

Reserve Analysis Report

727 Robinson HOA

727 Robinson
San Diego, CA 92103

For Fiscal Year End:
December 31, 2008



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Preface

What is A Reserve Study?

A reserve study is a detailed report that assists common interest developments (CID) in planning for long-term common area repair and replacement expenses. A CID exists when there is individual ownership of a house or condominium along with the shared ownership or right of use to common areas. These common areas can include streets, roofs, recreational facilities and many other items. A reserve study includes two parts: 1) **The Physical Analysis** contains information about the condition and repair/replacement cost of the components that the CID maintains. The physical analysis should include a component inventory and quantity, estimated useful and remaining life, and estimated replacement cost. 2) **The Financial Analysis** evaluates the CID's reserve fund balance and income. The financial analysis calculates a CID's percent funded by comparing the actual reserve balance to a fully funded balance. The reserve study then estimates the total annual contribution necessary to defray the future costs.

Why Should a Reserve Study be performed?

Certain states, such as California, require that reserve studies be completed and that the board of directors inform owners of the reserve status annually. In addition, the board of directors of a CID has a legal and fiduciary duty to maintain the community in a good state of repair. Property Values are directly affected by the level of maintenance and upkeep of the common area components. Reserve studies create a maintenance plan, which keeps a development in good condition, therefore increasing property appreciation and value. The amount of funds in the reserve account also greatly affects property values. Reserve studies inform CID's how much they should have in their reserve account, which eliminates costly special assessments. Over time each member of a CID should contribute their fair share to the reserve account so when expenses arise the required funds are available. Reserve Studies can also help avoid litigation against CID board members.

Sections of this Reserve Study

Executive Summary - Provides the general information about the CID and summarizes the findings of the study. Percent Funded and Recommended Reserve Contribution are included in the summary.

Component Summary – List all components and their details in tabular form.

30 Year Funding Plans – Lists theoretical fully funded balance for the next 30 years. Also lists theoretical annual contribution, projected year-end balance, and percent funded for the current, recommended, and threshold funding plans. (Inflation and annual dues increase are taken into account)

Annual Expenses – Lists projected annual expenses for each component over the next 30 years in tabular form. (Inflation is taken into account)

30 Year Reserve Projection Graph – Displays the reserve account balance for the current, fully funded, threshold, and recommended funding plans over the next 30 years. (Inflation and annual dues increase are taken into account)

Projected Annual Expenses Graph – Displays projected annual expenses over the next 30 years in a bar graph. (Inflation is taken into account)

Category Cost % Chart – Provides the percentage of total annual depreciation for each reserve category in a pie graph.

Component Details – Provides detailed information on each component. Also includes pictures of selected components.

Where do Component Repair/Replacement Cost Estimates Come From?

The most accurate cost source is actual bids from contractors or to look at contracts from when the repair/replacement was last performed. In most cases bids or contracts are not available so unit costs for similar work done in the same local area are used. In addition, it is helpful to talk to local vendors who have knowledge of the work and can help with a cost estimate. A third source is to use construction cost estimators such as RS Means. Many times the entire quantity of a component will not need to be replaced or repaired all at once. An example of this is concrete sidewalks. All sidewalks should never have to be replaced, but some sections may experience cracking. In this case an allowance can be created for their partial replacement.

The cost source number for each component is provided in the component summary and details. An explanation of each follows:

1. **Local Historical Cost** – Cost based on bids for similar work done in same area.
2. **McCaffery Estimate** – Estimate or Allowance made by McCaffery Staff Member.
3. **Board/Manager Direction** – Cost estimate provided by board member or property manager.
4. **Bid/Contract** – Bid came from actual bid or contract.
5. **Cost Manual** – Cost came from estimating manual.
6. **Previous Study** – Cost came from previous reserve study.

What Procedures were used for calculation and establishment of reserves?

In this study the fully funded reserve balance for a component at a given time was computed using the component method. Using the component method the fully funded reserve balance equals 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.

For example if the cost of a boiler is \$10,000, the useful life is 10 years and the remaining life is 3 years. The recommended reserve balance would be:

$$\$10,000 \times ((10-3)/10) = \$7,000.$$

Glossary of Terms:

Contingency – An allowance for miscellaneous components or unpredictable expenses. (5% of total current cost unless directed otherwise)

Current Budgeted Reserve Assessment – Amount currently being deposited into reserve account. Provided by Property Manager or Board Member.

Depreciation This Year – Amount that should be saved for component during current year. Provided for each component and summed for all components. If the association is 100% funded this is the amount they should contribute to the reserve fund annually.
=(Total Current Cost / Normal Useful Life)

Fully Funded Balance – The total depreciation over the life of the component. In other words, the amount that should have been saved during the life of the component. Provided for each component and summed for all components =((Normal Life – Remaining Life) * Depreciation This Year)

Normal Useful Life – Typical useable life for a component.

Percent Funded – The percentage of the fully funded balance that the CID has in reserve fund. (Projected Balance/ Fully Funded Balance)

Projected Balance – Projected balance at fiscal year end with current funding plan. Calculated using current reserve balance, remaining contributions to reserves before year-end, and planned expenses before year-end.

Recommended Reserve Contribution – Recommended amount that the CID should allocate into reserves.

Remaining Life – Expected remaining useable life of component. (0 year remaining life means the component will be serviced in the upcoming fiscal year)

Replacement Year – Year that component is projected to be replaced or repaired.

Total Cost – Total cost to replace entire quantity of component in today's dollars.
=(Quantity x Unit Cost)

Total Future Cost - Current cost adjusted to future cost taking into account inflation and replacement year. =(Current Cost * (1 + inflation rate)^(Replacement Year - Present Year))

Threshold Reserve Contribution – Reserve contribution that should be allocated into reserves to keep reserve balance above a minimum amount during the next 30 years. (Minimum amount is 5% of total replacement cost unless otherwise noted)

Under Funded – Amount association is short of fully funded balance; also known as a deficit. =(Fully Funded Balance – Projected Balance)

Unit Cost – Cost per Unit.

Unit of Measure – Unit used to measure component. (Explanations shown below)

SF – Square Feet

SY – Square Yard

LF – Linear Feet

Each – Per Single Unit

Lump Sum - Total cost for component

Allowance – Allowance for component repair or replacement

Contract – Cost obtained from actual contract or bid

Useful Life – Time in years component is expected to last.

If you have any questions feel free to contact us at 858-764-1895.

Executive Summary

727 Robinson HOA

This is a Homeowners Association with 8 Condominium Units.

The common area components include: asphalt, fencing, and building exterior.

A Full Study with an on-site inspection was performed on March 3rd, 2008

Number of Units	8
Year Built	1989
Fiscal Year End	December 31, 2008

After Tax Interest Rate	2.5%
Annual Inflation Rate	3.0%
Annual Dues Increase	3.0%

Reserve Fund Balance December 31, 2008

Fully Funded Reserve Balance	\$ 12,663
Projected Balance Under Funded	\$ 100
	\$ 12,563
Percent Funded	0.8%

	Annually	Monthly	Per Unit Monthly
Current Budgeted Reserve Assessment	\$ -	\$ -	\$ -
Depreciation of Components in 2008	\$ 5,045	\$ 420	\$ 52.55
Threshold Reserve Contribution for 2009	\$ 4,500	\$ 375	\$ 46.88
Recommended Reserve Contribution for 2009	\$ 5,460	\$ 455	\$ 56.88

The reserves are 1% funded and there is a deficit of \$12,563

In order to reduce the deficit we recommend that association should contribute \$5,460 to their reserve fund in 2009.

Component Summary

727 Robinson HOA

Category	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Depreciation This Year	Fully Funded Balance	Cost Source
Component									
Roofing									
Composite Shingles	2682	SF	25	23	\$ 3.50	\$ 9,387	\$ 375	\$ 751	1
Gutters & Downspouts	340	LF	25	23	\$ 7.00	\$ 2,380	\$ 95	\$ 190	1
						\$ 11,767	\$ 471	\$ 941	
Painting									
Stucco	8	Each	12	10	\$ 775	\$ 6,200	\$ 517	\$ 1,033	1
Wood Siding	1	Allowance	5	3	\$ 1,800	\$ 1,800	\$ 360	\$ 720	1
Wood Fencing	175	LF	5	3	\$ 6.50	\$ 1,138	\$ 228	\$ 455	1
Metal Rail/Gates	220	LF	5	3	\$ 6.50	\$ 1,430	\$ 286	\$ 572	1
						\$ 10,568	\$ 1,390	\$ 2,780	
Asphalt									
Slurry Seal & Repair	3650	SF	4	2	\$ 0.17	\$ 621	\$ 155	\$ 310	1
Overlay & Replace	3625	SF	25	10	\$ 1.30	\$ 4,713	\$ 189	\$ 2,828	1
						\$ 5,333	\$ 344	\$ 3,138	
Fencing/Rails									
Wood Fencing	175	LF	20	18	\$ 25.00	\$ 4,375	\$ 219	\$ 438	1
Metal Railings	220	LF	30	28	\$ 36.00	\$ 7,920	\$ 264	\$ 528	1
Pedestrian Gate	3	Each	25	23	\$ 800	\$ 2,400	\$ 96	\$ 192	1
						\$ 14,695	\$ 579	\$ 1,158	
Decking									
Walkway/Balcony Recoat	950	SF	5	3	\$ 1.35	\$ 1,283	\$ 257	\$ 513	1
Walkway/Balcony Resurface	950	SF	20	18	\$ 9.00	\$ 8,550	\$ 428	\$ 855	1
						\$ 9,833	\$ 684	\$ 1,368	
Landscaping									
Irrigation Timer	1	Each	12	10	\$ 1,000	\$ 1,000	\$ 83	\$ 167	1,2
Tree Trim/Replace									3
						\$ 1,000	\$ 83	\$ 167	
Lighting									
Repairs & Replacements	1	Allowance	20	18	\$ 2,000	\$ 2,000	\$ 100	\$ 200	1,2
						\$ 2,000	\$ 100	\$ 200	

Category	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Depreciation This Year	Fully Funded Balance	Cost Source	
Miscellaneous										
Mailboxes	1	Allowance	25	23	\$ 850	\$ 850	\$ 34	\$ 68	1	
Termite Treatment	1	Allowance	10	8	\$ 6,000	\$ 6,000	\$ 600	\$ 1,200	1,2	
Entry Intercom	2	Each	15	13	\$ 1,650	\$ 3,300	\$ 220	\$ 440	1	
Fire Alarm Panel	1	Each	20	18	\$ 2,250	\$ 2,250	\$ 113	\$ 225	1	
Sump Pump	1	Allowance	8	6	\$ 1,500	\$ 1,500	\$ 188	\$ 375	1	
						\$ 13,900	\$ 1,154	\$ 2,308		
Contingency										
5%							\$	240	\$ 603	
TOTALS						\$ 69,095	\$ 5,045	\$ 12,663		

Notes: Any other items not listed are included in operating budget.

Theoretical 30 Year Funding Plans

727 Robinson HOA

Year End	Annual Expenses	Fully Funded Balance	Current Funding Plan			Recommended Funding Plan			Threshold Funding Plan		
			Contribution	Balance	% Funded	Contribution	Balance	% Funded	Contribution	Balance	% Funded
2008	\$ -	\$ 12,663	\$ -	\$ 100	1%	\$ -	\$ 100	1%	\$ -	\$ 100	1%
2009	\$ -	\$ 17,707	\$ -	\$ 103	1%	\$ 5,460	\$ 5,563	31%	\$ 4,500	\$ 4,603	26%
2010	\$ -	\$ 23,435	\$ -	\$ 105	0%	\$ 5,624	\$ 11,325	48%	\$ 4,635	\$ 9,353	40%
2011	\$ 658	\$ 28,799	\$ -	\$ (551)	-2%	\$ 5,793	\$ 16,743	58%	\$ 4,774	\$ 13,702	48%
2012	\$ 6,174	\$ 28,692	\$ -	\$ (6,725)	-23%	\$ 5,966	\$ 16,954	59%	\$ 4,917	\$ 12,788	45%
2013	\$ -	\$ 35,231	\$ -	\$ (6,725)	-19%	\$ 6,145	\$ 23,523	67%	\$ 5,065	\$ 18,173	52%
2014	\$ -	\$ 42,136	\$ -	\$ (6,725)	-16%	\$ 6,330	\$ 30,440	72%	\$ 5,217	\$ 23,844	57%
2015	\$ 2,532	\$ 46,766	\$ -	\$ (9,256)	-20%	\$ 6,520	\$ 35,189	75%	\$ 5,373	\$ 27,281	58%
2016	\$ -	\$ 54,373	\$ -	\$ (9,256)	-17%	\$ 6,715	\$ 42,784	79%	\$ 5,534	\$ 33,497	62%
2017	\$ 14,758	\$ 46,899	\$ -	\$ (24,014)	-51%	\$ 6,917	\$ 36,012	77%	\$ 5,700	\$ 25,277	54%
2018	\$ -	\$ 54,888	\$ -	\$ (24,014)	-44%	\$ 7,124	\$ 44,037	80%	\$ 5,871	\$ 31,781	58%
2019	\$ 16,843	\$ 45,629	\$ -	\$ (40,858)	-90%	\$ 7,338	\$ 35,632	78%	\$ 6,048	\$ 21,780	48%
2020	\$ -	\$ 53,981	\$ -	\$ (40,858)	-76%	\$ 7,558	\$ 44,081	82%	\$ 6,229	\$ 28,553	53%
2021	\$ -	\$ 62,793	\$ -	\$ (40,858)	-65%	\$ 7,785	\$ 52,967	84%	\$ 6,416	\$ 35,683	57%
2022	\$ 13,143	\$ 58,285	\$ -	\$ (54,001)	-93%	\$ 8,018	\$ 49,166	84%	\$ 6,608	\$ 30,040	52%
2023	\$ 3,207	\$ 64,297	\$ -	\$ (57,208)	-89%	\$ 8,259	\$ 55,447	86%	\$ 6,807	\$ 34,390	53%
2024	\$ -	\$ 74,085	\$ -	\$ (57,208)	-77%	\$ 8,507	\$ 65,339	88%	\$ 7,011	\$ 42,261	57%
2025	\$ -	\$ 84,403	\$ -	\$ (57,208)	-68%	\$ 8,762	\$ 75,735	90%	\$ 7,221	\$ 50,539	60%
2026	\$ -	\$ 95,273	\$ -	\$ (57,208)	-60%	\$ 9,025	\$ 86,653	91%	\$ 7,438	\$ 59,240	62%
2027	\$ 50,129	\$ 54,085	\$ -	\$ (107,337)	-198%	\$ 9,295	\$ 47,985	89%	\$ 7,661	\$ 18,253	34%
2028	\$ -	\$ 64,553	\$ -	\$ (107,337)	-166%	\$ 9,574	\$ 58,759	91%	\$ 7,891	\$ 26,600	41%
2029	\$ -	\$ 75,601	\$ -	\$ (107,337)	-142%	\$ 9,861	\$ 70,089	93%	\$ 8,128	\$ 35,392	47%
2030	\$ -	\$ 87,254	\$ -	\$ (107,337)	-123%	\$ 10,157	\$ 81,999	94%	\$ 8,371	\$ 44,649	51%
2031	\$ 17,859	\$ 80,786	\$ -	\$ (125,197)	-155%	\$ 10,462	\$ 76,652	95%	\$ 8,622	\$ 36,528	45%
2032	\$ 40,788	\$ 50,338	\$ -	\$ (165,985)	-330%	\$ 10,776	\$ 48,556	96%	\$ 8,881	\$ 5,534	11%
2033	\$ -	\$ 62,103	\$ -	\$ (165,985)	-267%	\$ 11,099	\$ 60,868	98%	\$ 9,148	\$ 14,820	24%
2034	\$ -	\$ 74,529	\$ -	\$ (165,985)	-223%	\$ 11,432	\$ 73,822	99%	\$ 9,422	\$ 24,613	33%
2035	\$ 1,338	\$ 86,240	\$ -	\$ (167,323)	-194%	\$ 11,775	\$ 86,105	100%	\$ 9,705	\$ 33,595	39%
2036	\$ -	\$ 100,033	\$ -	\$ (167,323)	-167%	\$ 12,128	\$ 100,385	100%	\$ 9,996	\$ 44,430	44%
2037	\$ 52,325	\$ 59,635	\$ -	\$ (219,648)	-368%	\$ 11,888	\$ 62,459	105%	\$ 10,296	\$ 3,512	6%
2038	\$ -	\$ 73,312	\$ -	\$ (219,648)	-300%	\$ 12,245	\$ 76,265	104%	\$ 10,605	\$ 14,204	19%

Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

Annual Expenses by Component

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Roofing												
Composite Shingles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutters & Downspouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Painting												
Stucco	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,332
Wood Siding	\$ -	\$ -	\$ -	\$ -	1,967	\$ -	\$ -	\$ -	\$ -	2,280	\$ -	\$ -
Wood Fencing	\$ -	\$ -	\$ -	\$ -	1,243	\$ -	\$ -	\$ -	\$ -	1,441	\$ -	\$ -
Metal Rail/Gates	\$ -	\$ -	\$ -	\$ -	1,563	\$ -	\$ -	\$ -	\$ -	1,811	\$ -	\$ -
Asphalt												
Slurry Seal & Repair	\$ -	\$ -	\$ -	658	\$ -	\$ -	\$ -	741	\$ -	\$ -	\$ -	834
Overlay & Replace	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6,333
Fencing/Rails												
Wood Fencing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal Railings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pedestrian Gate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decking												
Walkway/Balcony Recoat	\$ -	\$ -	\$ -	\$ -	1,401	\$ -	\$ -	\$ -	\$ -	1,625	\$ -	\$ -
Walkway/Balcony Resurface	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping												
Irrigation Timer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,344
Tree Trim/Replace	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting												
Repairs & Replacements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous												
Mailboxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Termite Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7,601	\$ -	\$ -
Entry Intercom	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Alarm Panel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sump Pump	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,791	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ -	658	6,174	\$ -	\$ -	2,532	\$ -	14,758	\$ -	16,843

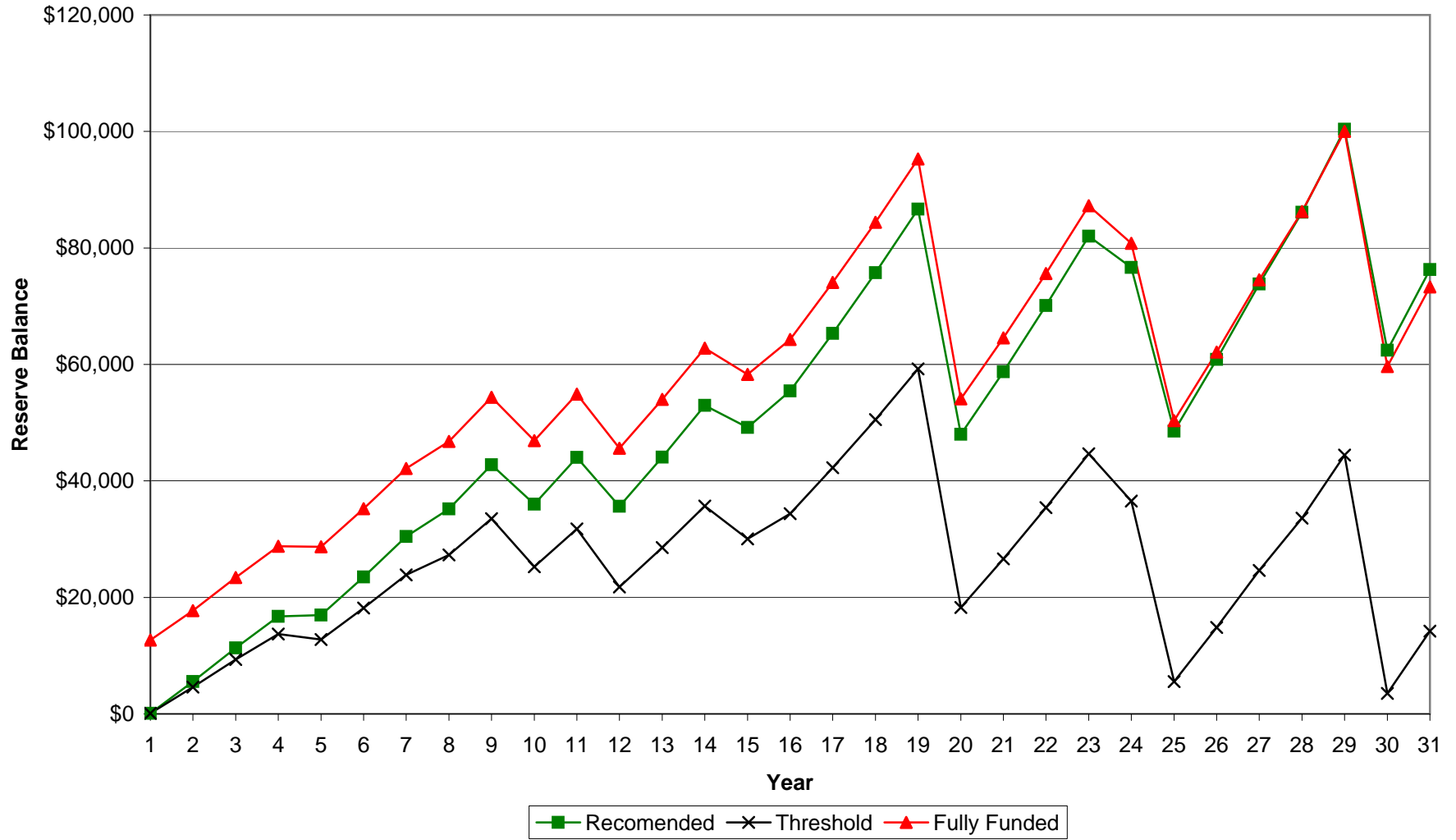
Annual Expenses by Component

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Roofing											
Composite Shingles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutters & Downspouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Painting											
Stucco	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wood Siding	\$ -	\$ -	\$ 2,643	\$ -	\$ -	\$ -	\$ -	\$ 3,064	\$ -	\$ -	\$ -
Wood Fencing	\$ -	\$ -	\$ 1,670	\$ -	\$ -	\$ -	\$ -	\$ 1,937	\$ -	\$ -	\$ -
Metal Rail/Gates	\$ -	\$ -	\$ 2,100	\$ -	\$ -	\$ -	\$ -	\$ 2,434	\$ -	\$ -	\$ -
Asphalt											
Slurry Seal & Repair	\$ -	\$ -	\$ -	\$ 939	\$ -	\$ -	\$ -	\$ 1,056	\$ -	\$ -	\$ -
Overlay & Replace	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fencing/Rails											
Wood Fencing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,448	\$ -	\$ -	\$ -
Metal Railings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pedestrian Gate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decking											
Walkway/Balcony Recoat	\$ -	\$ -	\$ 1,883	\$ -	\$ -	\$ -	\$ -	\$ 2,183	\$ -	\$ -	\$ -
Walkway/Balcony Resurfac	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,556	\$ -	\$ -	\$ -
Landscaping											
Irrigation Timer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tree Trim/Replace	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting											
Repairs & Replacements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,405	\$ -	\$ -	\$ -
Miscellaneous											
Mailboxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Termite Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,215	\$ -	\$ -	\$ -
Entry Intercom	\$ -	\$ -	\$ 4,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Alarm Panel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,830	\$ -	\$ -	\$ -
Sump Pump	\$ -	\$ -	\$ -	\$ 2,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ 13,143	\$ 3,207	\$ -	\$ -	\$ -	\$ 50,129	\$ -	\$ -	\$ -

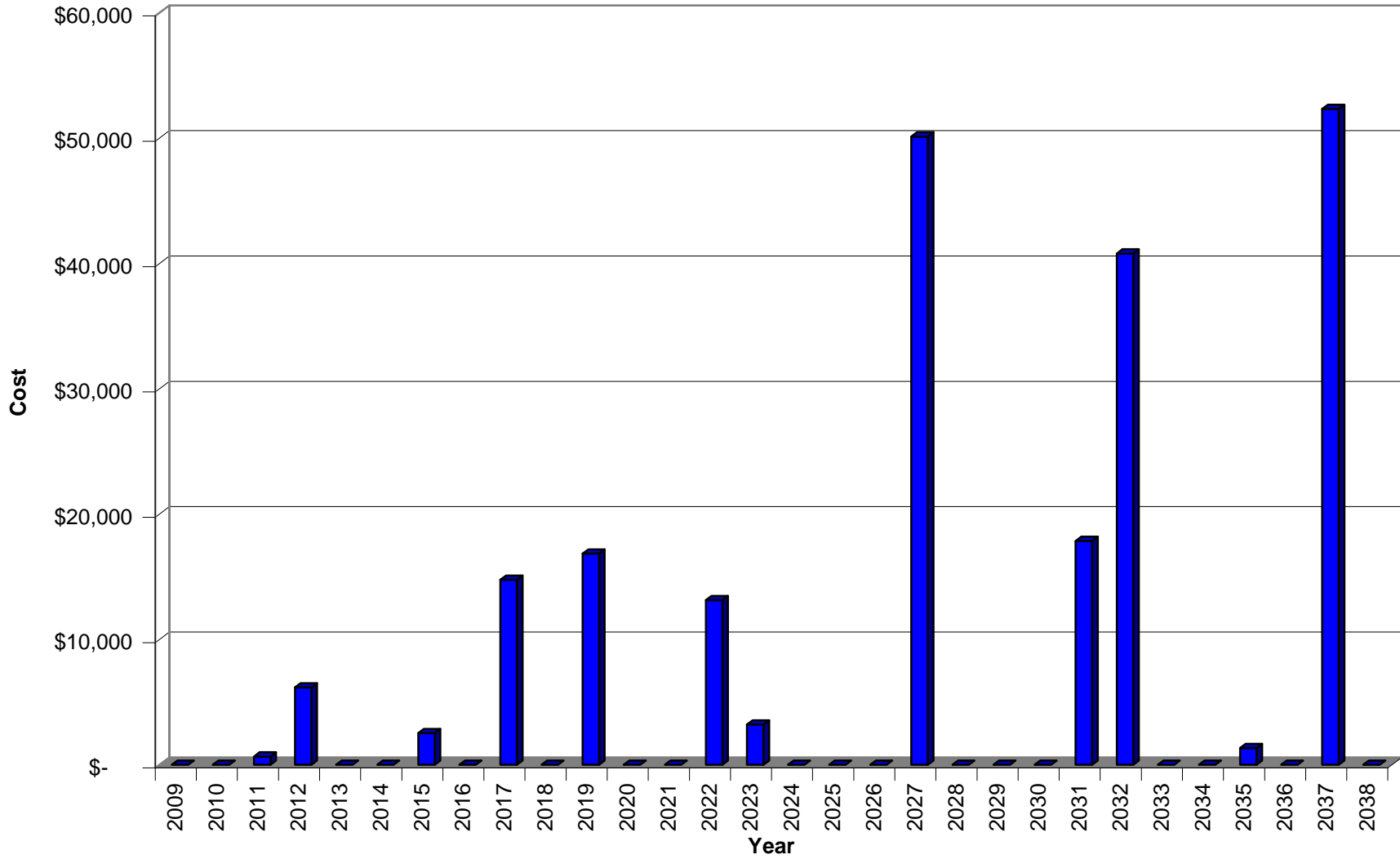
Annual Expenses by Component

	2031	2032	2033	2034	2035	2036	2037	2038
Roofing								
Composite Shingles	\$ -	\$ 18,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutters & Downspouts	\$ -	\$ 4,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Painting								
Stucco	\$ 11,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wood Siding	\$ -	\$ 3,552	\$ -	\$ -	\$ -	\$ -	\$ 4,118	\$ -
Wood Fencing	\$ -	\$ 2,245	\$ -	\$ -	\$ -	\$ -	\$ 2,603	\$ -
Metal Rail/Gates	\$ -	\$ 2,822	\$ -	\$ -	\$ -	\$ -	\$ 3,272	\$ -
Asphalt								
Slurry Seal & Repair	\$ 1,189	\$ -	\$ -	\$ -	\$ 1,338	\$ -	\$ -	\$ -
Overlay & Replace	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fencing/Rails								
Wood Fencing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal Railings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,120	\$ -
Pedestrian Gate	\$ -	\$ 4,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decking								
Walkway/Balcony Recoat	\$ -	\$ 2,531	\$ -	\$ -	\$ -	\$ -	\$ 2,934	\$ -
Walkway/Balcony Resurfac	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping								
Irrigation Timer	\$ 1,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tree Trim/Replace	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting								
Repairs & Replacements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous								
Mailboxes	\$ -	\$ 1,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Termite Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,728	\$ -
Entry Intercom	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,550	\$ -
Fire Alarm Panel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sump Pump	\$ 2,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ 17,859	\$ 40,788	\$ -	\$ -	\$ 1,338	\$ -	\$ 52,325	\$ -

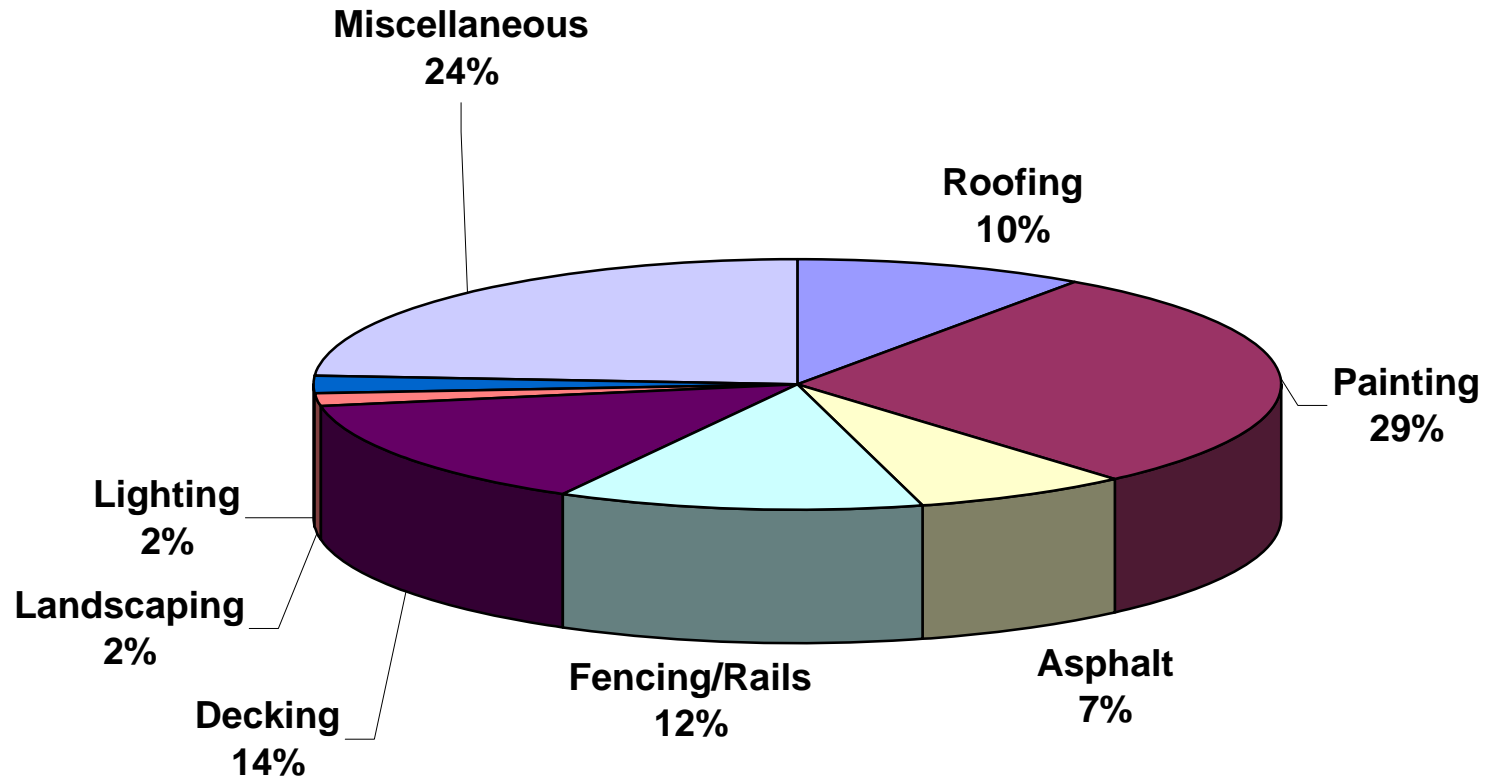
30 Year Reserve Balance Projection



Projected Annual Expenditures

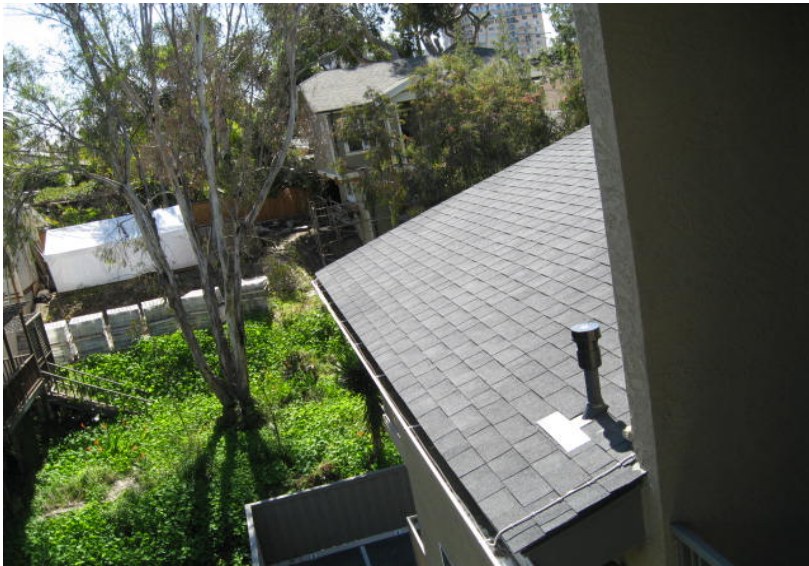


Category Cost %



Component Details

Roofing		Composite Shingles	
Approximate Component Quantity	- 2682	Estimated Current Unit Cost	\$ 3.50
Unit of Measure	- SF	Estimated Total Current Cost	\$ 9,387
Normal Useful Life (Years)	- 25	Estimated Total Future Cost	\$ 18,526
Estimated Remaining Useful Life (Years)	- 23	Fully Funded Balance	\$ 751
Estimated Replacement Year	- 2033	Depreciation This Year	\$ 375
Cost Source	- 1		



Roofing		Gutters & Downspouts	
Approximate Component Quantity	- 340	Estimated Current Unit Cost	\$ 7.00
Unit of Measure	- LF	Estimated Total Current Cost	\$ 2,380
Normal Useful Life (Years)	- 25	Estimated Total Future Cost	\$ 4,697
Estimated Remaining Useful Life (Years)	- 23	Fully Funded Balance	\$ 190
Estimated Replacement Year	- 2033	Depreciation This Year	\$ 95
Cost Source	- 1		

Painting	Stucco
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Approximate Component Quantity	-	8	Estimated Current Unit Cost	\$	775.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	6,200
Normal Useful Life (Years)	-	12	Estimated Total Future Cost	\$	8,332
Estimated Remaining Useful Life (Years)	-	10	Fully Funded Balance	\$	1,033
Estimated Replacement Year	-	2020	Depreciation This Year	\$	517
Cost Source	-	1			



Painting	Wood Siding
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,800.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	1,800
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	\$	1,967
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	720
Estimated Replacement Year	-	2013	Depreciation This Year	\$	360
Cost Source	-	1			

Painting	Wood Fencing
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Approximate Component Quantity	-	175	Estimated Current Unit Cost	\$	6.50
Unit of Measure	-	LF	Estimated Total Current Cost	\$	1,138
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	\$	1,243
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	455
Estimated Replacement Year	-	2013	Depreciation This Year	\$	228
Cost Source	-	1			

Painting	Metal Rail/Gates
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Approximate Component Quantity	-	220	Estimated Current Unit Cost	\$	6.50
Unit of Measure	-	LF	Estimated Total Current Cost	\$	1,430
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	\$	1,563
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	572
Estimated Replacement Year	-	2013	Depreciation This Year	\$	286
Cost Source	-	1			

Asphalt	Slurry Seal & Repair
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Approximate Component Quantity	-	3650	Estimated Current Unit Cost	\$	0.17
Unit of Measure	-	SF	Estimated Total Current Cost	\$	621
Normal Useful Life (Years)	-	4	Estimated Total Future Cost	\$	658
Estimated Remaining Useful Life (Years)	-	2	Fully Funded Balance	\$	310
Estimated Replacement Year	-	2012	Depreciation This Year	\$	155
Cost Source	-	1			



Asphalt	Overlay & Replace
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Approximate Component Quantity	-	3625	Estimated Current Unit Cost	\$	1.30
Unit of Measure	-	SF	Estimated Total Current Cost	\$	4,713
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	6,333
Estimated Remaining Useful Life (Years)	-	10	Fully Funded Balance	\$	2,828
Estimated Replacement Year	-	2020	Depreciation This Year	\$	189
Cost Source	-	1			

Fencing/Rails	Wood Fencing
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Approximate Component Quantity	-	175	Estimated Current Unit Cost	\$	25.00
Unit of Measure	-	LF	Estimated Total Current Cost	\$	4,375
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	7,448
Estimated Remaining Useful Life (Years)	-	18	Fully Funded Balance	\$	438
Estimated Replacement Year	-	2028	Depreciation This Year	\$	219
Cost Source	-	1			



Fencing/Rails	Metal Railings
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Approximate Component Quantity	-	220	Estimated Current Unit Cost	\$	36.00
Unit of Measure	-	LF	Estimated Total Current Cost	\$	7,920
Normal Useful Life (Years)	-	30	Estimated Total Future Cost	\$	18,120
Estimated Remaining Useful Life (Years)	-	28	Fully Funded Balance	\$	528
Estimated Replacement Year	-	2038	Depreciation This Year	\$	264
Cost Source	-	1			

Fencing/Rails	Pedestrian Gate
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Approximate Component Quantity	-	3	Estimated Current Unit Cost	\$	800.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	2,400
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	4,737
Estimated Remaining Useful Life (Years)	-	23	Fully Funded Balance	\$	192
Estimated Replacement Year	-	2033	Depreciation This Year	\$	96
Cost Source	-	1			

Decking	Walkway/Balcony Recoat
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Approximate Component Quantity	-	950	Estimated Current Unit Cost	\$	1.35
Unit of Measure	-	SF	Estimated Total Current Cost	\$	1,283
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	\$	1,401
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	513
Estimated Replacement Year	-	2013	Depreciation This Year	\$	257
Cost Source	-	1			



Decking	Walkway/Balcony Resurface
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Approximate Component Quantity	-	950	Estimated Current Unit Cost	\$	9.00
Unit of Measure	-	SF	Estimated Total Current Cost	\$	8,550
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	14,556
Estimated Remaining Useful Life (Years)	-	18	Fully Funded Balance	\$	855
Estimated Replacement Year	-	2028	Depreciation This Year	\$	428
Cost Source	-	1			

Landscaping	Irrigation Timer
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	1,000
Normal Useful Life (Years)	-	12	Estimated Total Future Cost	\$	1,344
Estimated Remaining Useful Life (Years)	-	10	Fully Funded Balance	\$	167
Estimated Replacement Year	-	2020	Depreciation This Year	\$	83
Cost Source	-	1,2			

Lighting	Repairs & Replacements
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Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 2,000.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 2,000
Normal Useful Life (Years)	- 20	Estimated Total Future Cost	\$ 3,405
Estimated Remaining Useful Life (Years)	- 18	Fully Funded Balance	\$ 200
Estimated Replacement Year	- 2028	Depreciation This Year	\$ 100
Cost Source	- 1,2		



Miscellaneous	Mailboxes
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Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 850.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 850
Normal Useful Life (Years)	- 25	Estimated Total Future Cost	\$ 1,678
Estimated Remaining Useful Life (Years)	- 23	Fully Funded Balance	\$ 68
Estimated Replacement Year	- 2033	Depreciation This Year	\$ 34
Cost Source	- 1		

Miscellaneous	Termite Treatment
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Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 6,000.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 6,000
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 7,601
Estimated Remaining Useful Life (Years)	- 8	Fully Funded Balance	\$ 1,200
Estimated Replacement Year	- 2018	Depreciation This Year	\$ 600
Cost Source	- 1,2		

Miscellaneous	Entry Intercom
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Approximate Component Quantity	-	2	Estimated Current Unit Cost	\$	1,650.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	3,300
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	\$	4,846
Estimated Remaining Useful Life (Years)	-	13	Fully Funded Balance	\$	440
Estimated Replacement Year	-	2023	Depreciation This Year	\$	220
Cost Source	-	1			



Miscellaneous	Fire Alarm Panel
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	2,250.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	2,250
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	3,830
Estimated Remaining Useful Life (Years)	-	18	Fully Funded Balance	\$	225
Estimated Replacement Year	-	2028	Depreciation This Year	\$	113
Cost Source	-	1			

Miscellaneous	Sump Pump
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,500.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	1,500
Normal Useful Life (Years)	-	8	Estimated Total Future Cost	\$	1,791
Estimated Remaining Useful Life (Years)	-	6	Fully Funded Balance	\$	375
Estimated Replacement Year	-	2016	Depreciation This Year	\$	188
Cost Source	-	1			

Disclaimer

This report attempts to determine the estimated remaining useful life of the components that can be visually observed. This report is expressly for the use of the client and only for the purpose of establishing reserve funding requirements. The study is not a guarantee or warranty, or a recommendation to purchase. Estimated remaining useful lives are calculated with reasonable consideration for weather conditions. Natural disasters, including seismic activity will not be addressed in this report. Reserve Funding for earthquake damages and other disasters exceeds the scope of the study. We recommend the development consider additional insurance to cover unforeseen disasters. We assume the components of the association will receive proper maintenance. The report is expressly for the use of the client and only for the purpose of establishing reserve funding requirements.

In providing the opinions of probable construction costs, the client understands that McCaffery Reserve Consulting (MRC) has no control over costs or the price of labor, equipment or materials, or over the contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of MRC's qualifications and experience. MRC makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as future inflation rates and levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement due to changes in manufacturing methods while others may cost more due to material shortages or high demand. All future projections are therefore theoretical and reserve studies should be updated annually.

MRC has made a reasonable effort to ensure that the report is accurate. This study does not preclude errors resulting from unforeseen conditions or circumstances. The scope of this report is expressly limited to the components described herein. MRC has obtained certain information, documentation and materials from the association agent and the reserve study is based upon the accuracy of such information. Material inaccuracies could adversely effect the reserve study. MRC is not responsible for such inaccuracies. This study is limited to a visual observation. There has been neither destructive testing nor inspection of the interior of private units; floors, wall or ceiling cavities, or structural elements. It is assumed that the components have been constructed per original construction documents and comply with applicable codes. This study is not designed to uncover latent or patent defects. Estimates represent replacement of a component with similar materials unless otherwise noted. Local building codes have not been researched to determine whether or not current ordinances will permit the replacement of any component with components of like material. The estimates do not take into account the abbreviated useful life of a component as a result of its original construction, installation, or design. MRC is not responsible for any claims, demands, or damages arising out of the discovery of asbestos, radon or any environmental claims, demands or damages. We do not assume any liability for damages which may result from this study. We are not responsible for conditions this report fails to disclose. The information contained in this study is deemed reliable as of the date of this study, but is not guaranteed.

The Association, by accepting this study, agrees to release MRC from any claims, demands or damages. The Association, in consideration of MRC performing the reserve study, hereby agrees to indemnify, defend and hold harmless MRC from and against any and all liability, damages, losses, claims, demands, or lawsuits arising out of or relating to this reserve study.

The information contained within the report is assembled in conjunction with the client and is intended to assist the client with its reserve planning. MRC does not guarantee, either explicitly or implied, that all repair and replacement items have been identified, the accuracy of the probable costs or the product lives associated with these items.