	2000	20	FAIR		110	L.F.	\$49.15	\$5,406
3.09	Fence - Wood - Pool Area Fences	2005	20	FAIR		47	L.F.	\$30.00	\$1,410
3.10	Fence - Cyclone @ Tennis Court - Replace	1979	45	FAIR		360	L.F.	\$35.00	\$12,600
3.11	Retaining - Wood @ Units 4122 and 4124	1995	30	FAIR		53	L.F.	\$50.00	\$2,650
3.12	Retaining - Masonry Retaining Wall @ Tennis	1979	55	GOOD/FAIR		360	L.F.	\$90.00	\$32,400
3.13	Retaining - Wood @ Pool Area	2003	25	GOOD/FAIR		83	L.F.	\$80.00	\$6,640
3.14	Gates -El Camino Car Gates - Replace	1995	25	FAIR		2	EA.	\$900.00	\$1,800
3.15	Gates -El Camino Pedestrian Gate - Replace	2007	25	FAIR		1	EA.	\$1,500.00	\$1,500
3.16	Gates - Pool Gates - Replace	2005	20	To Determine		2	EA.	\$1,500.00	\$3,000
3.17	Gates - Cyclone @ Tennis Court - Replace	1995	25	FAIR		1	EA.	\$500.00	\$500
3.18	Gates - Wood @ Maintenance Area	2000	20	FAIR		2	EA.	\$500.00	\$1,000
4.00	GROUND - IRRIGATION & LANDSCAPING								
4.01	Well Components Repair and Replacement - Ongoing	2016	1	AS NEEDED		1	L.S.	\$2,500.00	\$2,500
4.02	Well Components - Major System Replacement	2011	25	AS NEEDED		1	L.S.	\$55,609.00	\$55,609
4.03	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	2016	1	AS NEEDED		1	L.S.	\$4,000.00	\$4,000

9.00

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
4.04	Irrigation Controllers	2009	15	AS NEEDED		4	EA.	\$2,000.00	\$8,000
4.05	Irrigation Controllers	2000	15	AS NEEDED		2	EA.	\$2,000.00	\$4,000
4.06	Backflow Preventor	1995	25	AS NEEDED		4	EA.	\$2,500.00	\$10,000
4.07	Arborist Tree Report	2015	3	AS NEEDED		1	L.S.	\$5,304.00	\$5,304
4.08	Tree Remove/Replace Allowance	2016	1	AS NEEDED		1	L.S.	\$10,000.00	\$10,000
4.09	Landscaping Remove/Replace Allowance	2016	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
5.00	LIGHTING- ALL SITE								
5.01	Lighting Wiring and Controllers Repair Allowance	2016	1	AS NEEDED		1	L.S.	\$1,000.00	\$1,000
5.02	Light Fixtures - @ Landscaping & Wiring	2014	25	GOOD		100	EA.	\$160.00	\$16,000
5.03	Light Poles @ Pool Area - Poles, Fixtures & Wiring	2017	25	PROPOSED		3	EA.	\$1,500.00	\$4,500
5.04	Lights- Clubhouse Building Exterior	1985	30	AS NEEDED		3	EA.	\$150.00	\$450
5.05	Lights - Wall Mount @ Garages	2017	25	PROPOSED		45	EA.	\$188.89	\$8,500
5.06	Lights - Residential Building Exterior - Entry/Balc./Stairs	2017	25	PROPOSED		195	EA.	\$179.49	\$35,000
6.00	GROUPS - MAILBOX KIOSKS								
6.01	Kiosks Rebuild (Structure, Siding, Roof)	1995	25	AS NEEDED		6	EA.	\$1,500.00	\$9,000
6.02	Mailboxes	1995	25	FAIR		78	EA.	\$150.00	\$11,700
7.00	GROUPS - MISCELLANEOUS								
7.01	Storage Shed (Modular) - Replace	2007	20	GOOD/FAIR		1	EA.	\$1,500.00	\$1,500
7.02	Iron Stair Railings @ site Concrete Stairs	1985	30	FAIR		53	L.F.	\$100.00	\$5,300
8.00	TENNIS COURT AREA								
8.01	Tennis Court - Resurface/Lines	2016	6	GOOD		7200	S.F.	\$0.81	\$5,800
8.02	Tennis Court - Replace	1979	45	GOOD/FAIR		7200	S.F.	\$5.00	\$36,000
8.03	Tennis Court Net - Replace	2010	6	AS NEEDED		1	EA.	\$350.00	\$350
9.00	SWIMMING POOL								
9.01	Drainage Upgrade Allowance	2009	15	GOOD		1	L.S.	\$2,500.00	\$2,500
9.02	Fiberglass	2015	12	GOOD		129	S.Y.	\$80.00	\$10,311
9.03	Coping - Replace	2003	24	AS NEEDED		120	L.F.	\$30.00	\$3,600
9.04	Tile - Replace	2003	24	AS NEEDED		120	L.F.	\$30.00	\$3,600
9.05	Seal Coping/Deck Joint - Replace Mastic	2015	12	GOOD		120	L.F.	\$8.00	\$960
9.06	Rails - Replace	2015	30	GOOD		2	EA.	\$1,000.00	\$2,000
9.07	Skimmers - Replace	2003	24	AS NEEDED		2	EA.	\$1,000.00	\$2,000
9.08	Lights - Replace	2015	15	AS NEEDED		1	EA.	\$300.00	\$300
9.09	Heater - Replace	2000	16	AS NEEDED		1	EA.	\$3,027.00	\$3,027
9.10	Filter - Replace	2000	16	AS NEEDED		1	EA.	\$2,389.00	\$2,389
9.11	Filter Pump - Replace	2000	16	AS NEEDED		1	EA.	\$975.00	\$975
9.12	Solar Controller - Replace	2000	16	AS NEEDED		1	EA.	\$750.00	\$750

COMPONENT DATA

9.00

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
9.13	Solar Pump - Replace	2000	16	AS NEEDED		1	EA.	\$975.00	\$975
9.14	Solar Panels - Replace	2000	16	AS NEEDED		15	EA.	\$600.00	\$9,000
9.15	Solar Panels - Structure Replace	2000	16	AS NEEDED		360	S.F.	\$15.00	\$5,400
9.16	Pool Signs - Replace	2009	6	AS NEEDED		1	EA.	\$250.00	\$250
9.17	Pool Furniture Replacement Allowance	2015	3	AS WANTED		1	L.S.	\$1,000.00	\$1,000
10.00	SPA								
10.01	Spa - Total Replace	2002	20	AS NEEDED		1	L.S.	\$30,000.00	\$30,000
10.02	Spa - Preventative Maintenance Allowance	2017	10	UNKNOWN		1	L.S.	\$5,000.00	\$5,000
10.03	Rails - Replace	2002	20	AS NEEDED		1	EA.	\$1,000.00	\$1,000
10.04	Heater - Replace	2006	15	AS NEEDED		1	EA.	\$2,650.00	\$2,650
10.05	Filter - Replace	1997	18	AS NEEDED		1	EA.	\$2,389.00	\$2,389
10.06	Filter Pump - Replace	2004	10	AS NEEDED		1	EA.	\$975.00	\$975
11.00	CLUBHOUSE INTERIOR								
11.01	Paint - Interior (Clubhouse) - Ongoing Allowance	2015	8	AS NEEDED		1	L.S.	\$1,500.00	\$1,500
11.02	Carpet Floor- Replace	2005	15	FAIR		442	S.F.	\$10.00	\$4,420
11.03	Tile Floor - Non-Slip Surface	2015	5	GOOD		550	S.F.	\$10.00	\$5,500
11.04	Tile Floor - Replace - Aprox. 50% with spa	2002	20	AS NEEDED		275	S.F.	\$20.00	\$5,500
11.05	Tile Floor - Replace	1979	45	FAIR		275	S.F.	\$20.00	\$5,500
11.06	Refrigerator - Replace	2004	15	GOOD/FAIR		1	EA.	\$500.00	\$500
11.07	Disposal - Replace	2011	15	AS NEEDED		1	EA.	\$300.00	\$300
11.08	HVAC Unit - Replace	1979	35	AS NEEDED		1	EA.	\$3,182.00	\$3,182
11.09	Spa Exhaust System - Replace	2014	15	AS NEEDED		1	L.S.	\$1,250.00	\$1,250
11.10	Restroom (2) Rehab Allowance	2014	20	GOOD		2	L.S.	\$6,000.00	\$12,000
11.11	Sauna Room Rehabilitation & Door	1979	38	FAIR		1	L.S.	\$5,304.00	\$5,304
11.12	Sauna Mechanical - Replace	2011	30	GOOD		1	EA.	\$3,000.00	\$3,000
11.13	Water Heater - Tankless	1996	20	AS NEEDED		1	EA.	\$1,250.00	\$1,250
11.14	Doors - Wood w/Glass	1979	45	AS NEEDED		2	EA.	\$800.00	\$1,600
11.15	Doors - Solid Wood	1979	45	AS NEEDED		4	EA.	\$800.00	\$3,200
11.16	Lights	2004	35	AS NEEDED		19	EA.	\$150.00	\$2,850
11.17	Restroom Upgrade	2017	15	AS NEEDED		2	L.S.	\$8,750.00	\$17,500
11.18	Kitchen Area Upgrade	2017	15	AS NEEDED		1	L.S.	\$7,500.00	\$7,500
11.19	Furniture Replace	2005	15	AS NEEDED		1	L.S.	\$7,000.00	\$7,000
11.20	Security System	2015	5	AS NEEDED		1	L.S.	\$1,000.00	\$1,000
12.00	CLUBHOUSE BUILDING EXTERIOR								
12.01	Clubhouse Deck & Stairs - Replace- Redwood	2008	25	GOOD		482	S.F.	\$45.00	\$21,690
12.02	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	2010	5	AS NEEDED		482	S.F.	\$5.00	\$2,410

9.00

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
12.03	Doors - Wood/Glass Entry Doors	1979	45	AS NEEDED		4	EA.	\$2,000.00	\$8,000
12.04	Doors - Solid Wood Entry Door- Pool Equipment Room	1979	45	AS NEEDED		1	EA.	\$1,000.00	\$1,000
12.05	Doors - Metal/Glass Sliding Doors	1979	38	AS NEEDED		3	S.F.	\$3,000.00	\$9,000
12.06	Windows	1979	38	AS NEEDED		5	EA.	\$1,500.00	\$7,500
12.07	Gates and Locks Replacement/Upgrade	2016	10	GOOD		1	L.S.	\$30,000.00	\$30,000
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS								
13.01	Doors - Garage Door & Trim Repair Allowance	2014	0	To Determine		29	EA.	\$1,000.00	\$29,000
13.02	Doors - Single Car Garage Doors w/ Paint Cycle	1979	40	To Determine		70	EA.	\$1,250.00	\$87,500
13.03	Doors - Wood/Glass Pedestrian Door w/ Paint Cycle	1979	40	To Determine		10	EA.	\$900.00	\$9,000
13.04	Doors - Solid Wood Doors @ Walk In Garbage	2004	20	FAIR		10	EA.	\$900.00	\$9,000
13.05	Trash Enclosure Rebuild Allowance	2008	10	AS NEEDED		1	L.S.	\$10,000.00	\$10,000
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES								
14.01	Stairs, Landings & Balconies - Repair/Replace Allowance	2017	1	AS NEEDED	Yes	1	L.S.	\$10,000.00	\$10,000
14.02	Balconies - Repair Allowance - 1 Time Add	2017	0	AS NEEDED		1	L.S.	\$60,000.00	\$60,000
14.03	Landings & Stairs - Repair Allowance ~ 20% w/ Paint Cycle	2023	7	AS NEEDED	Yes	6	EA.	\$12,500.00	\$75,000
14.04	Balconies - Repair Allowance ~ 20% w/ Paint Cycle	2023	7	AS NEEDED	Yes	15	EA.	\$17,500.00	\$262,500
15.00	BUILDING EXTERIOR - ROOFS								
15.01	Inspection & Repair Allowance - All Roofing Components	2016	1	AS NEEDED		1	L.S.	\$7,500.00	\$7,500
15.02	Flat Roof Replacement @ 550 Thain	2012	20	GOOD		1	L.S.	\$14,000.00	\$14,000
15.03	Flat Roof Replacement - Residences&Clubhouse&Contingency	2015	20	GOOD		24740	S.F.	\$12.00	\$296,880
15.04	Flat Roof Replacement - Garages	2017	20	PROPOSED		8041	S.F.	\$15.00	\$120,615
15.05	Gutters/Downspouts - Residences&Clubhouse&Contingency	2015	30	GOOD		1	L.S.	\$17,105.00	\$17,105
15.06	Gutters/Downspouts - Garages	2017	30	PROPOSED		1	L.S.	\$17,532.00	\$17,532
15.07	Sloped Roof Replace - All - Full Replacement	2023	30	To Determine		62026	S.F.	\$8.50	\$527,221
15.08	Chimney Caps / Spark Arrestors - Allowance	2016	15	AS NEEDED		14	EA.	\$535.71	\$7,500
16.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES								
16.01	Doors - Entry Door & Hardware Allowance	2016	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
16.02	Wood Siding/Shingle/Trim Ongoing Repairs	2016	1	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
16.03	Termite Fumigation & Repairs (2006)	2006	20	AS NEEDED		1	L.S.	\$65,000.00	\$65,000
16.04	Termite - Drywood Warranty Renewal	2016	2	AS NEEDED		1	L.S.	\$14,235.00	\$14,235
16.05	Termite - Subterranean Warranty Renewal	2016	2	AS NEEDED		1	L.S.	\$21,321.00	\$21,321
16.06	Building Exterior Siding/Trim Repair/Replace - Minor	2009	14	AS NEEDED	Yes	1	L.S.	\$95,000.00	\$95,000
16.07	Building Exterior Siding/Trim Repair/Replace - Major	2016	14	AS NEEDED	Yes	1	L.S.	\$285,000.00	\$285,000
17.00	PAINTING & STAINING								
17.01	Paint - All Wood/Metal Components (Previous \$ + Inflation)	2016	7	GOOD		1	L.S.	\$175,000.00	\$175,000
17.02	Stain - Wood Shingle (Previous \$ + Inflation)	2016	7	GOOD		1	L.S.	\$125,000.00	\$125,000

COMPONENT DATA

9.00

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
18.00	MISCELLANEOUS & CONTINGENCIES								
18.01	Reserve Study - Annual	2015	3	ONGOING		1	L.S.	\$800.00	\$800
18.02	Reserve Study - Annual	2016	3	ONGOING		1	L.S.	\$800.00	\$800
18.03	Reserve Study - Third Year Site Inspection	2014	3	ONGOING		1	L.S.	\$1,900.00	\$1,900
18.04	Underground Utility Inspections & Repairs	2014	3	AS NEEDED		1	L.S.	\$15,000.00	\$15,000
18.05	CC&R Revisions	2009	8	AS NEEDED		1	L.S.	\$8,500.00	\$8,500
18.06	Construction Management - Paint/Siding/Decks/Stairs	2016	7	AS NEEDED		1	L.S.	\$50,000.00	\$50,000
18.07	Construction Management - Roofing	2014	20	AS NEEDED		1	L.S.	\$15,000.00	\$15,000
18.08	Construction Management - Roofing	2017	20	AS NEEDED		1	L.S.	\$15,000.00	\$15,000

GENERAL NOTES:

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

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

SPECIFIC NOTES:

MAIN HEADING:	14.00 RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES
SUB HEADING:	14.01 STAIRS, LANDINGS & BALCONIES - REPAIR/REPLACE ALLOW.
SUB HEADING:	14.02 STAIRS - REPAIR ALLOWANCE ~ 15% W/ PAINT CYCLE
SUB HEADING:	14.03 LANDINGS - REPAIR ALLOWANCE ~ 15% W/ PAINT CYCLE
SUB HEADING:	14.04 BALCONIES - REPAIR ALLOWANCE ~ 15% W/ PAINT CYCLE

The association is responsible for the stair & landing components, and balconies & railings of the building exteriors. Given the varying degrees of exposure, different replacement dates, and various conditions of these components, they have been organized to be repaired on an ongoing basis as needed in conjunction with painting cycles and other wood repairs. The amount allocated for this allowance is budgetary, and is based on 15% of the total amount of these components being completed every paint cycle. This amount and schedule should be evaluated and adjusted as necessary to reflect actual expenditures or future replacement requirements. The following inventory quantifies the amounts and potential total replacement cost estimated for which this allowance is based on.

2002	6 EA of Straight Stairs & Landing - Replace (6) (Saarman)	\$8,500.00	\$51,000
1989	3 EA of Straight Stairs & Landing - Replace (3)	\$8,500.00	\$25,500
2002	7 EA of U-Shaped Stairs & Landing - Replace (7) (Saarman)	\$15,000.00	\$105,000
1992	2 EA of U-Shaped Stairs & Landing - Replace (2)	\$15,000.00	\$30,000
2002	8 EA of L-Shaped Stairs & Landing - Replace (8) (Saarman)	\$12,000.00	\$96,000
2008	1 EA of L-Shaped Stairs & Landing - Replace (1) - 4141	\$12,000.00	\$12,000
1990	3 EA of L-Shaped Stairs & Landing - Replace (3)	\$12,000.00	\$36,000
	30		\$355,500
2002	4 EA of Small Balconies - Replace (4) (Saarman)	\$8,500.00	\$34,000
1989	2 EA of Small Balconies - Replace (2)	\$8,500.00	\$17,000
1983	3 EA of Small Balconies - Replace (3)	\$8,500.00	\$25,500
2009	1 EA of Small Balconies - Replace (1) - 4141	\$8,500.00	\$8,500
2002	23 EA of Large Balconies Replace (23) (Saarman)	\$18,500.00	\$425,500
2001	5 EA of Large Balconies Replace (5)	\$18,500.00	\$92,500
1997	10 EA of Large Balconies Replace (10)	\$18,500.00	\$185,000
1993	10 EA of Large Balconies Replace (10)	\$18,500.00	\$185,000
1989	10 EA of Large Balconies Replace (10)	\$18,500.00	\$185,000
1985	6 EA of Large Balconies Replace (6)	\$18,500.00	\$111,000
2009	2 EA of Large Balconies Replace (1)- 3108 & 414	\$18,500.00	\$37,000
1985	2 EA of Townhouse Balconies - Replace (2)	\$13,000.00	\$26,000
1979	3 EA of Townhouse Balconies - Replace (3)	\$13,262.67	\$39,788
	81		\$1,371,788

MAIN HEADING: 16.00 BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES

SUB HEADING: 16.06 EXTERIOR WOOD REPAIR/REPLACEMENT - EVERY PAINT

SUB HEADING: 16.07 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 7 year and 14 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

PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
1.00	GROUNDS - SIGNAGE							
1.01	Entry Sign (Monument) Replace	\$2,262	1997	21	1	\$2,500	\$119	\$2,381
1.02	Map Board - Repair/Replace	\$67	2015	15	13	\$1,000	\$67	\$133
1.03	Building/Unit Number Signs Repair/Replace	\$2,383	2005	15	3	\$3,250	\$217	\$2,600
	Category Sub-Total	\$4,712				\$6,750	\$402	\$5,114
2.00	GROUNDS - PAVING & CONCRETE							
2.01	Asphalt Paving - Seal Coat	\$6,550	2010	6	-1	\$6,550	\$1,092	\$0
2.02	Asphalt Paving - Parking Striping & Curb Painting	\$2,200	2010	6	-1	\$2,200	\$367	\$0
2.03	Asphalt Paving - Minor Repair - 5%	\$10,746	2010	6	-1	\$10,746	\$1,791	\$0
2.04	Asphalt Paving - Major Repair - 25%	\$22,386	2023	12	6	\$53,728	\$4,477	\$26,864
2.05	Concrete Repairs - Repair/Replace - Minor	\$3,500	2016	1	0	\$3,500	\$3,500	\$3,500
2.06	Concrete Repairs - Repair/Replace - Major	\$8,000	2008	10	1	\$10,000	\$1,000	\$9,000
2.07	Concrete - Pool Deck Repair/Replace	\$1,275	2015	20	18	\$25,500	\$1,275	\$2,550
	Category Sub-Total	\$54,657				\$112,223	\$13,502	\$41,914
3.00	GROUNDS - FENCES, RETAINING WALLS, & GATES							
3.01	Fence - Wood @ Patio - Repair/Replace Allowance	\$1,200	2013	5	1	\$2,000	\$400	\$1,600
3.02	Fence - Wood - G.N. @ Clubhouse Driveway	\$1,404	2003	25	11	\$2,700	\$108	\$1,512
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway	\$3,198	2003	25	11	\$6,150	\$246	\$3,444
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space	\$301	2015	15	13	\$4,517	\$301	\$602
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space	\$2,400	2008	20	11	\$6,000	\$300	\$2,700
3.06	Fence - Wood - G.N. behind Bldgs. 4, 5, 6, 7, 8, 9	\$23,136	2000	20	3	\$28,920	\$1,446	\$24,582
3.07	Fence - Wood - G.N. behind Bldgs. 1, 3, 4	\$14,304	2000	20	3	\$17,880	\$894	\$15,198
3.08	Fence - Wood - G.N. behind Bldgs. 2	\$4,325	2000	20	3	\$5,406	\$270	\$4,595
3.09	Fence - Wood - Pool Area Fences	\$776	2005	20	8	\$1,410	\$71	\$846
3.10	Fence - Cyclone @ Tennis Court - Replace	\$10,360	1979	45	7	\$12,600	\$280	\$10,640
3.11	Retaining - Wood @ Units 4122 and 4124	\$1,855	1995	30	8	\$2,650	\$88	\$1,943
3.12	Retaining - Masonry Retaining Wall @ Tennis	\$21,796	1979	55	17	\$32,400	\$589	\$22,385
3.13	Retaining - Wood @ Pool Area	\$3,453	2003	25	11	\$6,640	\$266	\$3,718
3.14	Gates -El Camino Car Gates - Replace	\$1,512	1995	25	3	\$1,800	\$72	\$1,584
3.15	Gates -El Camino Pedestrian Gate - Replace	\$540	2007	25	15	\$1,500	\$60	\$600
3.16	Gates - Pool Gates - Replace	\$1,650	2005	20	8	\$3,000	\$150	\$1,800
3.17	Gates - Cyclone @ Tennis Court - Replace	\$420	1995	25	3	\$500	\$20	\$440
3.18	Gates - Wood @ Maintenance Area	\$800	2000	20	3	\$1,000	\$50	\$850
	Category Sub-Total	\$93,430				\$137,073	\$5,611	\$99,041
4.00	GROUNDS - IRRIGATION & LANDSCAPING							
4.01	Well Components Repair and Replacement - Ongoing	\$2,500	2016	1	0	\$2,500	\$2,500	\$2,500
4.02	Well Components - Major System Replacement	\$11,122	2011	25	19	\$55,609	\$2,224	\$13,346
4.03	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$4,000	2016	1	0	\$4,000	\$4,000	\$4,000
4.04	Irrigation Controllers	\$3,733	2009	15	7	\$8,000	\$533	\$4,267
4.05	Irrigation Controllers	\$4,000	2000	15	-2	\$4,000	\$267	\$0
4.06	Backflow Preventor	\$8,400	1995	25	3	\$10,000	\$400	\$8,800
4.07	Arborist Tree Report	\$1,768	2015	3	1	\$5,304	\$1,768	\$3,536
4.08	Tree Remove/Replace Allowance	\$10,000	2016	1	0	\$10,000	\$10,000	\$10,000
4.09	Landscaping Remove/Replace Allowance	\$5,000	2016	1	0	\$5,000	\$5,000	\$5,000
	Category Sub-Total	\$50,523				\$104,413	\$26,692	\$51,449
5.00	LIGHTING- ALL SITE							
5.01	Lighting Wiring and Controllers Repair Allowance	\$1,000	2016	1	0	\$1,000	\$1,000	\$1,000
5.02	Light Fixtures - @ Landscaping & Wiring	\$1,280	2014	25	22	\$16,000	\$640	\$1,920
5.03	Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$4,320	2017	25	25	\$4,500	\$180	\$0
5.04	Lights- Clubhouse Building Exterior	\$450	1985	30	-2	\$450	\$15	\$0
5.05	Lights - Wall Mount @ Garages	\$8,160	2017	25	25	\$8,500	\$340	\$0
5.06	Lights - Residential Building Exterior - Entry/Balc./Stairs	\$33,600	2017	25	25	\$35,000	\$1,400	\$0
	Category Sub-Total	\$48,810				\$65,450	\$3,575	\$2,920
6.00	GROUNDS - MAILBOX KIOSKS							
6.01	Kiosks Rebuild (Structure, Siding, Roof)	\$7,560	1995	25	3	\$9,000	\$360	\$7,920
6.02	Mailboxes	\$9,828	1995	25	3	\$11,700	\$468	\$10,296
	Category Sub-Total	\$17,388				\$20,700	\$828	\$18,216
7.00	GROUNDS - MISCELLANEOUS							

11.00 PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
7.01	Storage Shed (Modular) - Replace	\$675	2007	20	10	\$1,500	\$75	\$750
7.02	Iron Stair Railings @ site Concrete Stairs	\$5,300	1985	30	-2	\$5,300	\$177	\$0
	Category Sub-Total	\$5,975				\$6,800	\$252	\$750
8.00	TENNIS COURT AREA							
8.01	Tennis Court - Resurface/Lines	\$0	2016	6	5	\$5,800	\$967	\$967
8.02	Tennis Court - Replace	\$29,600	1979	45	7	\$36,000	\$800	\$30,400
8.03	Tennis Court Net - Replace	\$350	2010	6	-1	\$350	\$58	\$0
	Category Sub-Total	\$29,950				\$42,150	\$1,825	\$31,367
9.00	SWIMMING POOL							
9.01	Drainage Upgrade Allowance	\$1,167	2009	15	7	\$2,500	\$167	\$1,333
9.02	Fiberglass	\$859	2015	12	10	\$10,311	\$859	\$1,719
9.03	Coping - Replace	\$1,950	2003	24	10	\$3,600	\$150	\$2,100
9.04	Tile - Replace	\$1,950	2003	24	10	\$3,600	\$150	\$2,100
9.05	Seal Coping/Deck Joint - Replace Mastic	\$80	2015	12	10	\$960	\$80	\$160
9.06	Rails - Replace	\$67	2015	30	28	\$2,000	\$67	\$133
9.07	Skimmers - Replace	\$1,083	2003	24	10	\$2,000	\$83	\$1,167
9.08	Lights - Replace	\$20	2015	15	13	\$300	\$20	\$40
9.09	Heater - Replace	\$3,027	2000	16	-1	\$3,027	\$189	\$0
9.10	Filter - Replace	\$2,389	2000	16	-1	\$2,389	\$149	\$0
9.11	Filter Pump - Replace	\$975	2000	16	-1	\$975	\$61	\$0
9.12	Solar Controller - Replace	\$750	2000	16	-1	\$750	\$47	\$0
9.13	Solar Pump - Replace	\$975	2000	16	-1	\$975	\$61	\$0
9.14	Solar Panels - Replace	\$9,000	2000	16	-1	\$9,000	\$563	\$0
9.15	Solar Panels - Structure Replace	\$5,400	2000	16	-1	\$5,400	\$338	\$0
9.16	Pool Signs - Replace	\$250	2009	6	-2	\$250	\$42	\$0
9.17	Pool Furniture Replacement Allowance	\$333	2015	3	1	\$1,000	\$333	\$667
	Category Sub-Total	\$30,275				\$49,037	\$3,358	\$9,419
10.00	SPA							
10.01	Spa - Total Replace	\$21,000	2002	20	5	\$30,000	\$1,500	\$22,500
10.02	Spa - Preventative Maintenance Allowance	\$4,500	2017	10	10	\$5,000	\$500	\$0
10.03	Rails - Replace	\$700	2002	20	5	\$1,000	\$50	\$750
10.04	Heater - Replace	\$1,767	2006	15	4	\$2,650	\$177	\$1,943
10.05	Filter - Replace	\$2,389	1997	18	-2	\$2,389	\$133	\$0
10.06	Filter Pump - Replace	\$975	2004	10	-3	\$975	\$98	\$0
	Category Sub-Total	\$31,331				\$42,014	\$2,457	\$25,193
11.00	CLUBHOUSE INTERIOR							
11.01	Paint - Interior (Clubhouse) - Ongoing Allowance	\$188	2015	8	6	\$1,500	\$188	\$375
11.02	Carpet Floor- Replace	\$3,241	2005	15	3	\$4,420	\$295	\$3,536
11.03	Tile Floor - Non-Slip Surface	\$1,100	2015	5	3	\$5,500	\$1,100	\$2,200
11.04	Tile Floor - Replace - Aprox. 50% with spa	\$3,850	2002	20	5	\$5,500	\$275	\$4,125
11.05	Tile Floor - Replace	\$4,522	1979	45	7	\$5,500	\$122	\$4,644
11.06	Refrigerator - Replace	\$400	2004	15	2	\$500	\$33	\$433
11.07	Disposal - Replace	\$100	2011	15	9	\$300	\$20	\$120
11.08	HVAC Unit - Replace	\$3,182	1979	35	-3	\$3,182	\$91	\$0
11.09	Spa Exhaust System - Replace	\$167	2014	15	12	\$1,250	\$83	\$250
11.10	Restroom (2) Rehab Allowance	\$1,200	2014	20	17	\$12,000	\$600	\$1,800
11.11	Sauna Room Rehabilitation & Door	\$5,164	1979	38	0	\$5,304	\$140	\$0
11.12	Sauna Mechanical - Replace	\$500	2011	30	24	\$3,000	\$100	\$600
11.13	Water Heater - Tankless	\$1,250	1996	20	-1	\$1,250	\$63	\$0
11.14	Doors - Wood w/Glass	\$1,316	1979	45	7	\$1,600	\$36	\$1,351
11.15	Doors - Solid Wood	\$2,631	1979	45	7	\$3,200	\$71	\$2,702
11.16	Lights	\$977	2004	35	22	\$2,850	\$81	\$1,059
11.17	Restroom Upgrade	\$16,333	2017	15	15	\$17,500	\$1,167	\$0
11.18	Kitchen Area Upgrade	\$7,000	2017	15	15	\$7,500	\$500	\$0
11.19	Furniture Replace	\$5,133	2005	15	3	\$7,000	\$467	\$5,600
11.20	Security System	\$200	2015	5	3	\$1,000	\$200	\$400
	Category Sub-Total	\$58,455				\$89,856	\$5,630	\$29,196
12.00	CLUBHOUSE BUILDING EXTERIOR							
12.01	Clubhouse Deck & Stairs - Replace- Redwood	\$6,941	2008	25	16	\$21,690	\$868	\$7,808

11.00

PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
12.02	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$2,410	2010	5	-2	\$2,410	\$482	\$0
12.03	Doors - Wood/Glass Entry Doors	\$6,578	1979	45	7	\$8,000	\$178	\$6,756
12.04	Doors - Solid Wood Entry Door- Pool Equipment Room	\$822	1979	45	7	\$1,000	\$22	\$844
12.05	Doors - Metal/Glass Sliding Doors	\$8,763	1979	38	0	\$9,000	\$237	\$0
12.06	Windows	\$7,303	1979	38	0	\$7,500	\$197	\$0
12.07	Gates and Locks Replacement/Upgrade	\$0	2016	10	9	\$30,000	\$3,000	\$3,000
Category Sub-Total		\$32,817				\$79,600	\$4,984	\$18,408
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS							
13.01	Doors - Garage Door & Trim Repair Allowance	\$0	2014	0	0	\$29,000	\$0	\$0
13.02	Doors - Single Car Garage Doors w/ Paint Cycle	\$80,938	1979	40	2	\$87,500	\$2,188	\$83,125
13.03	Doors - Wood/Glass Pedestrian Door w/ Paint Cycle	\$8,325	1979	40	2	\$9,000	\$225	\$8,550
13.04	Doors - Solid Wood Doors @ Walk In Garbage	\$5,400	2004	20	7	\$9,000	\$450	\$5,850
13.05	Trash Enclosure Rebuild Allowance	\$8,000	2008	10	1	\$10,000	\$1,000	\$9,000
Category Sub-Total		\$102,663				\$144,500	\$3,863	\$106,525
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES							
14.01	Stairs, Landings & Balconies - Repair/Replace Allowance	\$10,000	2017	1	1	\$10,000	\$10,000	\$10,000
14.02	Balconies - Repair Allowance - 1 Time Add	\$0	2017	0	0	\$60,000	\$0	\$0
14.03	Landings & Stairs - Repair Allowance ~ 20% w/ Paint Cycle	\$0	2023	7	6	\$75,000	\$10,714	\$10,714
14.04	Balconies - Repair Allowance ~ 20% w/ Paint Cycle	\$0	2023	7	6	\$262,500	\$37,500	\$37,500
Category Sub-Total		\$10,000				\$407,500	\$58,214	\$58,214
15.00	BUILDING EXTERIOR - ROOFS							
15.01	Inspection & Repair Allowance - All Roofing Components	\$7,500	2016	1	0	\$7,500	\$7,500	\$7,500
15.02	Flat Roof Replacement @ 550 Thain	\$2,800	2012	20	15	\$14,000	\$700	\$3,500
15.03	Flat Roof Replacement - Residences&Clubhouse&Contingency	\$14,844	2015	20	18	\$296,880	\$14,844	\$29,688
15.04	Flat Roof Replacement - Garages	\$114,584	2017	20	20	\$120,615	\$6,031	\$0
15.05	Gutters/Downspouts - Residences&Clubhouse&Contingency	\$570	2015	30	28	\$17,105	\$570	\$1,140
15.06	Gutters/Downspouts - Garages	\$16,948	2017	30	30	\$17,532	\$584	\$0
15.07	Sloped Roof Replace - All - Full Replacement	\$404,203	2023	30	6	\$527,221	\$17,574	\$421,777
15.08	Chimney Caps / Spark Arrestors - Allowance	\$0	2016	15	14	\$7,500	\$500	\$500
Category Sub-Total		\$561,449				\$1,008,353	\$48,303	\$464,105
16.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES							
16.01	Doors - Entry Door & Hardware Allowance	\$5,000	2016	1	0	\$5,000	\$5,000	\$5,000
16.02	Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000	2016	1	0	\$5,000	\$5,000	\$5,000
16.03	Termite Fumigation & Repairs (2006)	\$32,500	2006	20	9	\$65,000	\$3,250	\$35,750
16.04	Termite - Drywood Warranty Renewal	\$0	2016	2	1	\$14,235	\$7,118	\$7,118
16.05	Termite - Subterranean Warranty Renewal	\$0	2016	2	1	\$21,321	\$10,661	\$10,661
16.06	Building Exterior Siding/Trim Repair/Replace - Minor	\$47,500	2009	14	6	\$95,000	\$6,786	\$54,286
16.07	Building Exterior Siding/Trim Repair/Replace - Major	\$0	2016	14	13	\$285,000	\$20,357	\$20,357
Category Sub-Total		\$90,000				\$490,556	\$58,171	\$138,171
17.00	PAINTING & STAINING							
17.01	Paint - All Wood/Metal Components (Previous \$ + Inflation)	\$0	2016	7	6	\$175,000	\$25,000	\$25,000
17.02	Stain - Wood Shingle (Previous \$ + Inflation)	\$0	2016	7	6	\$125,000	\$17,857	\$17,857
Category Sub-Total		\$0				\$300,000	\$42,857	\$42,857
18.00	MISCELLANEOUS & CONTINGENCIES							
18.01	Reserve Study - Annual	\$267	2015	3	1	\$800	\$267	\$533
18.02	Reserve Study - Annual	\$0	2016	3	2	\$800	\$267	\$267
18.03	Reserve Study - Third Year Site Inspection	\$1,267	2014	3	0	\$1,900	\$633	\$0
18.04	Underground Utility Inspections & Repairs	\$10,000	2014	3	0	\$15,000	\$5,000	\$0
18.05	CC&R Revisions	\$7,438	2009	8	0	\$8,500	\$1,063	\$0
18.06	Construction Management - Paint/Siding/Decks/Stairs	\$0	2016	7	6	\$50,000	\$7,143	\$7,143
18.07	Construction Management - Roofing	\$1,500	2014	20	17	\$15,000	\$750	\$2,250
18.08	Construction Management - Roofing	\$14,250	2017	20	20	\$15,000	\$750	\$0
Category Sub-Total		\$34,721				\$107,000	\$15,872	\$10,193
Total Value of Components:						\$3,213,975		
Annual Straight-Line Allocation:							\$296,396	
Total Dollars Necessary to be 100% Funded:		\$1,257,154						\$1,153,051

11.00 PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Useful Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
	Actual Dollars In Reserve Fund:	\$1,103,958						\$963,759
	Current Fund Deficiency:	\$153,196						\$189,292
	Current Per Unit Deficiency:	\$2,357						\$2,912
	Percent Funded:	87.81%						83.58%

(Actual dollars/Total Dollars Necessary)

STEPS FOR DETERMINING PERCENT FUNDED:

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

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

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

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

PROPERTY INFORMATION

PROPERTY NAME:	Barron Square HOA		
STREET ADDRESS:	Thain Way		
CITY, STATE, ZIP:	Palo Alto, CA		
GOVERNING ENTITY:	Board of Directors		
YEAR CONSTRUCTED:	1979	NUMBER OF CONSTRUCTION PHASES:	1
NUMBER OF UNITS:	65	NUMBER OF RESIDENTIAL BUILDINGS:	13

CONTACT INFORMATION

CURRENT PROPERTY CONTACT:	Ms. Deborah McGraw PML Management Corporation 655 Mariners Island Blvd., Suite 301 San Mateo, CA 94404 Phone: (650) 349-9113 Email: debbie@pmlmanagement.com
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RESERVE STUDY INFORMATION

TYPE OF STUDY:	Annual Review Study 2017	(no site inspection performed with this review)
BEGINNING YEAR OF STUDY:	2017	
YEAR OF LAST PHYSICAL INSPECTION:	2014	
YEAR OF NEXT PHYSICAL INSPECTION:	2017	(as required by the Davis-Stirling Act)
RESERVE STUDY PREPARER:	Reserve Analysis Consulting, L.L.C. 1750 Bridgeway, Suite B106 • Sausalito, CA 94965 Sausalito, California 94965 Office Phone: (415) 332-7800 FAX: (415) 332-7801	
PERFORMED BY:	Casey O'Neill Direct Phone: (415) 289-7443 Email: caseyo@reserveanalysis.com	

RESERVE FUND FINANCIAL INFORMATION

BUDGET YEAR ENDING DATE:	12/31	2016	2017
ANNUAL RESERVE CONTRIBUTION:		\$349,748	\$325,287
MONTHLY RESERVE CONTRIBUTION:		\$29,146	\$27,107
PER UNIT MONTHLY (AVG.) CONTRIBUTION:		\$448.39	\$417.03
TOTAL SPECIAL ASSESSMENT:		N/A	N/A
PER UNIT (AVG.) SPECIAL ASSESSMENT:		N/A	N/A
PROPOSED RESERVE FUND EXPENDITURES:			(\$477,139)
ESTIMATED YEAR ENDING BALANCE:		\$1,103,958	\$963,759
REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE:			N/A

RESERVE PERCENT FUNDED CALCULATION

AMOUNT NEEDED TO BE 100% FUNDED:	\$1,257,154	\$1,153,051
THEORETICAL PER UNIT UNDERFUNDED:	\$2,357	\$2,912
CALCULATED PERCENT FUNDED:	87.81%	83.58%

RESERVE PROJECTED INTEREST & INFLATION

"ASSUMED LONG-TERM INTEREST RATE":	2.00%
"ASSUMED LONG-TERM INFLATION RATE":	3.00%

2.00 PROCEDURES & METHODOLOGIES

DAVIS-STIRLING ACT PROCEDURES & REQUIREMENTS

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

Identification of the major components.

Establishment of reasonable life expectancies and remaining life of all components.

Projected estimated cost of all repair and replacements.

Development of a 30 year Funding Plan which identifies date and amount of regular and special assessments.

Calculation of Percent Funded and amount of per unit deficiency.

Statement of methodology.

Additionally, calculation of 5570 ((old 1365.2.5)) Reserve Summary and Disclosure Document.

SCOPE OF STUDY

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

STATEMENT OF RESERVE STUDY METHODOLOGY

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

Original plans and specifications

Original contractors, current contractors and vendors

Association maintenance staff

Association management

Association Board of Directors

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

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

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

The component maintenance is the responsibility of the Association.

The component is not covered by the Association's Annual Operating Budget.

The component's useful life is greater than one year, except in the case of variable ongoing repair of a major component

The component has an identifiable expected cost and replacement cost.

Inclusion in the Funding plan requires the component's remaining estimated useful life is less than 30 years.

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

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
1.00	GROUNDS - SIGNAGE							
1.01	Entry Sign (Monument) Replace	\$2,262	1997	21	1	\$2,500	\$119	\$2,381
1.02	Map Board - Repair/Replace	\$67	2015	15	13	\$1,000	\$67	\$133
1.03	Building/Unit Number Signs Repair/Replace	\$2,383	2005	15	3	\$3,250	\$217	\$2,600
	Category Sub-Total	\$4,712				\$6,750	\$402	\$5,114
2.00	GROUNDS - PAVING & CONCRETE							
2.01	Asphalt Paving - Seal Coat	\$6,550	2010	6	-1	\$6,550	\$1,092	\$0
2.02	Asphalt Paving - Parking Striping & Curb Painting	\$2,200	2010	6	-1	\$2,200	\$367	\$0
2.03	Asphalt Paving - Minor Repair - 5%	\$10,746	2010	6	-1	\$10,746	\$1,791	\$0
2.04	Asphalt Paving - Major Repair - 25%	\$22,386	2023	12	6	\$53,728	\$4,477	\$26,864
2.05	Concrete Repairs - Repair/Replace - Minor	\$3,500	2016	1	0	\$3,500	\$3,500	\$3,500
2.06	Concrete Repairs - Repair/Replace - Major	\$8,000	2008	10	1	\$10,000	\$1,000	\$9,000
2.07	Concrete - Pool Deck Repair/Replace	\$1,275	2015	20	18	\$25,500	\$1,275	\$2,550
	Category Sub-Total	\$54,657				\$112,223	\$13,502	\$41,914
3.00	GROUNDS - FENCES, RETAINING WALLS, & GATES							
3.01	Fence - Wood @ Patio - Repair/Replace Allowance	\$1,200	2013	5	1	\$2,000	\$400	\$1,600
3.02	Fence - Wood - G.N. @ Clubhouse Driveway	\$1,404	2003	25	11	\$2,700	\$108	\$1,512
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway	\$3,198	2003	25	11	\$6,150	\$246	\$3,444
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space	\$301	2015	15	13	\$4,517	\$301	\$602
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space	\$2,400	2008	20	11	\$6,000	\$300	\$2,700
3.06	Fence - Wood - G.N. behind Bldgs. 4, 5, 6, 7, 8, 9	\$23,136	2000	20	3	\$28,920	\$1,446	\$24,582
3.07	Fence - Wood - G.N. behind Bldgs. 1, 3, 4	\$14,304	2000	20	3	\$17,880	\$894	\$15,198
3.08	Fence - Wood - G.N. behind Bldgs. 2	\$4,325	2000	20	3	\$5,406	\$270	\$4,595
3.09	Fence - Wood - Pool Area Fences	\$776	2005	20	8	\$1,410	\$71	\$846
3.10	Fence - Cyclone @ Tennis Court - Replace	\$10,360	1979	45	7	\$12,600	\$280	\$10,640
3.11	Retaining - Wood @ Units 4122 and 4124	\$1,855	1995	30	8	\$2,650	\$88	\$1,943
3.12	Retaining - Masonry Retaining Wall @ Tennis	\$21,796	1979	55	17	\$32,400	\$589	\$22,385
3.13	Retaining - Wood @ Pool Area	\$3,453	2003	25	11	\$6,640	\$266	\$3,718
3.14	Gates -El Camino Car Gates - Replace	\$1,512	1995	25	3	\$1,800	\$72	\$1,584
3.15	Gates -El Camino Pedestrian Gate - Replace	\$540	2007	25	15	\$1,500	\$60	\$600
3.16	Gates - Pool Gates - Replace	\$1,650	2005	20	8	\$3,000	\$150	\$1,800
3.17	Gates - Cyclone @ Tennis Court - Replace	\$420	1995	25	3	\$500	\$20	\$440
3.18	Gates - Wood @ Maintenance Area	\$800	2000	20	3	\$1,000	\$50	\$850
	Category Sub-Total	\$93,430				\$137,073	\$5,611	\$99,041
4.00	GROUNDS - IRRIGATION & LANDSCAPING							
4.01	Well Components Repair and Replacement - Ongoing	\$2,500	2016	1	0	\$2,500	\$2,500	\$2,500
4.02	Well Components - Major System Replacement	\$11,122	2011	25	19	\$55,609	\$2,224	\$13,346
4.03	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$4,000	2016	1	0	\$4,000	\$4,000	\$4,000
4.04	Irrigation Controllers	\$3,733	2009	15	7	\$8,000	\$533	\$4,267
4.05	Irrigation Controllers	\$4,000	2000	15	-2	\$4,000	\$267	\$0
4.06	Backflow Preventor	\$8,400	1995	25	3	\$10,000	\$400	\$8,800
4.07	Arborist Tree Report	\$1,768	2015	3	1	\$5,304	\$1,768	\$3,536
4.08	Tree Remove/Replace Allowance	\$10,000	2016	1	0	\$10,000	\$10,000	\$10,000
4.09	Landscaping Remove/Replace Allowance	\$5,000	2016	1	0	\$5,000	\$5,000	\$5,000
	Category Sub-Total	\$50,523				\$104,413	\$26,692	\$51,449
5.00	LIGHTING- ALL SITE							
5.01	Lighting Wiring and Controllers Repair Allowance	\$1,000	2016	1	0	\$1,000	\$1,000	\$1,000
5.02	Light Fixtures - @ Landscaping & Wiring	\$1,280	2014	25	22	\$16,000	\$640	\$1,920
5.03	Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$4,320	2017	25	25	\$4,500	\$180	\$0
5.04	Lights- Clubhouse Building Exterior	\$450	1985	30	-2	\$450	\$15	\$0
5.05	Lights - Wall Mount @ Garages	\$8,160	2017	25	25	\$8,500	\$340	\$0
5.06	Lights - Residential Building Exterior - Entry/Balc./Stairs	\$33,600	2017	25	25	\$35,000	\$1,400	\$0
	Category Sub-Total	\$48,810				\$65,450	\$3,575	\$2,920
6.00	GROUNDS - MAILBOX KIOSKS							
6.01	Kiosks Rebuild (Structure, Siding, Roof)	\$7,560	1995	25	3	\$9,000	\$360	\$7,920
6.02	Mailboxes	\$9,828	1995	25	3	\$11,700	\$468	\$10,296
	Category Sub-Total	\$17,388				\$20,700	\$828	\$18,216
7.00	GROUNDS - MISCELLANEOUS							

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
7.01	Storage Shed (Modular) - Replace	\$675	2007	20	10	\$1,500	\$75	\$750
7.02	Iron Stair Railings @ site Concrete Stairs	\$5,300	1985	30	-2	\$5,300	\$177	\$0
	Category Sub-Total	\$5,975				\$6,800	\$252	\$750
8.00	TENNIS COURT AREA							
8.01	Tennis Court - Resurface/Lines	\$0	2016	6	5	\$5,800	\$967	\$967
8.02	Tennis Court - Replace	\$29,600	1979	45	7	\$36,000	\$800	\$30,400
8.03	Tennis Court Net - Replace	\$350	2010	6	-1	\$350	\$58	\$0
	Category Sub-Total	\$29,950				\$42,150	\$1,825	\$31,367
9.00	SWIMMING POOL							
9.01	Drainage Upgrade Allowance	\$1,167	2009	15	7	\$2,500	\$167	\$1,333
9.02	Fiberglass	\$859	2015	12	10	\$10,311	\$859	\$1,719
9.03	Coping - Replace	\$1,950	2003	24	10	\$3,600	\$150	\$2,100
9.04	Tile - Replace	\$1,950	2003	24	10	\$3,600	\$150	\$2,100
9.05	Seal Coping/Deck Joint - Replace Mastic	\$80	2015	12	10	\$960	\$80	\$160
9.06	Rails - Replace	\$67	2015	30	28	\$2,000	\$67	\$133
9.07	Skimmers - Replace	\$1,083	2003	24	10	\$2,000	\$83	\$1,167
9.08	Lights - Replace	\$20	2015	15	13	\$300	\$20	\$40
9.09	Heater - Replace	\$3,027	2000	16	-1	\$3,027	\$189	\$0
9.10	Filter - Replace	\$2,389	2000	16	-1	\$2,389	\$149	\$0
9.11	Filter Pump - Replace	\$975	2000	16	-1	\$975	\$61	\$0
9.12	Solar Controller - Replace	\$750	2000	16	-1	\$750	\$47	\$0
9.13	Solar Pump - Replace	\$975	2000	16	-1	\$975	\$61	\$0
9.14	Solar Panels - Replace	\$9,000	2000	16	-1	\$9,000	\$563	\$0
9.15	Solar Panels - Structure Replace	\$5,400	2000	16	-1	\$5,400	\$338	\$0
9.16	Pool Signs - Replace	\$250	2009	6	-2	\$250	\$42	\$0
9.17	Pool Furniture Replacement Allowance	\$333	2015	3	1	\$1,000	\$333	\$667
	Category Sub-Total	\$30,275				\$49,037	\$3,358	\$9,419
10.00	SPA							
10.01	Spa - Total Replace	\$21,000	2002	20	5	\$30,000	\$1,500	\$22,500
10.02	Spa - Preventative Maintenance Allowance	\$4,500	2017	10	10	\$5,000	\$500	\$0
10.03	Rails - Replace	\$700	2002	20	5	\$1,000	\$50	\$750
10.04	Heater - Replace	\$1,767	2006	15	4	\$2,650	\$177	\$1,943
10.05	Filter - Replace	\$2,389	1997	18	-2	\$2,389	\$133	\$0
10.06	Filter Pump - Replace	\$975	2004	10	-3	\$975	\$98	\$0
	Category Sub-Total	\$31,331				\$42,014	\$2,457	\$25,193
11.00	CLUBHOUSE INTERIOR							
11.01	Paint - Interior (Clubhouse) - Ongoing Allowance	\$188	2015	8	6	\$1,500	\$188	\$375
11.02	Carpet Floor- Replace	\$3,241	2005	15	3	\$4,420	\$295	\$3,536
11.03	Tile Floor - Non-Slip Surface	\$1,100	2015	5	3	\$5,500	\$1,100	\$2,200
11.04	Tile Floor - Replace - Aprox. 50% with spa	\$3,850	2002	20	5	\$5,500	\$275	\$4,125
11.05	Tile Floor - Replace	\$4,522	1979	45	7	\$5,500	\$122	\$4,644
11.06	Refrigerator - Replace	\$400	2004	15	2	\$500	\$33	\$433
11.07	Disposal - Replace	\$100	2011	15	9	\$300	\$20	\$120
11.08	HVAC Unit - Replace	\$3,182	1979	35	-3	\$3,182	\$91	\$0
11.09	Spa Exhaust System - Replace	\$1,200	2014	15	12	\$1,250	\$83	\$250
11.10	Restroom (2) Rehab Allowance	\$1,200	2014	20	17	\$12,000	\$600	\$1,800
11.11	Sauna Room Rehabilitation & Door	\$5,164	1979	38	0	\$5,304	\$140	\$0
11.12	Sauna Mechanical - Replace	\$500	2011	30	24	\$3,000	\$100	\$600
11.13	Water Heater - Tankless	\$1,250	1996	20	-1	\$1,250	\$63	\$0
11.14	Doors - Wood w/Glass	\$1,316	1979	45	7	\$1,600	\$36	\$1,351
11.15	Doors - Solid Wood	\$2,631	1979	45	7	\$3,200	\$71	\$2,702
11.16	Lights	\$977	2004	35	22	\$2,850	\$81	\$1,059
11.17	Restroom Upgrade	\$16,333	2017	15	15	\$17,500	\$1,167	\$0
11.18	Kitchen Area Upgrade	\$7,000	2017	15	15	\$7,500	\$500	\$0
11.19	Furniture Replace	\$5,133	2005	15	3	\$7,000	\$467	\$5,600
11.20	Security System	\$200	2015	5	3	\$1,000	\$200	\$400
	Category Sub-Total	\$58,455				\$89,856	\$5,630	\$29,196
12.00	CLUBHOUSE BUILDING EXTERIOR							
12.01	Clubhouse Deck & Stairs - Replace- Redwood	\$6,941	2008	25	16	\$21,690	\$868	\$7,808

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Useful Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank	
12.02	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$2,410	2010	5	-2	\$2,410	\$482	\$0	
12.03	Doors - Wood/Glass Entry Doors	\$6,578	1979	45	7	\$8,000	\$178	\$6,756	
12.04	Doors - Solid Wood Entry Door- Pool Equipment Room	\$822	1979	45	7	\$1,000	\$22	\$844	
12.05	Doors - Metal/Glass Sliding Doors	\$8,763	1979	38	0	\$9,000	\$237	\$0	
12.06	Windows	\$7,303	1979	38	0	\$7,500	\$197	\$0	
12.07	Gates and Locks Replacement/Upgrade	\$0	2016	10	9	\$30,000	\$3,000	\$3,000	
Category Sub-Total		\$32,817				\$79,600	\$4,984	\$18,408	
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS								
13.01	Doors - Garage Door & Trim Repair Allowance	\$0	2014	0	0	\$29,000	\$0	\$0	
13.02	Doors - Single Car Garage Doors w/ Paint Cycle	\$80,938	1979	40	2	\$87,500	\$2,188	\$83,125	
13.03	Doors - Wood/Glass Pedestrian Door w/ Paint Cycle	\$8,325	1979	40	2	\$9,000	\$225	\$8,550	
13.04	Doors - Solid Wood Doors @ Walk In Garbage	\$5,400	2004	20	7	\$9,000	\$450	\$5,850	
13.05	Trash Enclosure Rebuild Allowance	\$8,000	2008	10	1	\$10,000	\$1,000	\$9,000	
Category Sub-Total		\$102,663				\$144,500	\$3,863	\$106,525	
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS & BALCONIES								
14.01	Stairs, Landings & Balconies - Repair/Replace Allowance	\$10,000	2017	1	1	\$10,000	\$10,000	\$10,000	
14.02	Balconies - Repair Allowance - 1 Time Add	\$0	2017	0	0	\$60,000	\$0	\$0	
14.03	Landings & Stairs - Repair Allowance ~ 20% w/ Paint Cycle	\$0	2023	7	6	\$75,000	\$10,714	\$10,714	
14.04	Balconies - Repair Allowance ~ 20% w/ Paint Cycle	\$0	2023	7	6	\$262,500	\$37,500	\$37,500	
Category Sub-Total		\$10,000				\$407,500	\$58,214	\$58,214	
15.00	BUILDING EXTERIOR - ROOFS								
15.01	Inspection & Repair Allowance - All Roofing Components	\$7,500	2016	1	0	\$7,500	\$7,500	\$7,500	
15.02	Flat Roof Replacement @ 550 Thain	\$2,800	2012	20	15	\$14,000	\$700	\$3,500	
15.03	Flat Roof Replacement - Residences&Clubhouse&Contingency	\$14,844	2015	20	18	\$296,880	\$14,844	\$29,688	
15.04	Flat Roof Replacement - Garages	\$114,584	2017	20	20	\$120,615	\$6,031	\$0	
15.05	Gutters/Downspouts - Residences&Clubhouse&Contingency	\$570	2015	30	28	\$17,105	\$570	\$1,140	
15.06	Gutters/Downspouts - Garages	\$16,948	2017	30	30	\$17,532	\$584	\$0	
15.07	Sloped Roof Replace - All - Full Replacement	\$404,203	2023	30	6	\$527,221	\$17,574	\$421,777	
15.08	Chimney Caps / Spark Arrestors - Allowance	\$0	2016	15	14	\$7,500	\$500	\$500	
Category Sub-Total		\$561,449				\$1,008,353	\$48,303	\$464,105	
16.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES								
16.01	Doors - Entry Door & Hardware Allowance	\$5,000	2016	1	0	\$5,000	\$5,000	\$5,000	
16.02	Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000	2016	1	0	\$5,000	\$5,000	\$5,000	
16.03	Termite Fumigation & Repairs (2006)	\$32,500	2006	20	9	\$65,000	\$3,250	\$35,750	
16.04	Termite - Drywood Warranty Renewal	\$0	2016	2	1	\$14,235	\$7,118	\$7,118	
16.05	Termite - Subterranean Warranty Renewal	\$0	2016	2	1	\$21,321	\$10,661	\$10,661	
16.06	Building Exterior Siding/Trim Repair/Replace - Minor	\$47,500	2009	14	6	\$95,000	\$6,786	\$54,286	
16.07	Building Exterior Siding/Trim Repair/Replace - Major	\$0	2016	14	13	\$285,000	\$20,357	\$20,357	
Category Sub-Total		\$90,000				\$490,556	\$58,171	\$138,171	
17.00	PAINTING & STAINING								
17.01	Paint - All Wood/Metal Components (Previous \$ + Inflation)	\$0	2016	7	6	\$175,000	\$25,000	\$25,000	
17.02	Stain - Wood Shingle (Previous \$ + Inflation)	\$0	2016	7	6	\$125,000	\$17,857	\$17,857	
Category Sub-Total		\$0				\$300,000	\$42,857	\$42,857	
18.00	MISCELLANEOUS & CONTINGENCIES								
18.01	Reserve Study - Annual	\$267	2015	3	1	\$800	\$267	\$533	
18.02	Reserve Study - Annual	\$0	2016	3	2	\$800	\$267	\$267	
18.03	Reserve Study - Third Year Site Inspection	\$1,267	2014	3	0	\$1,900	\$633	\$0	
18.04	Underground Utility Inspections & Repairs	\$10,000	2014	3	0	\$15,000	\$5,000	\$0	
18.05	CC&R Revisions	\$7,438	2009	8	0	\$8,500	\$1,063	\$0	
18.06	Construction Management - Paint/Siding/Decks/Stairs	\$0	2016	7	6	\$50,000	\$7,143	\$7,143	
18.07	Construction Management - Roofing	\$1,500	2014	20	17	\$15,000	\$750	\$2,250	
18.08	Construction Management - Roofing	\$14,250	2017	20	20	\$15,000	\$750	\$0	
Category Sub-Total		\$34,721				\$107,000	\$15,872	\$10,193	
Total Value of Components:						\$3,213,975			
Annual Straight-Line Allocation:							\$296,396		
Total Dollars Necessary to be 100% Funded:		2016 End						2017 End	
		\$1,257,154						\$1,153,051	

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
	Actual Dollars In Reserve Fund:	\$1,103,958						\$963,759
	Current Fund Deficiency:	\$153,196						\$189,292
	Current Per Unit Deficiency:	\$2,357						\$2,912
	Percent Funded: (Actual dollars/Total Dollars Necessary)	87.81%						83.58%

STEPS FOR DETERMINING PERCENT FUNDED:

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

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

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

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

PROPERTY DESCRIPTION & COMPONENT INCLUSION:

Barron Square HOA is a 65-member association located in Palo Alto, CA. The Association is responsible for 13 residential buildings that were originally built in 1 phase in 1979. The Association is responsible for all components as the Board of Directors has interpreted the CC&Rs. For specific component inclusion based on that interpretation please refer to the Component Data or Schedule Sections.

5300(b)(4) - COMPONENT CONDITION:

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

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

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

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

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

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

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

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

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

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

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

5.00 30 YEAR RESERVE FUNDING PLAN

2016 Average unit per month reserve contribution *1 = \$448.39

2016 Total annual reserve contribution *1 = \$349,748

* All future numbers are PROPOSED and/or PROJECTED

DESCRIPTION - 1ST 10 YEARS	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Projected Beginning Fund Balance *1	\$1,103,958	\$963,759	\$1,179,319	\$1,365,722	\$1,484,095	\$1,783,004	\$2,002,563	\$548,241	\$693,232	\$984,698
Contribution % increase over previous yr.	-6.99%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Contribution avg. unit/month \$ increase	(\$31.36)	\$8.34	\$8.51	\$8.68	\$8.85	\$9.03	\$9.21	\$9.39	\$9.58	\$9.77
Contribution avg. per unit/month	\$417.03	\$425.38	\$433.88	\$442.56	\$451.41	\$460.44	\$469.65	\$479.04	\$488.62	\$498.39
Reserve Contribution - Annual	\$325,287	\$331,793	\$338,429	\$345,197	\$352,101	\$359,143	\$366,326	\$373,653	\$381,126	\$388,748
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$1,429,245	\$1,295,552	\$1,517,747	\$1,710,919	\$1,836,196	\$2,142,147	\$2,368,889	\$921,893	\$1,074,358	\$1,373,446
Projected Expenditures - inflated	-\$477,139	-\$130,494	-\$168,540	-\$244,769	-\$74,753	-\$163,799	-\$1,827,278	-\$237,043	-\$101,567	-\$275,723
Balance after expenditures	\$952,106	\$1,165,058	\$1,349,207	\$1,466,149	\$1,761,444	\$1,978,348	\$541,611	\$684,850	\$972,791	\$1,097,723
Interest on balance after tax	\$11,654	\$14,260	\$16,514	\$17,946	\$21,560	\$24,215	\$6,629	\$8,383	\$11,907	\$13,436
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	83.58%	86.17%	87.34%	87.23%	88.50%	88.50%	58.06%	62.37%	69.17%	69.87%
Projected Year Ending Balance *3	\$963,759	\$1,179,319	\$1,365,722	\$1,484,095	\$1,783,004	\$2,002,563	\$548,241	\$693,232	\$984,698	\$1,111,159

* All future numbers are PROPOSED and/or PROJECTED

DESCRIPTION - 2ND 10 YEARS	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Projected Beginning Fund Balance *1	\$1,111,159	\$1,400,145	\$1,630,037	\$1,940,955	\$720,382	\$1,083,616	\$1,313,618	\$1,616,991	\$1,861,995	\$1,511,306
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$14.95	\$15.40	\$15.86	\$16.34	\$16.83	\$17.33	\$17.85	\$18.39	\$18.94	\$19.51
Contribution avg. per unit/month	\$513.35	\$528.75	\$544.61	\$560.95	\$577.78	\$595.11	\$612.96	\$631.35	\$650.29	\$669.80
Reserve Contribution - Annual	\$400,411	\$412,423	\$424,796	\$437,539	\$450,666	\$464,186	\$478,111	\$492,454	\$507,228	\$522,445
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$1,511,569	\$1,812,568	\$2,054,833	\$2,378,495	\$1,171,047	\$1,547,802	\$1,791,729	\$2,109,445	\$2,369,223	\$2,033,751
Projected Expenditures - inflated	-\$128,355	-\$202,241	-\$137,348	-\$1,666,824	-\$100,534	-\$250,068	-\$194,291	-\$269,966	-\$876,191	-\$339,549
Balance after expenditures	\$1,383,215	\$1,610,327	\$1,917,485	\$711,671	\$1,070,513	\$1,297,733	\$1,597,438	\$1,839,479	\$1,493,031	\$1,694,202
Interest on balance after tax	\$16,931	\$19,710	\$23,470	\$8,711	\$13,103	\$15,884	\$19,553	\$22,515	\$18,275	\$20,737
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	73.15%	74.46%	76.21%	48.97%	58.02%	61.18%	64.62%	66.26%	58.93%	60.43%
Projected Year Ending Balance *3	\$1,400,145	\$1,630,037	\$1,940,955	\$720,382	\$1,083,616	\$1,313,618	\$1,616,991	\$1,861,995	\$1,511,306	\$1,714,939

* All future numbers are PROPOSED and/or PROJECTED

DESCRIPTION - 3RD 10 YEARS	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Projected Beginning Fund Balance *1	\$1,714,939	\$400,751	\$724,653	\$1,114,101	\$1,420,513	\$1,860,299	\$2,144,820	\$2,737,942	\$924,880	\$1,374,151
Contribution % increase over previous yr.	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Contribution avg. unit/month \$ increase	\$26.79	\$27.86	\$28.98	\$30.14	\$31.34	\$32.60	\$33.90	\$35.26	\$36.67	\$38.13
Contribution avg. per unit/month	\$696.59	\$724.46	\$753.44	\$783.57	\$814.92	\$847.51	\$881.41	\$916.67	\$953.34	\$991.47
Reserve Contribution - Annual	\$543,343	\$565,076	\$587,679	\$611,187	\$635,634	\$661,059	\$687,502	\$715,002	\$743,602	\$773,346
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$2,258,282	\$965,828	\$1,312,332	\$1,725,287	\$2,056,147	\$2,521,358	\$2,832,322	\$3,452,944	\$1,668,482	\$2,147,498
Projected Expenditures - inflated	-\$1,862,376	-\$249,938	-\$211,703	-\$321,951	-\$218,343	-\$402,473	-\$127,487	-\$2,539,247	-\$310,947	-\$490,316
Balance after expenditures	\$395,906	\$715,890	\$1,100,629	\$1,403,336	\$1,837,804	\$2,118,885	\$2,704,835	\$913,697	\$1,357,535	\$1,657,182
Interest on balance after tax	\$4,846	\$8,762	\$13,472	\$17,177	\$22,495	\$25,935	\$33,107	\$11,184	\$16,616	\$20,284
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	23.79%	35.37%	44.99%	50.21%	56.23%	58.84%	64.09%	35.03%	44.31%	48.96%
Projected Year Ending Balance *3	\$400,751	\$724,653	\$1,114,101	\$1,420,513	\$1,860,299	\$2,144,820	\$2,737,942	\$924,880	\$1,374,151	\$1,677,465

**ASSESSMENT and RESERVE FUNDING DISCLOSURE SUMMARY
For the Budget Year 2017 ending 12/31/17**

Per Davis-Stirling Statute 5570 ((old 1365.2.5)) Disclosure Form

(1) The 2016 budgeted regular assessment per ownership interest is avg. \$ 781.29 per month.
The 2017 budgeted regular assessment per ownership interest is avg. \$ 796.92 per month.
Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found in the attached Annual Budget Report.

(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
_____ N/A _____	_____ N/A _____	_____ N/A _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL	_____	_____

NOTE: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found in the attached Annual Budget Report. 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 Annual Budget Report.

(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:

(Yes)

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves 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 5570 ((old 1365.2.5)), the estimated amount required in the reserve fund at the end of the 2016 fiscal year is \$ **1,257,154** based in whole or in part on the last reserve study or update prepared by **Reserve Analysis Consulting, LLC** as of **November, 2016**. The projected reserve fund cash balance at the end of the current fiscal year is **\$1,103,958**, resulting in reserves being **87.81%** 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

(7.a.) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is **\$*1 See Below**, and the projected reserve fund cash balance in each of those years, **taking into account only assessments already approved** and other known revenues, is **\$*2 See Below**, leaving the reserve at ***3 See Below** percent funding.

Budget Year	2017	2018	2019	2020	2021
*1 Estimated Amount Req'd in Fund to be 100%	\$1,153,051	\$1,368,651	\$1,563,644	\$1,701,320	\$2,014,763
*2 Reserve Balance (w/PREV. APPROVED DUES ONLY)	\$988,520	\$1,222,557	\$1,420,947	\$1,544,603	\$1,841,871
*3 Estimated Percent Funded	85.73%	89.33%	90.87%	90.79%	91.42%

(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 **\$*4 See Below** leaving the reserve at ***5 See Below** percent funding.

Budget Year	2017	2018	2019	2020	2021
*1 Estimated Amount Req'd in Fund to be 100%	\$1,153,051	\$1,368,651	\$1,563,644	\$1,701,320	\$2,014,763
*4 Reserve Balance (IF FUND PLAN IMPLEMENTED)	\$963,759	\$1,179,319	\$1,365,722	\$1,484,095	\$1,783,004
*5 Estimated Percent Funded	83.58%	86.17%	87.34%	87.23%	88.50%

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 2 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 5550 ((old 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 5570 subdivision (a) shall accompany each Annual Budget Report or summary thereof that is delivered pursuant to section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision 5570 (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 Requirements & Methodology in Section 2.00 and the Narrative Statements in Section 4.00 of this Financial Summary for important details concerning this Reserve Study's development.