

RESERVE STUDY

for the

Pacific Point

HOMEOWNERS ASSOCIATION

Date Prepared: 07/13/05 *for Fiscal Year 2005*

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Reserve Study

This report documents the results of a reserve study performed by John D. Beatty & Company for the Pacific Point Homeowners Association in Pacifica, California. It provides an analysis of the repair and replacement requirements for the association's major components and recommends a funding plan to meet those obligations. This study was performed in compliance with California Civil Code sections 1365 and 1365.5. The intent of this legislation is to insure that associations maintain a plan to meet all future obligations for major component maintenance. The essential elements of this legislation are:

1. Identification of the major components which the association is obligated to maintain
2. Current estimate of the useful life of each component
3. Current estimate of the remaining life of each component
4. Current estimate of the replacement cost of each component
5. Current estimate of the total annual contribution necessary to maintain the major components
6. Current estimate of the amount of cash reserves necessary to maintain the major components
7. Disclosure of the current amount of accumulated cash reserves actually funded
8. Disclosure of the percentage of reserves actually funded
9. Disclosure of any determined or anticipated special assessments
10. A general statement of methodology

SCOPE

This study is aligned with the association's fiscal year and establishes January 1, 2005 through December 31, 2044 as the period of time for which reserve expenditures and reserve fund balances are projected.

METHODOLOGY

A cash flow methodology was used to determine the annual reserve contribution. The underlying premise of this reserve funding approach is to establish a contribution level that will allow the association to maintain a positive balance in the reserve fund while meeting all anticipated maintenance obligations. The cash flow method allows the association to achieve this goal without the unnecessary overfunding of reserves. Also, as the interest earned on the reserve fund will not totally offset inflation, projections were made using the current inflation factor and an average interest rate on fully insured certificates of deposit.

In preparing this study, a comprehensive list of major components was developed and information was compiled on the type, number, age and cost of each of these components. In gathering this data, certain assumptions were made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material. All life expectancies were based on reasonable industry experience for equipment and material and, unless specifically noted, all components were in a reasonable and ordinary condition.

This study was limited to a visual inspection of the property and as such did not disturb the major components. Therefore, all common areas for which there is no access without defacement are specifically omitted. However, if sufficient historical data were available that would allow a reasonable projection of future expenditures for any unobservable components e.g., plumbing or electrical wiring, those components could be included in this report.

Since no destructive testing was undertaken, this study does not purport to address any latent and/or patent defects, nor does it address any life expectancies that are abnormally short due to either improper design or installation, or to subsequent improper maintenance. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

For a component to be included in this study, the following criteria must be met:

1. The maintenance of the component is the responsibility of the association;
2. The maintenance of the component is not included in the annual operating budget;
3. The estimated useful life of the component is greater than one year; and
4. The estimated remaining life of the component is less than 30 years.

This study is intended to reflect the estimated replacement cost of the components and is not intended to project the actual cost of the work when performed. This limitation is necessary, as it is virtually impossible to predict with any degree of certainty the myriad factors that will impact costs at a future date. Because of this qualification, it is necessary for the results of this study to be reviewed annually to reflect any meaningful changes in use or significant increases in labor and/or materials costs.

The funding for this study has a threshold margin of 10%. This means that the projected ending balance for each fiscal year is at least 10% of the projected expenditures for the same year. This margin provides for any unforeseen or out of the ordinary repair or replacement expense. Additionally, it can be used in subsequent years as a source of funds for reallocation of the life cycles should the aging of any components be abnormally accelerated.

FINDINGS

The findings of this study indicate that it will be necessary to adjust the annual reserve contribution as indicated on pages 15, 16, 17 and 18 of this report in order to meet projected expenditures and keep pace with inflation. For fiscal year 2005 an increase of 0.0% is recommended in the reserve contribution, however it is recommended that the Association implement a special assessment in the amount of \$294,119 in fiscal year 2005 and an additional special assessment of \$392,000 in fiscal year 2006. These findings are based upon the following:

1. Projected reserve fund balance as of January 1, 2005.....\$60,000
2. Reserve contribution for fiscal year 2004\$164,863
3. Reserve contribution for fiscal year 2005\$164,863
4. Special Assessment for fiscal year 2005\$294,119
5. Special Assessment for fiscal year 2006\$392,000
6. Assumed annual inflation rate..... 3.0%
7. All "after tax" interest earned on reserve fund investments will be retained in the reserve fund.

DISCLOSURES

This plan provides adequate funds to meet projected expenditures while relying on special assessments in both fiscal years 2005 and 2006, which will require votes of the membership. However, the recommended increase in the regular assessment will not require a vote of the membership. Based on the assumption that the association will fund reserves in accordance with this plan, which includes those increases indicated above, the percent funded was calculated in the following manner:

Accumulated Cash Reserves (Numerator)

Projected reserve fund balance as of January 1, 2005.....\$60,000

Accrued Liability (Denominator)
(Refer to page 24 of this report)

Estimate of the amount of cash necessary to repair, replace, restore
or maintain the association's major components as of January 1, 2005\$1,089,406

Percent Funded.....

6%

Projected Expenditures

RESERVE COMPONENTS	Repair .%	Current Repair/Replace Cost	Estimated		Fiscal Year		2005		2006		2007		2008		2009		2010		2011		2012		2013		2014			
			Usfl Life	Rmng Life	Jan 1	Dec 31	(1) 2005	(2) 2006	(3) 2007	(4) 2008	(5) 2009	(6) 2010	(7) 2011	(8) 2012	(9) 2013	(10) 2014												
Assumed Annual Inflation Rate..... 3.0%																												
BUILDING EXTERIORS:																												
1 - Plywood Siding & Trim Paint		59,837	5	2				20,600	61,632											71,448								
2 - Plywood Siding & Trim Repair	20%	47,689	5	2					49,120											56,944								
3 - Staircase Repairs		20,600	5	1																23,881								
4 - Stucco Siding Paint		144,155	10	2					148,480																			
5 - Stucco Siding Repair	5%	42,597	10	2					43,875																			
6 - Unit Deck Stacks Rebuild		219,493	20	20					63,681																			
7 - Unit Deck Stacks Rebuild		219,493	20	1					155,812																			
8 - Unit Deck Joist Repairs		28,922	5	1					28,922																			
9 - Water Intrusion Contingency		79,825	20	1					26,609																			
10 - Wing Wall Repairs		49,440	3	1					49,440																			
11 - Wood Bridgeway Repairs		30,900	10	1					30,900																			
BUILDING INTERIORS - CLUBHOUSE:																												
12 - Concealed Decay Contingency		21,000	15	1					21,000																			
13 - Walls & Ceilings Paint		3,754	7	2					3,866																			
CLUBHOUSE DECK SYSTEM:																												
14 - Deck Railings Repair		4,297	15	15																								
15 - Deck Structure Rebuild		29,000	25	25																								
FENCING & WALLS:																												
16 - Chain Link Repairs - Tennis Cour	20%	1,680	15	5																								
17 - Retaining Walls Repair	25%	2,387	5	3																								
18 - Wood Gates Paint & Repair		2,864	5	2					2,950																			
19 - Wrought Iron Paint		1,650	5	2					1,699																			
20 - Wrought Iron Repair	10%	3,590	10	6																								
FLOOR COVERINGS:																												
21 - Recreation Room Carpet Replace		2,507	7	1					2,507																			
22 - Wood & Tile Floor Refinish		3,021	7	1					3,021																			
FURNISHINGS & APPLIANCES:																												
23 - Recreation Room Items		2,652	10	1					2,652																			
LANDSCAPING:																												
24 - Irrigation Timer Replace		1,167	5	3																								
25 - Irrigation Valves		1,326	2	1					1,326																			
26 - Major Tree Maintenance		5,305	3	1					5,305																			
LIGHT FIXTURES:																												
27 - Garage Lights Replace		3,437	20	5																								
28 - Building Lights Interior		424	25	10																								
29 - Exit Lights Replace		191	25	5																								
30 - Ground Lights Replace		3,151	20	5																								

Projected Expenditures

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(1) 2005	(2) 2006	(3) 2007	(4) 2008	(5) 2009	(6) 2010	(7) 2011	(8) 2012	(9) 2013	(10) 2014
					Jan 1	Dec 31										
LIGHT FIXTURES - CONTINUED:																
31 - Pole Lights - Fixture Replace		6,684	20	5							7,523					
32 - Unit Entry Lights Replace		9,877	20	5							11,117					
33 - Unit Patio & Deck Lights Replace		5,644	20	5							6,353					
34 - Walkway Lights Replace		5,952	20	5							6,699					
MECHANICAL SYSTEMS - GARAGE DOORS:																
35 - Garage Doors Replace - Doubles		40,314	20	5							45,374					
36 - Garage Doors Replace - Singles		1,008	20	5							1,134					
MECHANICAL SYSTEMS-HVAC:																
37 - Forced Air Furnace Replace		1,591	20	10												2,076
MECHANICAL SYSTEMS-WATER:																
38 - Circulation Pumps Replace		1,500	10	3			1,591									
39 - Boilers Replace		12,000	15	8										14,758		
40 - Circulation Pumps Replace		3,000	10	4				3,278								
41 - Boilers Replace		24,000	15	9											30,400	
42 - Circulation Pumps Replace		7,500	10	5							8,441					
43 - Boilers Replace		60,000	15	10												
44 - Water Valve Replacements (2)		3,183	30	1			3,183									
45 - Water Valve Replacements (2)		3,183	30	2				3,278								
46 - Water Valve Replacements (2)		3,183	30	3												
47 - Water Valve Replacements (2)		3,183	30	4												
48 - Water Valve Replacements (1)		1,591	30	5				3,377								
PAVED SURFACES:																
49 - Asphalt Major Repair	33%	89,752	25	12												
50 - Asphalt Minor Repair	20%	27,197	10	7												
51 - Asphalt Sealcoat & Stripe		10,905	5	2				11,232						32,475		
52 - Concrete Walkway Repairs		1,591	5	2				1,639						13,021		
53 - Tennis Court Colorcoat		8,784	7	2				9,048						1,900		
54 - Tennis Court Resurfacing		17,208	21	9											11,127	
RECREATION FACILITIES:																
55 - Tennis Court Net Replace		451	5	3					478							
56 - Tot Lot Fixtures		4,244	20	5												555
ROOFING SYSTEM:																
BUILDING #1 - 5015																
57 - Built-Up Roofing Replace		36,075	20	12												
58 - Composition Shingles Replace		6,807	25	17												
BUILDING #2 - 5011																
59 - Built-Up Roofing Replace		36,075	20	12												
60 - Composition Shingles Replace		6,807	25	17												

Projected Expenditures

	Assumed Annual Inflation Rate.....	3.0%	Repair %	Current Repair/Replace Cost	Usfl Life	Estimated Rmng Life	Fiscal Year		(1) 2005	(2) 2006	(3) 2007	(4) 2008	(5) 2009	(6) 2010	(7) 2011	(8) 2012	(9) 2013	(10) 2014	
							Jan 1	Dec 31											
RESERVE COMPONENTS																			
BUILDING #3 - 5009																			
61 - Built-Up Roofing Replace				36,075	20	12													
62 - Composition Shingles Replace				6,807	25	17													
BUILDING #4 - 5007																			
63 - Built-Up Roofing Replace				36,075	20	12													
64 - Composition Shingles Replace				6,807	25	17													
BUILDING #5 - 5005																			
65 - Built-Up Roofing Replace				36,075	20	12													
66 - Composition Shingles Replace				6,807	25	17													
BUILDING #6 - 5017																			
67 - Built-Up Roofing Replace				36,075	20	12													
68 - Composition Shingles Replace				6,807	25	17													
BUILDING #7 - 5001																			
69 - Built-Up Roofing Replace				36,075	20	12													
70 - Composition Shingles Replace				6,807	25	17													
BUILDING #8 - 5003																			
71 - Built-Up Roofing Replace				53,043	20	3		56,274											
72 - Composition Shingles Replace				6,608	25	1													
ROOFING SYSTEM - ALL BUILDINGS:																			
ROOFING SYSTEM:																			
73 - Chimney Caps Replace				20,188	20	1			20,188										
74 - Chimney Caps Replace				20,188	20	2			20,794										
75 - Gutters & Downspouts Replace				2,575	2	1			2,575	2,732				3,075					3,262
76 - Spark Arrestors Replace				9,085	25	1			9,085										
77 - Spark Arrestors Replace				9,085	25	2			9,357										
ROOFING SYSTEM - GARAGES:																			
78 - Composition Shingles Replace				51,936	25	12													
MISCELLANEOUS:																			
79 - Mailboxes Replace				10,397	10	5							11,702						
CONSTRUCTION LOAN:																			
80 - Amortization Payment Schedule				173,782	1	1			48,070	48,070	48,070	48,070							
UNSCHEMULED.....			5%					16,305	16,794	17,298	17,817	18,351	18,902	19,469	20,053	20,655	21,274		
TOTAL EXPENDITURES				2,046,939				454,108	522,123	161,605	132,464	137,173	80,474	270,673	46,536	93,680	173,620		

Projected Expenditures

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(11) 2015	(12) 2016	(13) 2017	(14) 2018	(15) 2019	(16) 2020	(17) 2021	(18) 2022	(19) 2023	(20) 2024
					Jan 1	Dec 31										
Assumed Annual Inflation Rate..... 3.0%																
BUILDING EXTERIORS:																
1 - Plywood Siding & Trim Paint		59,837	5	2				82,828				96,020				
2 - Plywood Siding & Trim Repair	20%	47,689	5	2			66,013					76,527				
3 - Staircase Repairs		20,600	5	1		27,685						32,094				
4 - Stucco Siding Paint		144,155	10	2			199,545									
5 - Stucco Siding Repair	5%	42,597	10	2			58,964									
6 - Unit Deck Stacks Rebuild		219,493	20	20								45,060				384,882
7 - Unit Deck Stacks Rebuild		219,493	20	1		38,869										
8 - Unit Deck Joist Repairs		28,922	5	1												
9 - Water Intrusion Contingency		79,825	20	1								77,026			84,168	
10 - Wing Wall Repairs		49,440	3	1				70,490								
11 - Wood Bridgeway Repairs		30,900	10	1		41,527										
BUILDING INTERIORS - CLUBHOUSE:																
12 - Concealed Decay Contingency		21,000	15	1								32,717				
13 - Walls & Ceilings Paint		3,754	7	2								5,848				
CLUBHOUSE DECK SYSTEM:																
14 - Deck Railings Repair		4,297	15	15							6,499					
15 - Deck Structure Rebuild		29,000	25	25												
FENCING & WALLS:																
16 - Chain Link Repairs - Tennis Cour	20%	1,680	15	5												2,947
17 - Retaining Walls Repair	25%	2,387	5	3										3,945		
18 - Wood Gates Paint & Repair		2,864	5	2			3,965		3,403				4,597			
19 - Wrought Iron Paint		1,650	5	2			2,284						2,647			
20 - Wrought Iron Repair	10%	3,590	10	6								5,593				
FLOOR COVERINGS:																
21 - Recreation Room Carpet Replace		2,507	7	1							3,793					
22 - Wood & Tile Floor Refinish		3,021	7	1							4,570					
FURNISHINGS & APPLIANCES:																
23 - Recreation Room Items		2,652	10	1		3,564										
LANDSCAPING:																
24 - Irrigation Timer Replace		1,167	5	3										1,929		
25 - Irrigation Valves		1,326	2	1			1,782						2,128		2,258	
26 - Major Tree Maintenance		5,305	3	1											9,031	
LIGHT FIXTURES:																
27 - Garage Lights Replace		3,437	20	5					1,664							
28 - Building Lights Interior		424	25	10				1,891								
29 - Exit Lights Replace		191	25	5				7,563								
30 - Ground Lights Replace		3,151	20	5								8,264				

Projected Expenditures

RESERVE COMPONENTS	Assumed Annual Inflation Rate..... 3.0%	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(11) 2015	(12) 2016	(13) 2017	(14) 2018	(15) 2019	(16) 2020	(17) 2021	(18) 2022	(19) 2023	(20) 2024
						Jan 1	Dec 31										

LIGHT FIXTURES - CONTINUED:

31 - Pole Lights - Fixture Replace			6,684	20	5												
32 - Unit Entry Lights Replace			9,877	20	5												
33 - Unit Patio & Deck Lights Replace			5,644	20	5												
34 - Walkway Lights Replace			5,952	20	5												

MECHANICAL SYSTEMS - GARAGE DOORS:

35 - Garage Doors Replace - Doubles			40,314	20	5												
36 - Garage Doors Replace - Singles			1,008	20	5												

MECHANICAL SYSTEMS-IVAC:

37 - Forced Air Furnace Replace			1,591	20	10												
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MECHANICAL SYSTEMS-WATER:

38 - Circulation Pumps Replace			1,500	10	3			2,139									
39 - Boilers Replace			12,000	15	8												
40 - Circulation Pumps Replace			3,000	10	4				4,406								
41 - Boilers Replace			24,000	15	9												
42 - Circulation Pumps Replace			7,500	10	5						11,344						
43 - Boilers Replace			60,000	15	10												
44 - Water Valve Replacements (2)			3,183	30	1												
45 - Water Valve Replacements (2)			3,183	30	2												
46 - Water Valve Replacements (2)			3,183	30	3												
47 - Water Valve Replacements (2)			3,183	30	4												
48 - Water Valve Replacements (1)			1,591	30	5												

PAVED SURFACES:

49 - Asphalt Major Repair	33%		89,752	25	12				124,237								
50 - Asphalt Minor Repair	20%		27,197	10	7									43,644			
51 - Asphalt Sealcoat & Stripe			10,905	5	2				15,095					17,499			
52 - Concrete Walkway Repairs			1,591	5	2				2,203					2,554			
53 - Tennis Court Colorcoat			8,784	7	2								13,685				
54 - Tennis Court Resurfacing			17,208	21	9												

RECREATION FACILITIES:

55 - Tennis Court Net Replace			451	5	3					643							
56 - Tot Lot Fixtures			4,244	20	5												

ROOFING SYSTEM:

57 - Built-Up Roofing Replace			36,075	20	12												
58 - Composition Shingles Replace			6,807	25	17									10,923			

BUILDING #2 - 5011

59 - Built-Up Roofing Replace			36,075	20	12												
60 - Composition Shingles Replace			6,807	25	17									10,923			

Projected Expenditures

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Useful Life	Fiscal Year Jan 1 Dec 31	(11) 2015	(12) 2016	(13) 2017	(14) 2018	(15) 2019	(16) 2020	(17) 2021	(18) 2022	(19) 2023	(20) 2024
Assumed Annual Inflation Rate..... 3.0%														
BUILDING #3 - 5009														
61 - Built-Up Roofing Replace		36,075	20	12		49,937					10,923			
62 - Composition Shingles Replace		6,807	25	17										
BUILDING #4 - 5007														
63 - Built-Up Roofing Replace		36,075	20	12		49,937					10,923			
64 - Composition Shingles Replace		6,807	25	17										
BUILDING #5 - 5005														
65 - Built-Up Roofing Replace		36,075	20	12		49,937					10,923			
66 - Composition Shingles Replace		6,807	25	17										
BUILDING #6 - 5017														
67 - Built-Up Roofing Replace		36,075	20	12		49,937					10,923			
68 - Composition Shingles Replace		6,807	25	17										
BUILDING #7 - 5001														
69 - Built-Up Roofing Replace		36,075	20	12		49,937					10,923			
70 - Composition Shingles Replace		6,807	25	17										
BUILDING #8 - 5003														
71 - Built-Up Roofing Replace		53,043	20	3										
72 - Composition Shingles Replace		6,608	25	1										
ROOFING SYSTEM - ALL BUILDINGS:														
ROOFING SYSTEM:														
73 - Chimney Caps Replace		20,188	20	1										
74 - Chimney Caps Replace		20,188	20	2										
75 - Gutters & Downspouts Replace		2,575	2	1	3,461		3,671		3,895		4,132		4,384	
76 - Spark Arrestors Replace		9,085	25	1										
77 - Spark Arrestors Replace		9,085	25	2										
ROOFING SYSTEM - GARAGES:														
78 - Composition Shingles Replace		51,936	25	12		71,892								
MISCELLANEOUS:														
79 - Mailboxes Replace		10,397	10	5					15,726					
CONSTRUCTION LOAN:														
80 - Amortization Payment Schedule		173,782	1	1	21,913	22,570	23,247	23,944	24,663	25,403	26,165	26,950	27,758	28,591
UNSCHEMULED.....	5%				138,801	999,151	114,710	28,350	72,495	245,691	352,372	33,569	127,599	416,420
TOTAL EXPENDITURES		2,046,939												

Projected Expenditures

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Fiscal Year	(21) - (30)												
					Jan 1	Dec 31	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
BUILDING EXTERIORS:																	
1 - Plywood Siding & Trim Paint		59,837	5	2										129,043			
2 - Plywood Siding & Trim Repair	20%	47,689	5	2										102,847			
3 - Staircase Repairs		20,600	5	1	37,206												
4 - Stucco Siding Paint		144,155	10	2										43,132			
5 - Stucco Siding Repair	5%	42,597	10	2													
6 - Unit Deck Stacks Rebuild		219,493	20	20													
7 - Unit Deck Stacks Rebuild		219,493	20	1	396,429												
8 - Unit Deck Joist Repairs		28,922	5	1	52,237												
9 - Water Intrusion Contingency		79,825	20	1	144,173												
10 - Wing Wall Repairs		49,440	3	1										100,501			
11 - Wood Bridgeway Repairs		30,900	10	1	55,809												
BUILDING INTERIORS - CLUBHOUSE:																	
12 - Concealed Decay Contingency		21,000	15	1													
13 - Walls & Ceilings Paint		3,754	7	2										7,192			
CLUBHOUSE DECK SYSTEM:																	
14 - Deck Railings Repair		4,297	15	15													
15 - Deck Structure Rebuild		29,000	25	25										58,951			
FENCING & WALLS:																	
16 - Chain Link Repairs - Tennis Cour	20%	1,680	15	5													
17 - Retaining Walls Repair	25%	2,387	5	3													
18 - Wood Gates Paint & Repair		2,864	5	2										4,574			
19 - Wrought Iron Paint		1,650	5	2										5,329			
20 - Wrought Iron Repair	10%	3,590	10	6										3,069			
FLOOR COVERINGS:																	
21 - Recreation Room Carpet Replace		2,507	7	1													
22 - Wood & Tile Floor Refinish		3,021	7	1													
FURNISHINGS & APPLIANCES:																	
23 - Recreation Room Items		2,652	10	1	4,790												
LANDSCAPING:																	
24 - Irrigation Timer Replace		1,167	5	3													
25 - Irrigation Valves		1,326	2	1	2,395									2,236			
26 - Major Tree Maintenance		5,305	3	1										2,541			
LIGHT FIXTURES:																	
27 - Garage Lights Replace		3,437	20	5													
28 - Building Lights Interior		424	25	10													
29 - Exit Lights Replace		191	25	5										2,696			
30 - Ground Lights Replace		3,151	20	5										10,783			
																	11,783
																	2,592
																	3,034
																	6,912
																	5,707
																	8,846
																	10,125
																	450
																	6,405

Projected Expenditures

RESERVE COMPONENTS	Assumed Annual Inflation Rate..... 3.0%	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Rmng Life	Fiscal Year		(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
						Jan 1	Dec 31										
						2025	2025										
LIGHT FIXTURES - CONTINUED:																	
31 - Pole Lights - Fixture Replace			6,684	20	5							13,587					
32 - Unit Entry Lights Replace			9,877	20	5							20,079					
33 - Unit Patio & Deck Lights Replace			5,644	20	5							11,474					
34 - Walkway Lights Replace			5,952	20	5							12,099					
MECHANICAL SYSTEMS - GARAGE DOORS:																	
35 - Garage Doors Replace - Doubles			40,314	20	5							81,950					
36 - Garage Doors Replace - Singles			1,008	20	5							2,049					
MECHANICAL SYSTEMS-HVAC:																	
37 - Forced Air Furnace Replace			1,591	20	10												3,750
MECHANICAL SYSTEMS-WATER:																	
38 - Circulation Pumps Replace			1,500	10	3			2,874									
39 - Boilers Replace			12,000	15	8			22,993									
40 - Circulation Pumps Replace			3,000	10	4					5,921							
41 - Boilers Replace			24,000	15	9					47,366							
42 - Circulation Pumps Replace			7,500	10	5							15,246					
43 - Boilers Replace			60,000	15	10							121,968					
44 - Water Valve Replacements (2)			3,183	30	1												
45 - Water Valve Replacements (2)			3,183	30	2												
46 - Water Valve Replacements (2)			3,183	30	3												
47 - Water Valve Replacements (2)			3,183	30	4												
48 - Water Valve Replacements (1)			1,591	30	5												
PAVED SURFACES:																	
49 - Asphalt Major Repair		33%	89,752	25	12												
50 - Asphalt Minor Repair		20%	27,197	10	7									58,654			
51 - Asphalt Sealcoat & Stripe			10,905	5	2				20,286					23,517			
52 - Concrete Walkway Repairs			1,591	5	2				2,960					3,432			
53 - Tennis Court Colorcoat			8,784	7	2												20,700
54 - Tennis Court Resurfacing			17,208	21	9				16,831								40,552
RECREATION FACILITIES:																	
55 - Tennis Court Net Replace			451	5	3												
56 - Tot Lot Fixtures			4,244	20	5												
ROOFING SYSTEM:																	
BUILDING #1 - 5015																	
57 - Built-Up Roofing Replace			36,075	20	12												
58 - Composition Shingles Replace			6,807	25	17												
BUILDING #2 - 5011																	
59 - Built-Up Roofing Replace			36,075	20	12												
60 - Composition Shingles Replace			6,807	25	17												

Projected Expenditures

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
					Jan 1	Dec 31										
Assumed Annual Inflation Rate..... 3.0%																
BUILDING #3 - 5009																
61 - Built-Up Roofing Replace		36,075	20	12												
62 - Composition Shingles Replace		6,807	25	17												
BUILDING #4 - 5007																
63 - Built-Up Roofing Replace		36,075	20	12												
64 - Composition Shingles Replace		6,807	25	17												
BUILDING #5 - 5005																
65 - Built-Up Roofing Replace		36,075	20	12												
66 - Composition Shingles Replace		6,807	25	17												
BUILDING #6 - 5017																
67 - Built-Up Roofing Replace		36,075	20	12												
68 - Composition Shingles Replace		6,807	25	17												
BUILDING #7 - 5001																
69 - Built-Up Roofing Replace		36,075	20	12												
70 - Composition Shingles Replace		6,807	25	17												
BUILDING #8 - 5003																
71 - Built-Up Roofing Replace		53,043	20	3			101,637									
72 - Composition Shingles Replace		6,608	25	1												
ROOFING SYSTEM - ALL BUILDINGS:																
ROOFING SYSTEM:																
73 - Chimney Caps Replace		20,188	20	1			36,462									
74 - Chimney Caps Replace		20,188	20	2			37,556									
75 - Gutters & Downspouts Replace		2,575	2	1			4,651						5,553		5,891	
76 - Spark Arrestors Replace		9,085	25	1				4,934				19,021				
77 - Spark Arrestors Replace		9,085	25	2												
ROOFING SYSTEM - GARAGES:																
78 - Composition Shingles Replace		51,936	25	12												
MISCELLANEOUS:																
79 - Mailboxes Replace		10,397	10	5							21,135					
CONSTRUCTION LOAN:																
80 - Amortization Payment Schedule		173,782	1	1												
UNSCHEDEUL.....	5%															
TOTAL EXPENDITURES		2,046,939					763,600	759,101	197,918	85,466	532,914	178,202	390,396	166,718	58,879	122,847

Projected Expenditures

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated		Fiscal Year		(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
			Usfl Life	Rnng Life	Jan 1	Dec 31										
BUILDING EXTERIORS:																
1 - Plywood Siding & Trim Paint		59,837	5	2			149,597						173,423			
2 - Plywood Siding & Trim Repair	20%	47,689	5	2			119,227						138,217			
3 - Staircase Repairs		20,600	5	1		50,002						57,966				
4 - Stucco Siding Paint		144,155	10	2			360,400									695,140
5 - Stucco Siding Repair	5%	42,597	10	2			106,495									
6 - Unit Deck Stacks Rebuild		219,493	20	20								81,384				
7 - Unit Deck Stacks Rebuild		219,493	20	1		70,202										
8 - Unit Deck Joist Repairs		28,922	5	1												
9 - Water Intrusion Contingency		79,825	20	1		120,004										
10 - Wing Wall Repairs		49,440	3	1		75,002										
11 - Wood Bridgeway Repairs		30,900	10	1												
BUILDING INTERIORS - CLUBHOUSE:																
12 - Concealed Decay Contingency		21,000	15	1		50,973										
13 - Walls & Ceilings Paint		3,754	7	2												
CLUBHOUSE DECK SYSTEM:																
14 - Deck Railings Repair		4,297	15	15												
15 - Deck Structure Rebuild		29,000	25	25												
FENCING & WALLS:																
16 - Chain Link Repairs - Tennis Cour	20%	1,680	15	5												
17 - Retaining Walls Repair	25%	2,387	5	3												
18 - Wood Gates Paint & Repair		2,864	5	2			7,161									
19 - Wrought Iron Paint		1,650	5	2			4,124									
20 - Wrought Iron Repair	10%	3,590	10	6								10,101				
FLOOR COVERINGS:																
21 - Recreation Room Carpet Replace		2,507	7	1												
22 - Wood & Tile Floor Refinish		3,021	7	1												
FURNISHINGS & APPLIANCES:																
23 - Recreation Room Items		2,652	10	1		6,438										
LANDSCAPING:																
24 - Irrigation Timer Replace		1,167	5	3												
25 - Irrigation Valves		1,326	2	1		3,219										
26 - Major Tree Maintenance		5,305	3	1		12,875										
LIGHT FIXTURES:																
27 - Garage Lights Replace		3,437	20	5												
28 - Building Lights Interior		424	25	10												
29 - Exit Lights Replace		191	25	5												
30 - Ground Lights Replace		3,151	20	5												

Projected Expenditures

RESERVE COMPONENTS	Assumed Annual Inflation Rate.....	Repair %	Current Repair/Replace Cost	Usfl Life	Estimated Rmng Life	Fiscal Year		(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
						Jan 1	Dec 31										
RESERVE COMPONENTS																	
LIGHT FIXTURES - CONTINUED:																	
31 - Pole Lights - Fixture Replace	3.0%		6,684	20	5												
32 - Unit Entry Lights Replace			9,877	20	5												
33 - Unit Patio & Deck Lights Replace			5,644	20	5												
34 - Walkway Lights Replace			5,952	20	5												
MECHANICAL SYSTEMS - GARAGE DOORS:																	
35 - Garage Doors Replace - Doubles			40,314	20	5												
36 - Garage Doors Replace - Singles			1,008	20	5												
MECHANICAL SYSTEMS-IVAC:																	
37 - Forced Air Furnace Replace			1,591	20	10					3,863							
MECHANICAL SYSTEMS-WATER:																	
38 - Circulation Pumps Replace			1,500	10	3										35,823		
39 - Boilers Replace			12,000	15	8												
40 - Circulation Pumps Replace			3,000	10	4						7,957						
41 - Boilers Replace			24,000	15	9											73,795	
42 - Circulation Pumps Replace			7,500	10	5												20,489
43 - Boilers Replace			60,000	15	10			7,725									
44 - Water Valve Replacements (2)			3,183	30	1												
45 - Water Valve Replacements (2)			3,183	30	2												
46 - Water Valve Replacements (2)			3,183	30	3												
47 - Water Valve Replacements (2)			3,183	30	4						8,442						
48 - Water Valve Replacements (1)			1,591	30	5												190,022
PAVED SURFACES:																	
49 - Asphalt Major Repair		33%	89,752	25	12												260,125
50 - Asphalt Minor Repair		20%	27,197	10	7												78,826
51 - Asphalt Sealcoat & Stripe			10,905	5	2				27,263								31,605
52 - Concrete Walkway Repairs			1,591	5	2				3,979								4,612
53 - Tennis Court Colorcoat			8,784	7	2												25,458
54 - Tennis Court Resurfacing			17,208	21	9												
RECREATION FACILITIES:																	
55 - Tennis Court Net Replace			451	5	3												
56 - Tot Lot Fixtures			4,244	20	5												1,346
ROOFING SYSTEM:																	
BUILDING #1 - 5015																	
57 - Built-Up Roofing Replace			36,075	20	12				90,191								
58 - Composition Shingles Replace			6,807	25	17												
BUILDING #2 - 5011																	
59 - Built-Up Roofing Replace			36,075	20	12				90,191								
60 - Composition Shingles Replace			6,807	25	17												

Projected Expenditures

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(31) 2035	(32) 2036	(33) 2037	(34) 2038	(35) 2039	(36) 2040	(37) 2041	(38) 2042	(39) 2043	(40) 2044
					Jan 1	Dec 31										
					Assumed Annual Inflation Rate..... 3.0%											
BUILDING #3 - 5009																
61 - Built-Up Roofing Replace		36,075	20	12			90,191									
62 - Composition Shingles Replace		6,807	25	17												
BUILDING #4 - 5007																
63 - Built-Up Roofing Replace		36,075	20	12			90,191									
64 - Composition Shingles Replace		6,807	25	17												
BUILDING #5 - 5005																
65 - Built-Up Roofing Replace		36,075	20	12			90,191									
66 - Composition Shingles Replace		6,807	25	17												
BUILDING #6 - 5017																
67 - Built-Up Roofing Replace		36,075	20	12			90,191									
68 - Composition Shingles Replace		6,807	25	17												
BUILDING #7 - 5001																
69 - Built-Up Roofing Replace		36,075	20	12			90,191									
70 - Composition Shingles Replace		6,807	25	17												
BUILDING #8 - 5003																
71 - Built-Up Roofing Replace		53,043	20	3												
72 - Composition Shingles Replace		6,608	25	1												
ROOFING SYSTEM - ALL BUILDINGS:																
ROOFING SYSTEM:																
73 - Chimney Caps Replace		20,188	20	1												
74 - Chimney Caps Replace		20,188	20	2												
75 - Gutters & Downspouts Replace		2,575	2	1		6,250										
76 - Spark Arrestors Replace		9,085	25	1					6,631				7,463			7,918
77 - Spark Arrestors Replace		9,085	25	2												
ROOFING SYSTEM - GARAGES:																
78 - Composition Shingles Replace		51,936	25	12									150,525			
MISCELLANEOUS:																
79 - Mailboxes Replace		10,397	10	5						28,403						
CONSTRUCTION LOAN:																
80 - Amortization Payment Schedule		173,782	1	1		39,577	40,764	41,987	43,246	44,544	45,880	47,257	48,674	50,134	51,638	
UNSCHEDULED.....	5%					442,267	1,458,304	74,404	204,846	114,191	210,887	1,103,982	96,452	135,924	1,110,178	
TOTAL EXPENDITURES		2,046,939														

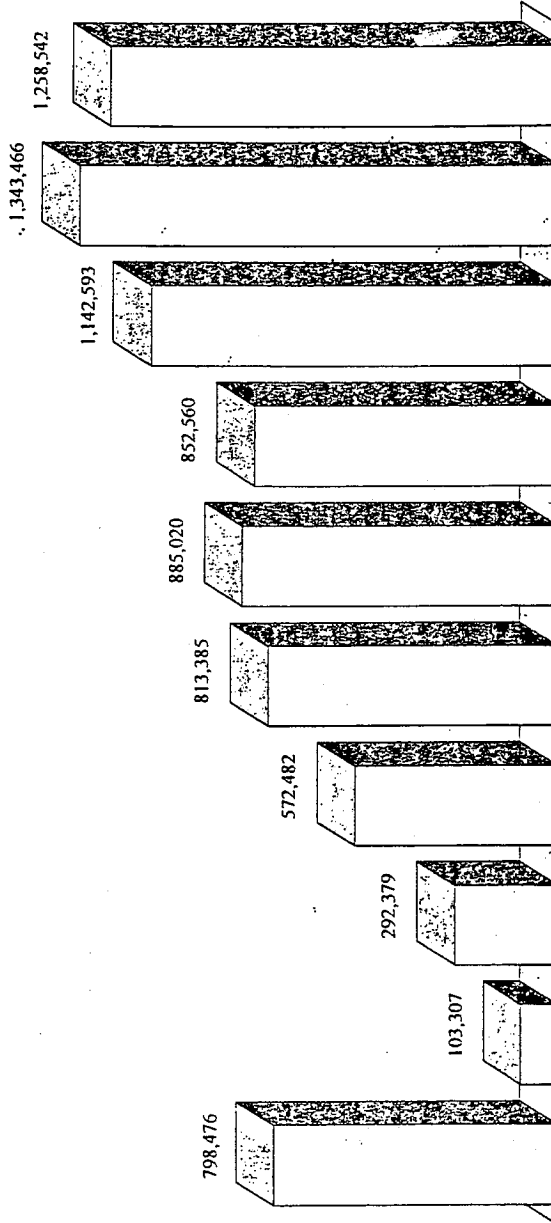
Funding Plan

Projected Cash Balance

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Jan 1	65,471	101,013	105,270	138,857	180,885	294,150	232,303	411,157	561,725	652,106
Dec 31	60,000	65,471	101,013	105,270	138,857	180,885	294,150	232,303	411,157	561,725
BEGINNING BALANCE	60,000	65,471	101,013	105,270	138,857	180,885	294,150	232,303	411,157	561,725
EXPENDITURES (inflated \$)	454,108	522,123	161,605	132,464	137,173	80,474	270,673	46,536	93,680	173,620
RESERVE CONTRIBUTION	164,836	164,836	164,836	164,836	177,611	191,376	206,207	222,188	239,408	257,962
Per Unit Per Month (98 units)	140.17	140.17	140.17	140.17	151.03	162.73	175.35	188.94	203.58	219.36
Percentage Increase to Reserves	0.0	0.0	0.0	0.0	7.8	7.8	7.8	7.8	7.8	7.8
Percentage Increase to Total Assessment	0.0	0.0	0.0	0.0	2.5	2.7	2.8	2.9	3.1	3.2
SPECIAL ASSESSMENTS	294,119	392,000	0	0	0	0	0	0	0	0
INTEREST	624	828	1,026	1,215	1,591	2,363	2,619	3,201	4,840	6,039
ENDING BALANCE	65,471	101,013	105,270	138,857	180,885	294,150	232,303	411,157	561,725	652,106

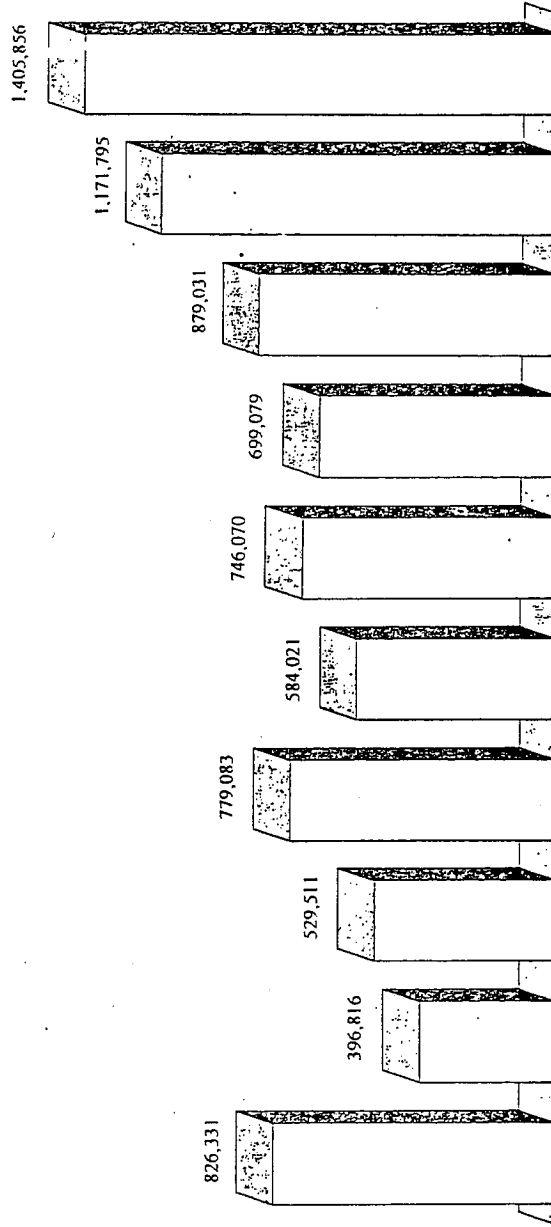
Funding Plan

Projected Cash Balance



	Fiscal Year	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
BEGINNING BALANCE	Jan 1	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Dec 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXPENDITURES (inflated \$)	3.0%	652,106	798,476	103,307	292,379	572,482	813,385	885,020	852,560	1,142,593	1,343,466
RESERVE CONTRIBUTION		138,801	999,151	114,710	28,350	72,495	245,691	352,372	33,569	127,599	416,420
Per Unit Per Month (98 units)		277,954	299,495	301,814	304,150	306,504	308,876	311,267	313,676	316,104	318,550
Percentage Increase to Reserves		236.36	254.67	256.64	258.63	260.63	262.65	264.68	266.73	268.80	270.88
Percentage Increase to Total Assessment		7.8	7.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
SPECIAL ASSESSMENTS		3.4	3.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
INTEREST		0	0	0	0	0	0	0	0	0	0
ENDING BALANCE	1.0%	7,217	4,486	1,969	4,303	6,895	8,450	8,645	9,926	12,368	12,945
		798,476	103,307	292,379	572,482	813,385	885,020	852,560	1,142,593	1,343,466	1,258,542

Funding Plan

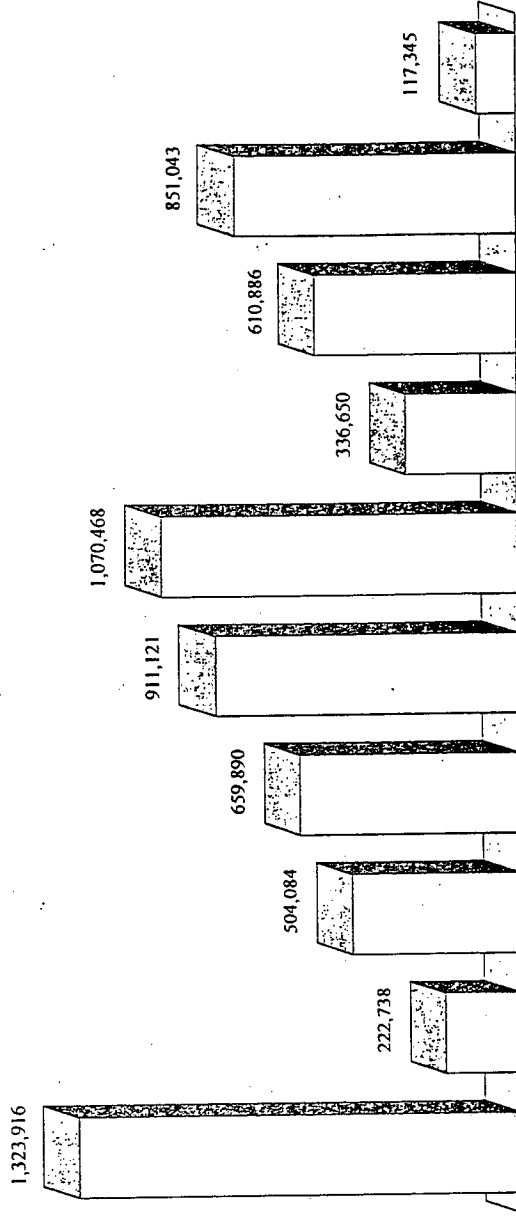


Projected Cash Balance

	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Jan 1	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Dec 31	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
BEGINNING BALANCE	1,258,542	826,331	396,816	529,511	779,083	584,021	746,070	699,079	879,031	1,171,795
EXPENDITURES (inflated \$)	763,600	759,101	197,918	85,466	532,914	178,202	390,396	166,718	58,879	122,847
RESERVE CONTRIBUTION	321,016	323,501	326,005	328,528	331,071	333,633	336,216	338,818	341,440	344,083
Per Unit Per Month (98 units)	272.97	275.09	277.21	279.36	281.52	283.70	285.90	288.11	290.34	292.59
Percentage Increase to Reserves	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Percentage Increase to Total Assessment	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
SPECIAL ASSESSMENTS	0	0	0	0	0	0	0	0	0	0
INTEREST	10,373	6,085	4,609	6,510	6,782	6,617	7,190	7,851	10,203	12,824
ENDING BALANCE	826,331	396,816	529,511	779,083	584,021	746,070	699,079	879,031	1,171,795	1,405,856

Funding Plan

Projected Cash Balance



	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Fiscal Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
BEGINNING BALANCE	1,405,856	1,323,916	222,738	504,084	659,890	911,121	1,070,468	336,650	610,886	851,043
EXPENDITURES (inflated \$)	442,267	1,458,304	74,404	204,846	114,191	210,887	1,103,982	96,452	135,924	1,110,173
RESERVE CONTRIBUTION	346,746	349,430	352,135	354,860	357,607	360,375	363,164	365,975	368,807	371,662
Per Unit Per Month (98 units)	294.85	297.13	299.43	301.75	304.09	306.44	308.81	311.20	313.61	316.04
Percentage Increase to Reserves	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Percentage Increase to Total Assessment	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
SPECIAL ASSESSMENTS	0	0	0	0	0	0	0	0	0	0
INTEREST	13,581	7,695	3,616	5,791	7,816	9,859	7,001	4,714	7,273	4,818
ENDING BALANCE	1,323,916	222,738	504,084	659,890	911,121	1,070,468	336,650	610,886	851,043	117,345

Component Quantification

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated		Quantity	Unit of Measurement	Unit Cost	Notes
			Usfl Life	Rmng Life				
BUILDING EXTERIORS:								
1 - Plywood Siding & Trim Paint		59,837	5	2	44,990	square feet	1.33	All notes to accompany final report pending further discussions and potential revisions to this preliminary report submitted to the current management team on 11/1/04.
2 - Plywood Siding & Trim Repair	20%	47,689	5	2	44,990	square feet	5.30	
3 - Staircase Repairs		20,600	5	1	4	locations	5,150.00	
4 - Stucco Siding Paint		144,155	10	2	118,160	square feet	1.22	
5 - Stucco Siding Repair	5%	42,597	10	2	118,160	square feet	7.21	
6 - Unit Deck Stacks Rebuild		219,493	20	20	1	fund	219,493.00	
7 - Unit Deck Stacks Rebuild		219,493	20	1	1	fund	219,493.00	
8 - Unit Deck Joist Repairs		28,922	5	1	18	locations	1,606.80	
9 - Water Intrusion Contingency		79,825	20	1	1	fund	79,825.00	
10 - Wing Wall Repairs		49,440	3	1	8	buildings	6,180.00	
11 - Wood Bridgeway Repairs		30,900	10	1	2	locations	15,450.00	
BUILDING INTERIORS - CLUBHOUSE:								
12 - Concealed Decay Contingency		21,000	15	1	1	bid	21,000.00	
13 - Walls & Ceilings Paint		3,754	7	2	5,440	square feet	0.69	
CLUBHOUSE DECK SYSTEM:								
14 - Deck Railings Repair		4,297	15	15	45	linear feet	95.48	
15 - Deck Structure Rebuild		29,000	25	25	1	bid	29,000.00	
FENCING & WALLS:								
16 - Chain Link Repairs - Tennis Cour	20%	1,680	15	5	360	linear feet	23.34	
17 - Retaining Walls Repair	25%	2,387	5	3	90	linear feet	106.09	
18 - Wood Gates Paint & Repair		2,864	5	2	6	gates	477.41	
19 - Wrought Iron Paint		1,650	5	2	1,410	linear feet	1.17	
20 - Wrought Iron Repair	10%	3,590	10	6	1,410	linear feet	25.46	
FLOOR COVERINGS:								
21 - Recreation Room Carpet Replace		2,507	7	1	630	square feet	3.98	
22 - Wood & Tile Floor Refinish		3,021	7	1	950	square feet	3.18	
FURNISHINGS & APPLIANCES:								
23 - Recreation Room Items		2,652	10	1	1	fund	2,652.25	
LANDSCAPING:								
24 - Irrigation Timer Replace		1,167	5	3	1	timer	1,166.99	
25 - Irrigation Valves		1,326	2	1	5	valves	265.23	
26 - Major Tree Maintenance		5,305	3	1	1	fund	5,304.50	
LIGHT FIXTURES:								
27 - Garage Lights Replace		3,437	20	5	24	fixtures	143.22	
28 - Building Lights Interior		424	25	10	4	fixtures	106.09	
29 - Exit Lights Replace		191	25	5	2	fixtures	95.48	
30 - Ground Lights Replace		3,151	20	5	27	fixtures	116.70	

Component Quantification

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Rmng Life	Quantity	Unit of Measurement	Unit Cost	Notes
LIGHT FIXTURES - CONTINUED:								
31 - Pole Lights - Fixture Replace		6,684	20	5	21	fixtures	318.27	
32 - Unit Entry Lights Replace		9,877	20	5	98	fixtures	100.79	
33 - Unit Patio & Deck Lights Replace		5,644	20	5	56	fixtures	100.79	
34 - Walkway Lights Replace		5,952	20	5	51	fixtures	116.70	
MECHANICAL SYSTEMS - GARAGE DOORS:								
35 - Garage Doors Replace - Doubles		40,314	20	5	20	doors	2,015.71	
36 - Garage Doors Replace - Singles		1,008	20	5	1	door	1,007.86	
MECHANICAL SYSTEMS-HVAC:								
37 - Forced Air Furnace Replace		1,591	20	10	1	unit	1,591.35	
MECHANICAL SYSTEMS-WATER:								
38 - Circulation Pumps Replace		1,500	10	3	1	pump	1,500.00	Information in this section is based on limited information from various vendors. All
39 - Boilers Replace		12,000	15	8	1	boilers	12,000.00	recommendations are estimates only.
40 - Circulation Pumps Replace		3,000	10	4	2	pumps	1,500.00	
41 - Boilers Replace		24,000	15	9	2	boilers	12,000.00	
42 - Circulation Pumps Replace		7,500	10	5	5	pumps	1,500.00	
43 - Boilers Replace		60,000	15	10	5	boilers	12,000.00	
44 - Water Valve Replacements (2)		3,183	30	1	2	locations	1,591.35	
45 - Water Valve Replacements (2)		3,183	30	2	2	locations	1,591.35	
46 - Water Valve Replacements (2)		3,183	30	3	2	locations	1,591.35	
47 - Water Valve Replacements (2)		3,183	30	4	2	locations	1,591.35	Information in this section is based on limited information from various vendors. All
48 - Water Valve Replacements (1)		1,591	30	5	1	location	1,591.35	recommendations are estimates only.
PAVED SURFACES:								
49 - Asphalt Major Repair	33%	89,752	25	12	64,145	square feet	4.24	
50 - Asphalt Minor Repair	20%	27,197	10	7	64,145	square feet	2.12	
51 - Asphalt Sealcoat & Stripe		10,905	5	2	64,145	square feet	0.17	
52 - Concrete Walkway Repairs		1,591	5	2	1	fund	1,591.35	
53 - Tennis Court Colorcoat		8,784	7	2	7,200	square feet	1.22	
54 - Tennis Court Resurfacing		17,208	21	9	7,200	square feet	2.39	
RECREATION FACILITIES:								
55 - Tennis Court Net Replace		451	5	3	1	net	450.88	
56 - Tot Lot Fixtures		4,244	20	5	2	fixtures	2,121.80	
ROOFING SYSTEM:								
BUILDING #1 - 5015								
57 - Built-Up Roofing Replace		36,075	20	12	1	contract	36,075.26	
58 - Composition Shingles Replace		6,807	25	17	1	contract	6,806.65	

Component Quantification

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated		Quantity	Unit of Measurement	Unit Cost	Notes
			Useful Life	Rmng Life				
BUILDING #2 - 5011								
59 - Built-Up Roofing Replace		36,075	20	12	1	contract	36,075.26	
60 - Composition Shingles Replace		6,807	25	17	1	contract	6,806.65	
BUILDING #3 - 5009								
61 - Built-Up Roofing Replace		36,075	20	12	1	contract	36,075.26	
62 - Composition Shingles Replace		6,807	25	17	1	contract	6,806.65	
BUILDING #4 - 5007								
63 - Built-Up Roofing Replace		36,075	20	12	1	contract	36,075.26	
64 - Composition Shingles Replace		6,807	25	17	1	contract	6,806.65	
BUILDING #5 - 5005								
65 - Built-Up Roofing Replace		36,075	20	12	1	contract	36,075.26	
66 - Composition Shingles Replace		6,807	25	17	1	contract	6,806.65	
BUILDING #6 - 5017								
67 - Built-Up Roofing Replace		36,075	20	12	1	contract	36,075.26	
68 - Composition Shingles Replace		6,807	25	17	1	contract	6,806.65	
BUILDING #7 - 5001								
69 - Built-Up Roofing Replace		36,075	20	12	1	contract	36,075.26	
70 - Composition Shingles Replace		6,807	25	17	1	contract	6,806.65	
BUILDING #8 - 5003								
71 - Built-Up Roofing Replace		53,043	20	3	1	contract	53,043.44	
72 - Composition Shingles Replace		6,608	25	1	1	contract	6,608.40	
ROOFING SYSTEM - ALL BUILDINGS:								
ROOFING SYSTEM:								
73 - Chimney Caps Replace		20,188	20	1	49	locations	412.00	
74 - Chimney Caps Replace		20,188	20	2	49	locations	412.00	
75 - Gutters & Downspouts Replace		2,575	2	1	1	fund	2,575.00	
76 - Spark Arrestors Replace		9,085	25	1	49	locations	185.40	
77 - Spark Arrestors Replace		9,085	25	2	49	locations	185.40	
ROOFING SYSTEM - GARAGES:								
78 - Composition Shingles Replace		51,936	25	12	9,600	square feet	5.41	
MISCELLANEOUS:								
79 - Mailboxes Replace		10,397	10	5	98	structures	106.09	
CONSTRUCTION LOAN:								
80 - Amortization Payment Schedule		173,782	1	1	1	loan	173,782.00	

Accrued Liability

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Rmng Life	Annual Liability	Accrued Liability
BUILDING EXTERIORS:						
1 - Plywood Siding & Trim Paint		59,837	5	2	11,967	35,902
2 - Plywood Siding & Trim Repair	20%	47,689	5	2	9,538	28,614
3 - Staircase Repairs		20,600	5	1	4,120	16,480
4 - Stucco Siding Paint		144,155	10	2	14,416	115,324
5 - Stucco Siding Repair	5%	42,597	10	2	4,260	34,077
6 - Unit Deck Stacks Rebuild		219,493	20	20	10,975	0
7 - Unit Deck Stacks Rebuild		219,493	20	1	10,975	208,518
8 - Unit Deck Joist Repairs		28,972	5	1	5,784	23,138
9 - Water Intrusion Contingency		79,825	20	1	3,991	75,834
10 - Wing Wall Repairs		49,440	3	1	16,480	32,960
11 - Wood Bridgeway Repairs		30,900	10	1	3,090	27,810
BUILDING INTERIORS - CLUBHOUSE:						
12 - Concealed Decay Contingency		21,000	15	1	1,400	19,600
13 - Walls & Ceilings Paint		3,754	7	2	536	2,681
CLUBHOUSE DECK SYSTEM:						
14 - Deck Railings Repair		4,297	15	15	286	0
15 - Deck Structure Rebuild		29,000	25	25	1,160	0
FENCING & WALLS:						
16 - Chain Link Repairs - Tennis Cour	20%	1,680	15	5	112	1,120
17 - Retaining Walls Repair	25%	2,387	5	3	477	955
18 - Wood Gates Paint & Repair		2,864	5	2	573	1,719
19 - Wrought Iron Paint		1,650	5	2	330	990
20 - Wrought Iron Repair	10%	3,590	10	6	359	1,436
FLOOR COVERINGS:						
21 - Recreation Room Carpet Replace		2,507	7	1	358	2,149
22 - Wood & Tile Floor Refinish		3,021	7	1	432	2,589
FURNISHINGS & APPLIANCES:						
23 - Reception Room Items		2,652	10	1	265	2,387
LANDSCAPING:						
24 - Irrigation Timer Replace		1,167	5	3	233	467
25 - Irrigation Valves		1,326	2	1	663	663
26 - Major Tree Maintenance		5,305	3	1	1,768	3,536
LIGHT FIXTURES:						
27 - Garage Lights Replace		3,437	20	5	172	2,578
28 - Building Lights Interior		424	25	10	17	255
29 - Exit Lights Replace		191	25	5	8	153
30 - Ground Lights Replace		3,151	20	5	158	2,363

Accrued Liability

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Useful Life	Remaining Life	Annual Liability	Accrued Liability
LIGHT FIXTURES - CONTINUED:						
31 - Pole Lights - Fixture Replace		6,684	20	5	334	5,013
32 - Unit Entry Lights Replace		9,877	20	5	494	7,408
33 - Unit Patio & Deck Lights Replace		5,644	20	5	282	4,233
34 - Walkway Lights Replace		5,952	20	5	298	4,464
MECHANICAL SYSTEMS - GARAGE DOORS:						
35 - Garage Doors Replace - Doubles		40,314	20	5	2,016	30,236
36 - Garage Doors Replace - Singles		1,008	20	5	50	756
37 - Forced Air Furnace Replace		1,591	20	10	80	796
MECHANICAL SYSTEMS-WATER:						
38 - Circulation Pumps Replace		1,500	10	3	150	1,050
39 - Boilers Replace		12,000	15	8	800	5,600
40 - Circulation Pumps Replace		3,000	10	4	300	1,800
41 - Boilers Replace		24,000	15	9	1,600	9,600
42 - Circulation Pumps Replace		7,500	10	5	750	3,750
43 - Boilers Replace		60,000	15	10	4,000	20,000
44 - Water Valve Replacements (2)		3,183	30	1	106	3,077
45 - Water Valve Replacements (2)		3,183	30	2	106	2,971
46 - Water Valve Replacements (2)		3,183	30	3	106	2,864
47 - Water Valve Replacements (2)		3,183	30	4	106	2,758
48 - Water Valve Replacements (1)		1,591	30	5	53	1,326
PAVED SURFACES:						
49 - Asphalt Major Repair	33%	89,752	25	12	3,590	46,671
50 - Asphalt Minor Repair	20%	27,197	10	7	2,720	8,159
51 - Asphalt Sealcoat & Stripe		10,905	5	2	2,181	6,543
52 - Concrete Walkway Repairs		1,591	5	2	318	955
53 - Tennis Court Colorcoat		8,784	7	2	1,255	6,274
54 - Tennis Court Resurfacing		17,208	21	9	819	9,833
RECREATION FACILITIES:						
55 - Tennis Court Net Replace		451	5	3	90	180
56 - Tot Lot Fixtures		4,244	20	5	212	3,183
ROOFING SYSTEM:						
BUILDING #1 - 5015						
57 - Built-Up Roofing Replace		36,075	20	12	1,804	14,430
58 - Composition Shingles Replace		6,807	25	17	272	2,178

Accrued Liability

Assumed Annual Inflation Rate..... 3.0%

RESERVE COMPONENTS	Repair %	Current Repair/Replace Cost	Estimated Usfl Life	Rmng Life	Annual Liability	Accrued Liability
BUILDING #2 - 5011						
59 - Built-Up Roofing Replace		36,075	20	12	1,804	14,430
60 - Composition Shingles Replace		6,807	25	17	272	2,178
BUILDING #3 - 5009						
61 - Built-Up Roofing Replace		36,075	20	12	1,804	14,430
62 - Composition Shingles Replace		6,807	25	17	272	2,178
BUILDING #4 - 5007						
63 - Built-Up Roofing Replace		36,075	20	12	1,804	14,430
64 - Composition Shingles Replace		6,807	25	17	272	2,178
BUILDING #5 - 5005						
65 - Built-Up Roofing Replace		36,075	20	12	1,804	14,430
66 - Composition Shingles Replace		6,807	25	17	272	2,178
BUILDING #6 - 5017						
67 - Built-Up Roofing Replace		36,075	20	12	1,804	14,430
68 - Composition Shingles Replace		6,807	25	17	272	2,178
BUILDING #7 - 5001						
69 - Built-Up Roofing Replace		36,075	20	12	1,804	14,430
70 - Composition Shingles Replace		6,807	25	17	272	2,178
BUILDING #8 - 5003						
71 - Built-Up Roofing Replace		53,043	20	3	2,652	45,087
72 - Composition Shingles Replace		6,608	25	1	264	6,344
ROOFING SYSTEM - ALL BUILDINGS:						
ROOFING SYSTEM:						
73 - Chimney Caps Replace		20,188	20	1	1,009	19,179
74 - Chimney Caps Replace		20,188	20	2	1,009	18,169
75 - Gutters & Downspouts Replace		2,575	2	1	1,288	1,288
76 - Spark Arrestors Replace		9,085	25	1	363	8,721
77 - Spark Arrestors Replace		9,085	25	2	363	8,358
ROOFING SYSTEM - GARAGES:						
78 - Composition Shingles Replace		51,936	25	12	2,077	27,007
MISCELLANEOUS:						
79 - Mailboxes Replace		10,397	10	5	1,040	5,198
CONSTRUCTION LOAN:						
80 - Amortization Payment Schedule		173,782	1	1	173,782	0
UNSCHEDULED..... 5%						
		2,046,939			326,101	1,089,406